



**DESERT HEALTHCARE DISTRICT
BOARD MEETING
Board of Directors
September 24, 2019
5:30 P.M.**

Coachella Library
Meeting Rooms 1 and 2
1500 6th Street
Coachella, CA 92236

This meeting is handicapped-accessible

<i>Page(s)</i>	AGENDA	<i>Item Type</i>
	<i>Any item on the agenda may result in Board Action</i>	
	A. CALL TO ORDER – President Zendle, MD Roll Call ____ Director Shorr ____ Director Borja ____ Director PerezGil ____ Director Rogers, RN ____ Director Matthews ____ Vice-President/Secretary De Lara ____ President Zendle	
	B. PLEDGE OF ALLEGIANCE	
1-3	C. APPROVAL OF AGENDA	Action
	D. PUBLIC COMMENT At this time, comments from the audience may be made on items <i>not</i> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Board has a policy of limiting speakers to no more than three minutes. The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action.	
	E. CONSENT AGENDA All Consent Agenda item(s) listed below are considered routine by Board of Directors and will be enacted by one motion. <u>There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.</u>	Action
4-14	1. BOARD MINUTES a. Board of Directors Meeting – July 23, 2019	
15-43	2. FINANCE AND ADMINISTRATION a. Approval of July and August 2019 Financial Statements – F&A Approved September 10, 2019	
44-56	b. Revised Organizational Chart, Proposed Salaries, and Job Descriptions	
57-66	c. Human Resources Consultant Service Agreement	



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|----------------|---|-------------------------|
| 67-88 | d. Las Palmas Plaza Lease Extension – Suite 1W 201 – Peter Jamieson, MD | |
| 89-110 | e. Las Palmas Plaza Lease – Suites 1W 105-106 – Cohen, Much, & Thomas Medical Group | |
| 111-132 | f. Las Palmas Plaza Lease Extension – Suite 1W 204 – Dennis Spurgin, DC | |
| 133-134 | g. First Amendment to CEO Employment Agreement – Auto Allowance \$500/month | |
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 | | |
| | F. PUBLIC HEARING | |
| 135-137 | 1. Expansion and Rezoning Background | Information |
| 138-166 | 2. Zone Mapping Process for the New District Boundaries – 7 Zones – Justin Levitt, Vice President, National Demographic Corporation | Information /Discussion |
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| | G. DESERT HEALTHCARE DISTRICT CEO REPORT | Information |
| | – Conrado E. Bárzaga, MD | |
| | 1. AB 1095 Desert Healthcare District – Revised term limits for the appointments of Vice-President De Lara and Director Borja | |
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| | H. DESERT REGIONAL MEDICAL CENTER CEO REPORT | Information |
| | – Michele Finney, CEO | |
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| | I. DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS’ REPORT – | Information |
| | President Les Zendle, MD and Director Carole Rogers, RN | |
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| | J. 1. FINANCE, LEGAL ADMINISTRATION AND REAL ESTATE COMMITTEE – | |
| | Chair/Treasurer Mark Matthews, Vice-President Leticia De Lara, and Director Arthur Shorr | |
| 167-172 | 1. Meeting Minutes – September 10, 2019 | Information |



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|----------------|---|---------------|
| 173-177 | 2. PROGRAM COMMITTEE – Chair/Director Carole Rogers, RN; Director Evett PerezGil; and Director Leticia De Lara | Information |
| 178-183 | 1. Meeting Minutes – September 10, 2019 | Information |
| 184-201 | 2. Grant Proposals Under Development | Action |
| 202-231 | 3. Consideration to approve Grant #1017 Jewish Family Services (JFS) – \$90,000 to support case management Services for homeless prevention | Action |
| 202-231 | 4. Consideration to approve Grant #1025 Ready Set Swim (RSS) to the Desert Healthcare Foundation – \$200,000 | Action |
| | 3. STRATEGIC PLANNING COMMITTEE – Chair/President Les Zendle, MD; Director Karen Borja, and Director Arthur Shorr | Information |
| 232-250 | K. OLD BUSINESS
1. LGBTQ Community Center of the Desert – Health Assessment and Research for Communities (HARC) report deliverable for Grant #866 – Mental Health Counseling Services 2015-2018 | Information |
| | L. NEW BUSINESS | |
| 251-252 | M. LEGAL COMMENTS & REPORT | |
| | N. DIRECTORS’ COMMENTS, REPORTS, INFORMATIONAL ITEMS, & STAFF DIRECTION AND GUIDANCE | |
| | O. ADJOURNMENT | |

If you have any disability which would require accommodation to enable you to participate in this meeting, please email Andrea S. Hayles, Special Assistant to the CEO and Board Relations Officer, at ahayles@dhcd.org or call (760) 323-6110 at least 24 hours prior to the meeting.



**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
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July 23, 2019**

Directors Present	District Staff Present	Absent
President Les Zendle, MD Vice-President/Secretary Leticia De Lara Treasurer Mark Matthews Director Carole Rogers – <i>Video Conference</i> Director Evett PerezGil Director Karen Borja Director Arthur Shorr - <i>Video Conference</i>	Chris Christensen, Interim CEO, CFO Donna Craig, Senior Program Officer Will Dean, Marketing and Communications Director Alejandro Espinoza, Program Officer and Outreach Director Andrea S. Hayles, Clerk of the Board <u>Legal Counsel</u> Jeff Scott	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President Zendle called the meeting to order at 5:30 p.m. The Clerk of the Board called the roll with all Directors present. <i>Director Shorr's location was not listed on the agenda before publication; thus, Director Shorr did not vote and listened in to the meeting.</i>	
B. Pledge of Allegiance	Director Borja led the pledge of allegiance.	
C. Approval of Agenda	President Zendle explained that the presentation by Jill Gover, Ph.D., Clinic Director, LGBT Community Center of the Desert, F.1. is postponed until September. Item K will replace F.1., and President Zendle asked for a motion to approve the agenda as amended.	#20-17 MOTION WAS MADE by Director Matthews and seconded by Vice-President De Lara to approve the agenda. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja. NOES – 0 ABSENT – 0
D. Public Comment	No public comment for items not listed on the agenda.	
E. Consent Agenda 1. Board Minutes	President Zendle asked for a motion to approve the consent agenda.	#20-18 MOTION WAS MADE by Director Matthews and seconded



**DESERT HEALTHCARE DISTRICT
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<ul style="list-style-type: none"> a. Board of Directors Meeting – June 25, 2019 2. Finance and Administration <ul style="list-style-type: none"> a. Approval of June 2019 Financial Statements (Preliminary) – F&A Approved July 9, 2019 3. Ad Hoc Committee on Board and Staff Communications and Policies <ul style="list-style-type: none"> a. Filling a Vacancy on the Board – BOD-6 b. Board Meetings – BOD-8 c. Rules of Order for Board and Committee Meetings – BOD-9 d. Board Meeting Conduct – BOD-10 e. Minutes of Board Meetings – BOD-12 f. Memberships in Organizations, Training, Education, Conferences, and Reimbursement procedures – BOD-13 g. Ethics Training and Education Training related to Workplace Harassment h. Compensation Policy – OP-12 	<p>by Vice-President De Lara to approve the consent agenda. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja NOES – 0 ABSENT – 0</p>
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<p>i. Financial Reserve Policy – FIN-06</p>		
<p>F. Presentations 1. Presentation, Jill Gover, Ph.D., Clinic Director, LGBTQ Community Center of the Desert – Health Assessment and Research for Communities (HARC) report deliverable for Grant #866 – Mental Health Counseling Services 2015-2018</p>	<p>Dr. Gover’s presentation is postponed to the September 24, 2019, Board of Directors meeting.</p>	
<p>G. Desert Healthcare District CEO Report 1. Proposition 68 – Parks, Environment, and Water Bond 2. National Innovative Communities Conference</p>	<p>Chris Christensen, Interim CEO, described the staff report on Proposition 68 and staff continuing to learn and participate in forums.</p> <p>Vice-President De Lara explained that since the state is not accepting letters of support from applicants, it is acceptable for agencies to describe the District’s backing when completing the applications, which should be reflected in the minutes given the upcoming August 5th deadline.</p> <p>Chris Christensen, Interim CEO, provided an overview of the National Innovative Communities Conference including the goals.</p>	<p>#20-19 MOTION WAS MADE by Vice-President De Lara and seconded by Director PerezGil to support Proposition 68 – Parks, Environment, and Water Bond, reflecting support from the District in agency applications throughout the Coachella Valley. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja NOES – 0 ABSENT – 0</p>
<p>H. Desert Regional Medical Center CEO Report</p>	<p>Michele Finney, CEO, Desert Care Network (DCN), Desert Regional Medical Center (DRMC), provided an update on the June and July activities detailing the steady patient care volume which has not decreased in the summer months. As a result, additional employees</p>	



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	<p>will be hired with program flexibility for usage in areas of the hospital on an interim basis. The second phase of the emergency department should be complete by the end of the year; however, 10 beds were out of service during the second phase and moved to isolation rooms. The Sinatra 5 elevator is scheduled for inspection; the fire system upgrade is 50% complete and awaiting the strobe light installments; pharmacy upgrades are in process based on new codes for sterile compounding; the sterile processing department is a rebuild, and replacement of equipment is currently in phase 2. The nurse call upgrade for 3 east will commence next week. During the most recent earthquake, the building's systems worked properly during the 7.1 earthquake, including the quality control process. The elevators in the east tower functioned as required meeting the current codes. iRound, a new staff training tool to individualize patient care, is now in place; a new tracking board for patients' families to keep track of surgeries is live and operating. The continuity clinic is up and running; the medical staff has a scholarship program and received applications from employees that resulted in awarding three more scholarships to high school graduates; disaster preparedness, stroke education, and the details of the blood drive were described.</p>	
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<p>I. Desert Regional Medical Center Governing Board of Directors Report</p>	<p>President Zendle explained the most recent meeting highlighting the biomedical director report on equipment and maintenance. Details of the Comprehensive Cancer Center presentation was provided with 73,000 patient visits in 2018, and a new co-marketing campaign with the City of Hope. The center has performed cancer clinical trials for 26 years and is also designated as a comprehensive breast care health facility. The governing board reviewed the California Department of Public Health cases for the prior month with a significant decrease in staff turnover for the first year of employment. The quality improvement reports were also reviewed and discussed.</p>	
<p>J. 1. Finance, Legal, Administration, and Real Estate Committee a. Meeting Minutes – July 9, 2019 b. Consideration to approve the Las Palmas Medical Plaza Desert Modern Landscape Architect Service Proposal</p>	<p>Director Matthews described the July meeting minutes and detailed the committee’s choice for Board consideration of the service proposal for Desert Modern Landscape.</p> <p>Vice-President De Lara inquired about the committee's selection of accepting the higher rate as opposed to the lower rate of TKD. Director Matthews explained the recommendation from the architect firm and other advantages and disadvantages.</p>	<p>#20-20 MOTION WAS MADE by Director Matthews and seconded by Director Borja to approve the Las Palmas Medical Plaza Desert Modern Landscape Architect Service Proposal. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja NOES – 0 ABSENT – 0</p>

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<p>c. Consideration to approve Las Palmas Medical Plaza Lease Renewal – Brad A. Wolfson, MD – Suite 2W 102</p> <p>2. Program Committee</p> <p>a. Meeting Minutes – July 9, 2019</p> <p>b. Grant Proposals Under Development</p> <p>3. Ad Hoc Committee on Board and Staff Communications and Policies</p> <p>a. Meeting Minutes – July 17, 2019</p>	<p>Director Matthews explained the renewal lease at Las Palmas Medical Plaza for suite 2W 102.</p> <p>Director Rogers explained that the committee reviewed the grant process with committee members and staff.</p> <p>Director Rogers explained that the most recent report of the current grants under development are included in the Board packet for review.</p> <p>The minutes of the most recent Ad Committee on Board and Staff Communications and Policies is included in the Board packet for review as detailed by President Zendle.</p>	<p>#20-21 MOTION WAS MADE by Director Matthews and seconded by Director Borja to approve Las Palmas Medical Plaza Lease Renewal – Brad A. Wolfson, MD – Suite 2W 102.</p> <p>Motion passed unanimously.</p> <p>AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja</p> <p>NOES – 0</p> <p>ABSENT – 0</p>
<p>K. Ad Hoc Committee – Tenet Healthcare Lease</p> <p>1. Meeting Minutes – July 18, 2019</p> <p>2. Tenet Healthcare Proposal</p>	<p>President Zendle explained the background of the Board’s work since 2017, commencing with the</p>	<p>#20-22 MOTION WAS MADE by Vice-President De Lara and seconded by Director PerezGil to</p>



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	<p>market analysis, hospital appraisal, and valuation study while engaging the services of consultant Kaufman Hall. An overview of the proposal from Tenet for the acquisition of Desert Regional Medical Center was described, and the appointment of an ad hoc committee to review the proposal and provide input to the entire Board.</p> <p>Director Matthews described the most recent meeting of the ad hoc committee and the appointed Directors, outlining the three elements of the purchase price that includes the base purchase price, seismic, and investments in the Coachella Valley. The committee recommended to the Board that Tenet resubmit the proposal with more substantial financial consideration, specifics of the proposed future configuration of Desert Regional Medical Center, and more specifics of the investments of healthcare services and capital projects in the entire Coachella Valley.</p> <p>After public comment (see below), President Zendle inquired on comments from the Board. Director Rogers explained that there is a lot of community engagement ahead, and the District should have a clear position on the issues.</p> <p>President Zendle explained that there will be a lot of work going forward, such as negotiating with Tenet. The District serves the entire</p>	<p>move forward with the recommendations of the ad hoc committee – Tenet Lease. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja</p> <p>NOES – 0</p> <p>ABSENT – 0</p>
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<p>3. Consideration to approve Kaufman Hall & Associates Letter of Engagement</p>	<p>Coachella Valley, and there are other matters the District is tasked with such as the social determinants of health, and outpatient care, ensuring that the Board listens to the public, including local elected officials and other government agencies – with a likely vote for the potential sale of the hospital in the November 2020 election.</p> <p>President Zendle inquired if the Board approved accepting the recommendation of the ad hoc committee and moving forward as suggested.</p> <p>Director Matthews explained the initial meeting of the ad hoc committee describing the work of Kaufman Hall & Associates for two to three months to discuss the acquisition, Tenet’s monetary investments in the community, and the seismic issues at Desert Regional Medical Center – further detailing that the decision is ultimately for the voters to decide.</p>	<p>#20-23 MOTION WAS MADE by Director Matthews and seconded by Director PerezGil to approve Kaufman Hall & Associates Letter of Engagement. Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja NOES – 0 ABSENT – 0</p>
<p>Public Comments</p>	<p>Michele Finney, CEO, Desert Care Network (DCN), Desert Regional Medical Center (DRMC), explained that she has been the CEO for the past two (2) years, thanked the Board, and on behalf of DCN and Tenet Healthcare, Mrs. Finney explained that she is pleased to acknowledge that a proposal has been submitted to the District for</p>	



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	<p>the purchase of DRMC further describing Tenet’s strong commitment to the Coachella Valley. The lease does not expire until 2027, but Tenet is prepared to take responsibility for the capital improvements to meet seismic requirements and the additional commitment and investment in the Coachella Valley. The District has expressed the need for additional funding sources, and the purchase would provide the District with financial resources to support its various initiatives while DRMC continues to thrive with its services and programs. The acquisition would allow the District to focus on the expansion and initiatives making way for DCN to better plan for the future.</p> <p>Other public commenters supporting the sale of Desert Regional Medical Center were: Dr. Rick Axelrod, President/CEO, Life Stream; Jeff Hocker, President, Hocker Productions, Board member, United Way of the Desert; Joshua Bonner, President and CEO, Greater Coachella Valley Chamber of Commerce; Darla Burkett, Executive Director, Coachella Valley Rescue Mission; Roy Pitkin, Board Member, Coachella Valley Volunteers in Medicine; Kristal Granados, CEO, United Way of the Desert; Carl Baker, Director Legal and Legislative Affairs, Desert AIDS Project; Courtney Weir, Regional Director, Alzheimer’s Association; Harriett Barron, Director of Development, Mizell Center;</p>	
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	<p>Jennifer Jank, President, Women’s Leader Forum; Jenna LeConte-Hinely, CEO, Health Assessment and Research for Communities (HARC); Mitch Blumberg, Chair Emeritus, Governing Board, Desert Regional Medical Center; and Brad Anderson, Rancho Mirage resident, explained that he does not have a position on the sale of DRMC, and is trying to understand the mission of the District.</p>	
<p>L. Old Business 1. Coachella Valley Association of Governments (CVAG) a. MOU memo regarding CV Link request for funding b. CV Link Q2 2019 Report</p>	<p>Chris Christensen, Interim CEO, provided an overview of the MOU between the District and Coachella Valley Association of Governments (CVAG), also detailing the most recent meeting with CVAG. CVAG will provide additional information on the contingencies and conditions as outlined in the MOU, and staff will complete the formal grant process in September.</p> <p>Sergio Carranza, Pueblo Unido CDC, Founder and Executive Director, explained the details of the organization on air quality issues and their work with the largest mobile home community consisting of mostly farm workers. In 2014, the organization commenced work with the community, receiving a grant for a \$1.4M investment to improve air quality in the mobile home parks. This is an opportunity to invest in the mobile home project paving for better living conditions. The organization supported the expansion for these type of projects with resilient communities. It will leverage</p>	



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<p>2. Communications and Marketing</p>	<p>additional funding for state and federal dollars and hopes for a commitment from the Board for the better conditions of farm workers.</p> <p>Will Dean, Communications and Marketing Director, explained that the staff report is provided in the packet for review.</p>	
<p>M. New Business 1. Consideration to appoint Conrado Bárzaga, CEO, to the City of Desert Hot Springs – Health and Wellness Foundation Board</p>	<p>Chris Christensen, Interim CEO, stated that in 2013, the Board approved the development of a health and wellness facility in Desert Hot Springs with the assistance of the New Market Tax Credit. In the past, the CEO has served on the Board of the Desert Hot Springs Health and Wellness Foundation and should continue in that role.</p>	<p>#20-24 MOTION WAS MADE by Director Borja and seconded by Vice-President De Lara to appoint Conrado Bárzaga, CEO, to the City of Desert Hot Springs – Health and Wellness Foundation Board Motion passed unanimously. AYES – 6 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, and Director Borja NOES – 0 ABSENT – 0</p>
<p>N. Legal Comments & Report</p>	<p>No report was given.</p>	
<p>O. Directors’ Comments, Reports, Informational Items, & Staff Direction and Guidance</p>	<p>There were no additional comments from Board members.</p>	
<p>P. Adjournment</p>	<p>President Zendle adjourned the meeting at 6:48 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>

ATTEST: _____
Leticia De Lara, Vice-President/Secretary
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DESERT HEALTHCARE DISTRICT
JULY & AUGUST 2019 FINANCIAL STATEMENTS
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Year to Date Variance Analysis
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Grants Schedule

**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
TWO MONTHS ENDED AUGUST 31, 2019**

Scope: \$25,000 Variance per Statement of Operations Summary

Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
4000 - Income	\$ 1,541,830	\$ 1,372,128	\$ 169,702	Interest income (net) from FRF investments \$178k; lower NEOPB Grant Income \$9k
5000 - Direct Expenses	\$ 93,028	\$ 178,240	\$ (85,212)	Lower wage expense \$81k due to no COO salary; lower health insurance related expenses \$15k; lower various 9k
6500 - Professional Fees Expense	\$ 47,255	\$ 197,496	\$ (150,241)	Lower Professional Services 134k; lower PR & Communications 11k; lower Legal 5k
7000 - Grants Expense	\$ 23,229	\$ 600,084	\$ (576,855)	Budget of \$3.5 Million for fiscal year is amortized straight-line over 12-month fiscal year.

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through August 2019

	MONTH						TOTAL		
	Jul 19	Budget	\$ Over Budget	Aug 19	Budget	\$ Over Budget	Jul - Aug 19	Budget	\$ Over Budget
Income									
4000 · Income	594,675	686,064	(91,389)	947,155	686,064	261,091	1,541,830	1,372,128	169,702
4500 · LPMP Income	95,664	101,400	(5,736)	101,790	101,400	390	197,454	202,800	(5,346)
4501 · Miscellaneous Income	750	950	(200)	750	950	(200)	1,500	1,900	(400)
Total Income	691,089	788,414	(97,325)	1,049,695	788,414	261,281	1,740,784	1,576,828	163,956
Expense									
5000 · Direct Expenses	43,989	89,120	(45,131)	49,039	89,120	(40,081)	93,028	178,240	(85,212)
6000 · General & Administrative Exp	41,190	43,081	(1,891)	33,707	43,082	(9,375)	74,897	86,163	(11,266)
6325 · CEO Discretionary Fund	-	417	(417)	-	417	(417)	-	834	(834)
6445 · LPMP Expenses	75,725	82,398	(6,673)	79,138	82,398	(3,260)	154,863	164,796	(9,933)
6500 · Professional Fees Expense	22,344	98,748	(76,404)	24,911	98,748	(73,837)	47,255	197,496	(150,241)
6700 · Trust Expenses	10,456	11,245	(789)	10,456	11,245	(789)	20,912	22,490	(1,578)
Total Expense Before Grants	193,704	325,009	(131,305)	197,251	325,010	(127,759)	390,955	650,019	(259,064)
7000 · Grants Expense	5,000	300,042	(295,042)	18,229	300,042	(281,813)	23,229	600,084	(576,855)
Net Income	492,385	163,365	329,020	834,213	163,365	670,848	1,328,599	326,730	999,869

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through August 2019

	MONTH						TOTAL		
	Jul 19	Budget	\$ Over Budget	Aug 19	Budget	\$ Over Budget	Jul - Aug 19	Budget	\$ Over Budget
Income									
4000 · Income									
4010 · Property Tax Revenues	561,355	561,355	-	561,355	561,355	-	1,122,710	1,122,710	-
4200 · Interest Income									
4220 · Interest Income (FRF)	152,247	106,250	45,997	25,313	106,250	(80,937)	177,560	212,500	(34,940)
9999-1 · Unrealized gain(loss) on invest	(120,678)	8,333	(129,009)	350,509	8,333	342,176	229,833	16,666	213,167
Total 4200 · Interest Income	31,571	114,583	(83,012)	375,822	114,583	261,239	407,393	229,166	178,227
4300 · DHC Recoveries	1,749	1,750	(1)	1,749	1,750	(1)	3,498	3,500	(2)
4400 · Grant Income	-	8,375	(8,375)	8,229	8,375	(146)	8,229	16,750	(8,521)
Total 4000 · Income	594,675	686,063	(91,388)	947,155	686,063	261,092	1,541,830	1,372,126	169,704
4500 · LPMP Income	95,664	101,400	(5,736)	101,790	101,400	390	197,454	202,800	(5,346)
4501 · Miscellaneous Income	750	950	(200)	750	950	(200)	1,500	1,900	(400)
Total Income	691,089	788,413	(97,324)	1,049,695	788,413	261,282	1,740,784	1,576,626	163,958
Expense									
5000 · Direct Expenses									
5100 · Administration Expense									
5110 · Wages Expense	44,128	82,846	(38,718)	60,875	82,846	(21,971)	105,003	165,692	(60,689)
5111 · Allocation to LPMP - Payroll	(5,085)	(5,084)	(1)	(5,085)	(5,084)	(1)	(10,170)	(10,168)	(2)
5112 · Vacation/Sick/Holiday Expense	6,036	7,500	(1,464)	4,158	7,500	(3,342)	10,194	15,000	(4,806)
5114 · Allocation to Foundation	(25,473)	(25,473)	-	(25,473)	(25,473)	-	(50,946)	(50,946)	-
5115 · Allocation to NEOPB	-	(7,289)	7,289	(7,134)	(7,289)	155	(7,134)	(14,578)	7,444
5119 · Allocation to RSS/CVHIP-DHCF	(529)	(2,382)	1,853	(1,774)	(2,382)	608	(2,303)	(4,764)	2,461
5120 · Payroll Tax Expense	3,984	6,338	(2,344)	5,604	6,338	(734)	9,598	12,676	(3,078)
5130 · Health Insurance Expense									
5131 · Premiums Expense	7,957	12,213	(4,256)	8,522	12,213	(3,691)	16,479	24,428	(7,947)
5135 · Reimb./Co-Payments Expense	2,789	2,250	539	414	2,250	(1,836)	3,203	4,500	(1,297)
Total 5130 · Health Insurance Expense	10,746	14,463	(3,717)	8,936	14,463	(5,527)	19,682	28,926	(9,244)
5140 · Workers Comp. Expense	643	670	(27)	643	670	(27)	1,286	1,740	(454)
5145 · Retirement Plan Expense	3,415	4,212	(797)	3,417	4,212	(795)	6,832	8,424	(1,592)
5160 · Education Expense	150	625	(475)	990	625	365	1,140	1,250	(110)
Total 5100 · Administration Expense	38,025	76,626	(38,601)	45,157	76,626	(31,469)	83,182	153,252	(70,070)
5200 · Board Expenses									
5210 · Healthcare Benefits Expense	2,787	5,834	(3,047)	2,788	5,834	(3,046)	5,575	11,668	(6,093)
5230 · Meeting Expense	150	1,667	(1,517)	799	1,667	(868)	949	3,334	(2,385)
5235 · Director Stipend Expense	2,300	4,200	(1,900)	-	4,200	(4,200)	2,300	8,400	(6,100)
5240 · Catering Expense	689	583	106	294	583	(289)	983	1,166	(183)
5250 · Mileage Reimbursement Expense	36	208	(172)	-	208	(208)	36	416	(380)
Total 5200 · Board Expenses	5,962	12,492	(6,530)	3,881	12,492	(8,611)	9,843	24,984	(15,141)
Total 5000 · Direct Expenses	43,987	89,118	(45,131)	49,038	89,118	(40,080)	93,025	178,236	(85,211)
6000 · General & Administrative Exp									
6110 · Payroll fees Expense	155	208	(53)	163	208	(45)	318	416	(98)
6120 · Bank and Investment Fees Exp	9,136	9,833	(697)	9,391	9,833	(442)	18,527	19,666	(1,139)
6125 · Depreciation Expense	986	1,250	(264)	986	1,250	(264)	1,972	2,500	(528)
6126 · Depreciation-Solar Parking lot	15,072	15,072	-	15,072	15,072	-	30,144	30,144	-
6130 · Dues and Membership Expense	1,014	2,500	(1,486)	1,264	2,500	(1,236)	2,278	5,000	(2,722)
6200 · Insurance Expense	1,753	1,500	253	1,753	1,500	253	3,506	3,000	506
6300 · Minor Equipment Expense	-	42	(42)	-	42	(42)	-	84	(84)
6305 · Auto Allowance & Mileage Exp	-	600	(600)	-	600	(600)	-	1,200	(1,200)

Desert Healthcare District
Cumulative Profit & Loss Budget vs. Actual
 July through August 2019

	MONTH						TOTAL		
	Jul 19	Budget	\$ Over Budget	Aug 19	Budget	\$ Over Budget	Jul - Aug 19	Budget	\$ Over Budget
6306 · Staff- Auto Mileage reimb	126	500	(374)	(250)	500	(750)	(124)	1,000	(1,124)
6309 · Personnel Expense	6,000	83	5,917	-	83	(83)	6,000	168	5,834
6310 · Miscellaneous Expense	-	42	(42)	53	42	11	53	84	(31)
6311 · Cell Phone Expense	465	776	(311)	482	776	(294)	947	1,552	(605)
6312 · Wellness Park Expenses	-	83	(83)	-	83	(83)	-	168	(168)
6316 · Security Monitoring Expense	108	42	66	-	42	(42)	108	84	24
6340 · Postage Expense	-	417	(417)	278	417	(139)	278	834	(556)
6350 · Copier Rental/Fees Expense	394	458	(64)	-	458	(458)	394	916	(522)
6351 · Travel Expense	725	917	(192)	147	917	(770)	872	1,834	(962)
6352 · Meals & Entertainment Exp	618	583	35	228	583	(357)	844	1,166	(322)
6355 · Computer Services Expense	1,586	3,775	(2,189)	1,262	3,775	(2,513)	2,848	7,550	(4,702)
6360 · Supplies Expense	2,900	1,667	1,233	1,829	1,667	(38)	4,529	3,334	1,195
6380 · LAFCO Assessment Expense	153	1,667	(1,514)	153	1,667	(1,514)	306	3,334	(3,028)
6400 · East Valley Office									
6405 · East Valley Office - Rent	-	650	(650)	1,100	650	450	1,100	1,300	(200)
6410 · East Valley Office - Utilities	-	417	(417)	-	417	(417)	-	834	(834)
Total 6400 · East Valley Office	-	1,067	(1,067)	1,100	1,067	33	1,100	2,134	(1,034)
Total 8000 · General & Administrative Exp	41,191	43,082	(1,891)	33,709	43,082	(9,373)	74,900	86,164	(11,264)
8325 · CEO Discretionary Fund		417	(417)		417	(417)		834	(834)
6445 · LPMP Expenses	75,725	82,395	(6,670)	79,138	82,395	(3,257)	154,883	164,790	(9,927)
6500 · Professional Fees Expense									
6516 · Professional Services Expense	843	70,000	(69,157)	5,069	70,000	(64,931)	5,912	140,000	(134,088)
6520 · Annual Audit Fee Expense	1,563	1,540	23	1,563	1,540	23	3,126	3,080	46
6530 · PR/Communications/Website	3,334	7,208	(3,874)	280	7,208	(6,928)	3,614	14,416	(10,802)
6560 · Legal Expense	16,605	20,000	(3,395)	18,000	20,000	(2,000)	34,605	40,000	(5,395)
Total 6500 · Professional Fees Expense	22,345	98,748	(76,403)	24,912	98,748	(73,836)	47,257	197,496	(150,239)
6700 · Trust Expenses									
6711 · Disability Admin. Fee Expense	-	537	(537)	-	537	(537)	-	1,074	(1,074)
6720 · Pension Plans Expense									
6721 · Legal Expense	-	167	(167)	-	167	(167)	-	334	(334)
6725 · RPP Pension Expense	10,000	10,000	-	10,000	10,000	-	20,000	20,000	-
6728 · Pension Audit Fee Expense	456	542	(86)	456	542	(86)	912	1,084	(172)
Total 6720 · Pension Plans Expense	10,456	10,709	(253)	10,456	10,709	(253)	20,912	21,418	(506)
Total 6700 · Trust Expenses	10,456	11,246	(790)	10,456	11,246	(790)	20,912	22,492	(1,580)
Total Expense Before Grants	193,704	325,006	(131,302)	197,253	325,006	(127,753)	390,957	650,012	(259,055)
7000 · Grants Expense									
7010 · Major Grant Awards Expense	5,000	291,667	(286,667)	10,000	291,667	(281,667)	15,000	583,334	(568,334)
7027 · Grant Exp - NEOPB	-	8,375	(8,375)	8,229	8,375	(146)	8,229	16,750	(8,521)
Total 7000 · Grants Expense	5,000	300,042	(295,042)	18,229	300,042	(281,813)	23,229	600,084	(576,855)
Net Income	492,385	163,365	329,020	834,213	163,365	670,848	1,326,599	326,730	999,869

Las Palmas Medical Plaza
Cumulative Profit & Loss Budget vs. Actual
 July through August 2019

	MONTH						TOTAL		
	Jul 19	Budget	\$ Over Budget	Aug 19	Budget	\$ Over Budget	Jul - Aug 19	Budget	\$ Over Budget
Income									
4500 · LPMP Income									
4505 · Rental Income	68,832	72,900	(4,068)	73,243	72,900	343	142,075	145,800	(3,725)
4510 · CAM Income	26,832	28,500	(1,668)	28,547	28,500	47	55,379	57,000	(1,621)
Total 4500 · LPMP Income	95,664	101,400	(5,736)	101,790	101,400	390	197,454	202,800	(5,346)
6445 · LPMP Expenses									
6420 · Insurance Expense	1,879	1,083	796	1,879	1,083	796	3,758	2,166	1,592
6425 · Building - Depreciation Expense	21,484	21,667	(183)	21,484	21,667	(183)	42,968	43,334	(366)
6426 · Tenant Improvements -Dep Exp	15,914	17,083	(1,169)	15,914	17,083	(1,169)	31,828	34,166	(2,338)
6427 · HVAC Maintenance Expense	279	1,333	(1,054)	-	1,333	(1,333)	279	2,666	(2,387)
6428 · Roof Repairs Expense	-	208	(208)	-	208	(208)	-	416	(416)
6431 · Building -Interior Expense	1,600	833	767	-	833	(833)	1,600	1,666	(66)
6432 · Plumbing -Interior Expense	-	333	(333)	-	333	(333)	-	666	(666)
6433 · Plumbing -Exterior Expense	-	208	(208)	-	208	(208)	-	416	(416)
6434 · Allocation Internal Prop. Mgmt	5,085	5,084	1	5,085	5,084	1	10,170	10,168	2
6435 · Bank Charges	1,080	1,042	38	1,079	1,042	37	2,159	2,084	75
6437 · Utilities -Vacant Units Expense	-	208	(208)	40	208	(168)	40	416	(376)
6439 · Deferred Maintenance Repairs Ex	-	500	(500)	-	500	(500)	-	1,000	(1,000)
6440 · Professional Fees Expense	10,117	10,472	(355)	16,382	10,472	5,910	26,499	20,944	5,555
6441 · Legal Expense	-	83	(83)	-	83	(83)	-	166	(166)
6458 · Elevators - R & M Expense	1,547	1,000	547	225	1,000	(775)	1,772	2,000	(228)
6460 · Exterminating Service Expense	-	417	(417)	-	417	(417)	-	834	(834)
6463 · Landscaping Expense	-	833	(833)	-	833	(833)	-	1,666	(1,666)
6467 · Lighting Expense	-	833	(833)	-	833	(833)	-	1,666	(1,666)
6468 · General Maintenance Expense	-	83	(83)	-	83	(83)	-	166	(166)
6471 · Marketing-Advertising	-	1,417	(1,417)	-	1,417	(1,417)	-	2,834	(2,834)
6475 · Property Taxes Expense	6,000	6,008	(8)	6,000	6,008	(8)	12,000	12,016	(16)
6476 · Signage Expense	-	125	(125)	-	125	(125)	-	250	(250)
6480 · Rubbish Removal Medical Waste E	1,449	1,442	7	-	1,442	(1,442)	1,449	2,884	(1,435)
6481 · Rubbish Removal Expense	2,227	2,250	(23)	2,227	2,250	(23)	4,454	4,500	(46)
6482 · Utilities/Electricity/Exterior	-	625	(625)	511	625	(114)	511	1,250	(739)
6484 · Utilities - Water (Exterior)	617	708	(91)	522	708	(186)	1,139	1,416	(277)
6485 · Security Expenses	6,447	6,417	30	6,290	6,417	(127)	12,737	12,834	(97)
6490 · Miscellaneous Expense	-	100	(100)	1,500	100	1,400	1,500	200	1,300
Total 6445 · LPMP Expenses	75,725	82,395	(6,670)	79,138	82,395	(3,257)	154,863	164,790	(9,927)
Net Income	19,939	19,005	934	22,652	19,005	3,647	42,591	38,010	4,581

Desert Healthcare District
Balance Sheet
As of August 31, 2019

		Aug 31, 19
ASSETS		
Current Assets		
	Checking/Savings	
	1000 · CHECKING CASH ACCOUNTS	722,434
	1100 · INVESTMENT ACCOUNTS	58,610,189
	Total Checking/Savings	59,332,623
	Accounts Receivable	31,965
	Other Current Assets	
	1270 · Prepaid Insurance -Ongoing	39,069
	1279 · Pre-Paid Fees	17,184
	1281 · NEOPB Receivable	14,230
	1295 · Property Tax Receivable	1,069,073
	Total Other Current Assets	1,139,557
	Total Current Assets	60,504,144
	Fixed Assets	
	1300 · FIXED ASSETS	4,902,688
	1335-00 · ACC DEPR	(1,846,207)
	1400 · LPMP Assets	7,119,160
	Total Fixed Assets	10,175,640
	Other Assets	
	1700 · OTHER ASSETS	2,773,786
	TOTAL ASSETS	73,453,570
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
	Accounts Payable	
	2000 · Accounts Payable	927
	2001 · LPMP Accounts Payable	16,961
	Total Accounts Payable	17,887
	Other Current Liabilities	
	2002 · LPMP Property Taxes	12,000
	2131 · Grant Awards Payable	6,128,273

Desert Healthcare District
Balance Sheet
As of August 31, 2019

		Aug 31, 19
	2133 · Accrued Accounts Payable	154,264
	2141 · Accrued Vacation Time	27,061
	2186 · Retired BOD Medical - Current	7,150
	2188 · Current Portion - LTD	14,803
	2190 · Investment Fees Payable	18,000
	Total Other Current Liabilities	6,361,551
	Total Current Liabilities	6,379,438
	Long Term Liabilities	
	2170 · RPP - Pension Liability	3,417,793
	2171 · RPP-Deferred Inflows-Resources	2,222,190
	2280 · Long-Term Disability	38,158
	2281 · Grants Payable - Long-term	5,400,000
	2286 · Retirement BOD Medical Liabilit	87,973
	2290 · LPMP Security Deposits	57,098
	Total Long Term Liabilities	11,223,212
	Total Liabilities	17,602,651
	Equity	
	3900 · *Retained Earnings	54,524,321
	Net Income	1,326,599
	Total Equity	55,850,920
	TOTAL LIABILITIES & EQUITY	73,453,570

Desert Healthcare District
Balance Sheet
As of August 31, 2019

	Aug 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1000 · CHECKING CASH ACCOUNTS	
1010 · Union Bank - Checking	528,831
1046 · Las Palmas Medical Plaza	193,102
1047 · Petty Cash	500
Total 1000 · CHECKING CASH ACCOUNTS	722,434
1100 · INVESTMENT ACCOUNTS	
1130 · Facility Replacement Fund	58,155,471
1135 · Unrealized Gain(Loss) FRF	454,718
Total 1100 · INVESTMENT ACCOUNTS	58,610,189
Total Checking/Savings	59,332,623
Accounts Receivable	
1201 · Accounts Receivable	
1204 · LPMP Accounts Receivable	(23,533)
1205 · Misc. Accounts Receivable	2,250
1211 · A-R Foundation - Exp Allocation	53,248
Total Accounts Receivable	31,965
Other Current Assets	
1270 · Prepaid Insurance -Ongoing	39,069
1279 · Pre-Paid Fees	17,184
1281 · NEOPB Receivable	14,230
1295 · Property Tax Receivable	1,069,073
Total Other Current Assets	1,139,557
Total Current Assets	60,504,144
Fixed Assets	
1300 · FIXED ASSETS	
1310 · Computer Equipment	83,557
1315 · Computer Software	68,770
1320 · Furniture and Fixtures	33,254
1325 · Offsite Improvements	300,849

Desert Healthcare District
Balance Sheet
As of August 31, 2019

		Aug 31, 19
	1331 · DRMC - Parking lot	4,416,257
	Total 1300 · FIXED ASSETS	4,902,688
	1335-00 · ACC DEPR	
	1335 · Accumulated Depreciation	(204,454)
	1336 · Acc. Software Depreciation	(68,770)
	1337 · Accum Deprec- Solar Parking Lot	(1,447,083)
	1338 · Accum Deprec - LPMP Parking Lot	(125,901)
	Total 1335-00 · ACC DEPR	(1,846,207)
	1400 · LPMP Assets	
	1401 · Building	8,705,680
	1402 · Land	2,165,300
	1403 · Tenant Improvements -New	2,169,041
	1404 · Tenant Improvements - CIP	129,550
	1406 · Building Improvements	
	1406.1 · LPMP-Replace Parking Lot	676,484
	1406 · Building Improvements - Other	1,559,534
	Total 1406 · Building Improvements	2,236,018
	1407 · Building Equipment Improvements	350,663
	1409 · Accumulated Depreciation	
	1410 · Accum. Depreciation	(7,212,362)
	1412 · T I Accumulated Dep.-New	(1,424,730)
	Total 1409 · Accumulated Depreciation	(8,637,092)
	Total 1400 · LPMP Assets	7,119,160
	Total Fixed Assets	10,175,640
	Other Assets	
	1700 · OTHER ASSETS	
	1731 · Wellness Park	1,693,800
	1740 · RPP-Deferred Outflows-Resources	1,057,842
	1741 · OPEB-Deferred Outflows-Resourc	22,144
	Total 1700 · OTHER ASSETS	2,773,786
	Total Other Assets	2,773,786
	TOTAL ASSETS	73,453,570

Desert Healthcare District
Balance Sheet
As of August 31, 2019

		Aug 31, 19
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable		927
2001 · LPMP Accounts Payable		16,961
Total Accounts Payable		17,887
Other Current Liabilities		
2002 · LPMP Property Taxes		12,000
2131 · Grant Awards Payable		6,128,273
2133 · Accrued Accounts Payable		154,264
2141 · Accrued Vacation Time		27,061
2186 · Retired BOD Medical - Current		7,150
2188 · Current Portion - LTD		14,803
2190 · Investment Fees Payable		18,000
Total Other Current Liabilities		6,361,551
Total Current Liabilities		6,379,438
Long Term Liabilities		
2170 · RPP - Pension Liability		3,417,793
2171 · RPP-Deferred Inflows-Resources		2,222,190
2280 · Long-Term Disability		38,158
2281 · Grants Payable - Long-term		5,400,000
2286 · Retirement BOD Medical Liabilit		87,973
2290 · LPMP Security Deposits		57,098
Total Long Term Liabilities		11,223,212
Total Liabilities		17,602,651
Equity		
3900 · *Retained Earnings		54,524,321
Net Income		1,326,599
Total Equity		55,850,920
TOTAL LIABILITIES & EQUITY		73,453,570

Desert Healthcare District
A/R Aging Summary
As of August 31, 2019

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	
Desert Healthcare Foundation-	27,247	-	26,002	-	-	53,248	Due from Foundation
Desert Oasis Healthcare Medical Group	-	(2,130)	-	-	-	(2,130)	Prepaid
EyeCare Services Partners Management LLC	-	(6,159)	-	-	-	(6,159)	Prepaid
Laboratory Corporation of America	-	(4,774)	-	-	-	(4,774)	Prepaid
Sovereign	750	-	750	750	-	2,250	Slow Pay
Steven Gundry, M.D.	-	(10,471)	-	-	-	(10,471)	Prepaid
TOTAL	27,997	(23,533)	26,752	750	-	31,965	

Desert Healthcare District
Deposit Detail
July through August 2019

Type	Date	Name	Amount
Deposit	07/01/2019		9,248
		Riverside County Treasurer-NEOPB	(9,248)
TOTAL			(9,248)
Deposit	07/02/2019		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)
Deposit	07/03/2019		242
		Principal Financial Group	(242)
TOTAL			(242)
Deposit	07/08/2019		750
Payment	07/08/2019	Sovereign	(750)
TOTAL			(750)
Deposit	07/18/2019		13,000
Payment	07/18/2019	Mark Matthews-Insurance Payment	(13,000)
TOTAL			(13,000)
Deposit	07/29/2019		750
Payment	07/29/2019	Sovereign	(750)
TOTAL			(750)
Deposit	07/30/2019		8,408
		Riverside County Treasurer-NEOPB	(7,658)
Payment	07/30/2019	Sovereign	(750)
TOTAL			(8,408)
Deposit	08/02/2019		1,749
		T-Mobile	(1,749)
TOTAL			(1,749)

Desert Healthcare District
Deposit Detail
July through August 2019

Type	Date	Name	Amount
Deposit	08/05/2019		102,683
		Riverside County Treasurer-	(102,615)
		Riverside County Treasurer-	-
		Riverside County Treasurer-	(68)
TOTAL			(102,683)
Deposit	08/06/2019		750
Payment	08/06/2019	Sovereign	(750)
TOTAL			(750)
Deposit	08/12/2019		10,062
		Riverside County Treasurer-	(10,062)
TOTAL			(10,062)
Deposit	08/21/2019		4,888
		Riverside County Treasurer-	(4,888)
TOTAL			(4,888)
Deposit	08/23/2019		9,658
		Riverside County Treasurer-	(9,658)
TOTAL			(9,658)
Deposit	08/26/2019		51,182
		Riverside County Treasurer-	(51,182)
TOTAL			(51,182)
Deposit	08/28/2019		28,819
		Riverside County Treasurer-	(28,819)
TOTAL			(28,819)
		TOTAL	243,938

**DESERT HEALTHCARE DISTRICT
PROPERTY TAX RECEIPTS FY 2019 - 2020
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2020**

	FY 2018-2019 Projected/Actual					FY 2019-2020 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Budget %	Budget \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 165,105	1.3%	\$ 87,106	\$ (77,998)	2.5%	\$ 168,407	0.0%	\$ -	\$ (168,407)
Aug	1.6%	\$ 105,667	1.3%	\$ 88,674	\$ (16,993)	1.6%	\$ 107,780	3.1%	\$ 207,292	\$ 99,512
Sep	2.6%	\$ 171,709	2.4%	\$ 155,626	\$ (16,083)	2.6%	\$ 175,143	0.0%		
Oct	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%		
Nov	0.4%	\$ 26,417	0.0%	\$ -	\$ (26,417)	0.4%	\$ 26,945	0.0%		
Dec	16.9%	\$ 1,116,106	17.8%	\$ 1,177,161	\$ 61,054	16.9%	\$ 1,138,429	0.0%		
Jan	31.9%	\$ 2,106,733	19.7%	\$ 1,299,278	\$ (807,456)	31.9%	\$ 2,148,868	0.0%		
Feb	0.0%	\$ -	13.9%	\$ 918,846	\$ 918,846	0.0%	\$ -	0.0%		
Mar	0.3%	\$ 19,813	0.7%	\$ 44,532	\$ 24,719	0.3%	\$ 20,209	0.0%		
Apr	5.5%	\$ 363,230	5.9%	\$ 392,745	\$ 29,515	5.5%	\$ 370,495	0.0%		
May	19.9%	\$ 1,314,232	20.3%	\$ 1,341,271	\$ 27,039	19.9%	\$ 1,340,517	0.0%		
June	18.4%	\$ 1,215,169	22.3%	\$ 1,470,000	\$ 254,830	18.4%	\$ 1,239,473	0.0%		
Total	100%	\$ 6,604,180	105.6%	\$ 6,975,238	\$ 371,058	100.00%	\$ 6,736,264	3.1%	\$ 207,292	\$ (68,895)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
July through August 2019**

Type	Date	Name	Amount
Deposit	07/01/2019		2,130
Payment	07/01/2019	Desert Oasis Healthcare Medical Group	(2,130)
TOTAL			(2,130)
Deposit	07/03/2019		39,646
Payment	07/03/2019	Desert Regional Medical Center	(4,903)
Payment	07/03/2019	Tenet HealthSystem Desert, Inc.	(28,052)
Payment	07/03/2019	Tenet HealthSystem Desert, Inc	(4,743)
Payment	07/03/2019	West Pacific Medical Laboratory	(1,947)
TOTAL			(39,646)
Deposit	07/03/2019		3,854
Payment	07/03/2019	Quest Diagnostics Incorporated	(3,854)
TOTAL			(3,854)
Deposit	07/08/2019		24,205
Payment	07/08/2019	Derakhsh Fozouni, M.D.	(5,841)
Payment	07/08/2019	Palmtree Clinical Research	(6,217)
Payment	07/08/2019	Ramy Awad, M.D.	(3,180)
Payment	07/08/2019	Aijaz Hashmi, M.D., Inc.	(2,745)
Payment	07/08/2019	Brad A. Wolfson, M.D.	(3,387)
Payment	07/08/2019	Cure Cardiovascular Consultants	(2,837)
TOTAL			(24,205)
Deposit	07/09/2019		5,742
Payment	07/09/2019	Desert Family Medical Center	(3,493)
Payment	07/09/2019	Pathway Pharmaceuticals, Inc.	(2,249)
TOTAL			(5,742)
Deposit	07/10/2019		2,997
Payment	07/10/2019	Peter Jamieson, M.D.	(2,997)
TOTAL			(2,997)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
July through August 2019**

Type	Date	Name	Amount
Deposit	07/15/2019		3,538
Payment	07/15/2019	Tenet HealthSystem Desert, Inc	(800)
Payment	07/15/2019	Dennis Spurgin, D.C.	(2,738)
TOTAL			(3,538)
Deposit	07/18/2019		3,543
Payment	07/18/2019	Cohen Musch Thomas Medical Group	(3,543)
TOTAL			(3,543)
Deposit	07/26/2019		4,774
Payment	07/26/2019	Laboratory Corporation of America	(4,774)
TOTAL			(4,774)
Deposit	07/29/2019		8,233
Payment	07/29/2019	Peter Jamieson, M.D.	(2,997)
Payment	07/29/2019	Steven Gundry, M.D.	(5,235)
TOTAL			(8,233)
Deposit	07/30/2019		8,289
Payment	07/30/2019	EyeCare Services Partners Management LLC	(6,159)
Payment	07/30/2019	Desert Oasis Healthcare Medical Group	(2,130)
TOTAL			(8,289)
Deposit	08/01/2019		3,854
Payment	08/01/2019	Quest Diagnostics Incorporated	(3,854)
TOTAL			(3,854)
Deposit	08/05/2019		24,172
Payment	08/05/2019	Derakhsh Fozouni, M.D.	(5,841)
Payment	08/05/2019	Palmtree Clinical Research	(6,217)
Payment	08/05/2019	Ramy Awad, M.D.	(3,180)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
July through August 2019**

Type	Date	Name	Amount
Payment	08/05/2019	Aijaz Hashmi, M.D., Inc.	(2,745)
Payment	08/05/2019	Brad A. Wolfson, M.D.	(3,354)
Payment	08/05/2019	Cure Cardiovascular Consultants	(2,837)
TOTAL			(24,172)
Deposit	08/07/2019		49,730
Payment	08/07/2019	Desert Family Medical Center	(3,493)
Payment	08/07/2019	Cohen Musch Thomas Medical Group	(3,543)
Payment	08/07/2019	Pathway Pharmaceuticals, Inc.	(2,249)
Payment	08/07/2019	Desert Regional Medical Center	(4,903)
Payment	08/07/2019	Tenet HealthSystem Desert, Inc.	(28,052)
Payment	08/07/2019	Tenet HealthSystem Desert, Inc	(5,543)
Payment	08/07/2019	West Pacific Medical Laboratory	(1,947)
TOTAL			(49,730)
Deposit	08/19/2019		2,738
Payment	08/19/2019	Dennis Spurgin, D.C.	(2,738)
TOTAL			(2,738)
Deposit	08/26/2019		4,774
Payment	08/26/2019	Laboratory Corporation of America	(4,774)
TOTAL			(4,774)
Deposit	08/26/2019		10,471
Payment	08/26/2019	Steven Gundry, M.D.	(10,471)
TOTAL			(10,471)
Deposit	08/29/2019		8,289
Payment	08/29/2019	EyeCare Services Partners Management LLC	(6,159)
Payment	08/29/2019	Desert Oasis Healthcare Medical Group	(2,130)
TOTAL			(8,289)
		TOTAL	210,978

Desert Healthcare District
Check Register
 July through August 2019

Type	Date	Num	Name	Amount
1000 · CHECKING CASH ACCOUNTS				
1010 · Union Bank - Checking				
General Journal	07/01/2019	01-01	401a payment - 6/28/19 payroll	(1,717)
General Journal	07/01/2019	01-01	457b payment - 6/28/19 payroll	(2,528)
Check	07/05/2019	Auto Pay	Calif. Public Employees'Retirement System	(8,713)
General Journal	07/09/2019	01-02	July 2019 LTD Payment - Jena Marie Van Earl	(1,234)
Bill Pmt -Check	07/09/2019	15512	Alejandro Espinoza-	(296)
Bill Pmt -Check	07/09/2019	15513	Boyd & Associates	(108)
Bill Pmt -Check	07/09/2019	15514	Chris Christensen	(2,938)
Bill Pmt -Check	07/09/2019	15515	Cooperative Personnel Services	(7,349)
Bill Pmt -Check	07/09/2019	15516	County of Riverside Auditor-Controller	(1,836)
Bill Pmt -Check	07/09/2019	15517	Dale Barnhart	(650)
Bill Pmt -Check	07/09/2019	15518	Donna Den Bleyker.	(264)
Bill Pmt -Check	07/09/2019	15519	Ernest Enterprises	(134)
Bill Pmt -Check	07/09/2019	15520	Evelt PerezGil - June Stipend	(500)
Bill Pmt -Check	07/09/2019	15521	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	07/09/2019	15522	Karen Borja - April - June Stipends	(1,000)
Bill Pmt -Check	07/09/2019	15523	KaufmanHall	(33,168)
Bill Pmt -Check	07/09/2019	15524	Kayla Bentley-	(51)
Bill Pmt -Check	07/09/2019	15525	Law Offices of Scott & Jackson	(14,000)
Bill Pmt -Check	07/09/2019	15526	Leticia De Lara - June Stipend	(500)
Bill Pmt -Check	07/09/2019	15527	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	07/09/2019	15528	Maria Cristina Mendez	(2,502)
Bill Pmt -Check	07/09/2019	15529	Pegasus Riding Academy	(49,290)
Bill Pmt -Check	07/09/2019	15530	Principal Life Insurance Co.	(1,068)
Bill Pmt -Check	07/09/2019	15531	Ready Refresh	(48)
Bill Pmt -Check	07/09/2019	15532	Reynaldo J. Carreón M.D. Foundation	(5,000)
Bill Pmt -Check	07/09/2019	15533	Ronald McDonald House Charities	(90,000)
Bill Pmt -Check	07/09/2019	15534	Safehouse of the Desert	(101,904)
Bill Pmt -Check	07/09/2019	15535	So.Cal Computer Shop	(730)
Bill Pmt -Check	07/09/2019	15536	Stephen Huyck-	(7)
Bill Pmt -Check	07/09/2019	15537	Time Warner Cable	(240)
Bill Pmt -Check	07/09/2019	15538	Underground Service Alert of Southern Cal	(2)
Bill Pmt -Check	07/09/2019	15539	Vanessa Smith-	(10)
Bill Pmt -Check	07/09/2019	15540	Verizon Wireless	(674)

Desert Healthcare District
Check Register
July through August 2019

Type	Date	Num	Name	Amount
Bill Pmt -Check	07/09/2019	15541	Voices for Children	(10,800)
Bill Pmt -Check	07/09/2019	15542	Xerox Financial Services	(394)
Bill Pmt -Check	07/09/2019	15543	Zendle, Les-June Stipend & June Mileage	(518)
Liability Check	07/11/2019		QuickBooks Payroll Service	(25,632)
General Journal	07/12/2019	01-03	401a payment - 7/12/19 payroll	(1,704)
General Journal	07/12/2019	01-03	457b payment - 7/12/19 payroll	(2,517)
Bill Pmt -Check	07/16/2019	15544	Alejandro Espinoza-	(321)
Bill Pmt -Check	07/16/2019	15545	Andrea S. Hayles-	(98)
Bill Pmt -Check	07/16/2019	15546	Ernest Enterprises	(27)
Bill Pmt -Check	07/16/2019	15547	First Bankcard (Union Bank)	(3,593)
Bill Pmt -Check	07/16/2019	15548	Leap Marketing	(450)
Bill Pmt -Check	07/16/2019	15549	Palms to Pines Printing	(740)
Bill Pmt -Check	07/16/2019	15550	Staples Credit Plan	(1,930)
Bill Pmt -Check	07/16/2019	15551	The Desert Sun	(1,200)
Bill Pmt -Check	07/16/2019	15552	Vanessa Smith-	(129)
Bill Pmt -Check	07/16/2019	15553	Palms to Pines Printing	(337)
Bill Pmt -Check	07/23/2019	15554	Alzheimers Coachella Valley	(5,000)
Bill Pmt -Check	07/23/2019	15555	Andrea S. Hayles-	(93)
Bill Pmt -Check	07/23/2019	15556	CoPower Employers' Benefits Alliance	(1,892)
Bill Pmt -Check	07/23/2019	15557	Desert Healthcare Foundation - Grant #1006	(1,000,000)
Bill Pmt -Check	07/23/2019	15558	KaufmanHall	(33,879)
Bill Pmt -Check	07/23/2019	15559	Meghan Kane	(806)
Bill Pmt -Check	07/23/2019	15560	Principal Life Insurance Co.	(1,083)
Bill Pmt -Check	07/23/2019	15561	Regional Access Project Foundation	(550)
Bill Pmt -Check	07/23/2019	15562	State Compensation Insurance Fund	(643)
Bill Pmt -Check	07/23/2019	15563	Rogers, Carole-June Stipend; June Expense; May-June Mileage	(929)
Liability Check	07/25/2019		QuickBooks Payroll Service	(25,689)
Check	07/25/2019		Service Charge	(136)
General Journal	07/26/2019	01-05	401a payment - 7/26/19 payroll	(1,711)
General Journal	07/26/2019	01-05	457b payment - 7/26/19 payroll	(2,523)
General Journal	07/31/2019	01-06	Record Medical Reimb - July 2019	(2,799)
General Journal	07/31/2019	01-07	Checks & Envelopes from Intuit/QuickBooks	(783)
Bill Pmt -Check	07/31/2019	15564	Cooperative Personnel Services	(335)
Bill Pmt -Check	07/31/2019	15565	Evelt PerezGil-July Stipend	(600)
Bill Pmt -Check	07/31/2019	15566	Image Source	(380)

Desert Healthcare District
Check Register
July through August 2019

Type	Date	Num	Name	Amount
Bill Pmt -Check	07/31/2019	15567	Leticia De Lara-July Stipend	(400)
Bill Pmt -Check	07/31/2019	15568	Meghan Kane	(126)
Bill Pmt -Check	07/31/2019	15569	Palms to Pines Printing	(146)
Bill Pmt -Check	07/31/2019	15570	Ready Refresh	(48)
Bill Pmt -Check	07/31/2019	15571	Shred-It	(91)
Bill Pmt -Check	07/31/2019	15572	So.Cal Computer Shop	(267)
Bill Pmt -Check	07/31/2019	15573	Verizon Wireless	(814)
Bill Pmt -Check	07/31/2019	15574	Zendle, Les-July Stipend & July Mileage	(336)
Check	08/06/2019	Auto Pay	Calif. Public Employees'Retirement System	(8,716)
Bill Pmt -Check	08/07/2019	15575	Conrado Barzaga. - Relocation Expenses	(6,000)
Liability Check	08/08/2019		QuickBooks Payroll Service	(25,767)
Liability Check	08/08/2019		QuickBooks Payroll Service	(7,457)
General Journal	08/08/2019	02-01	August 2019 LTD Payment - Jena Marie Van Earl	(1,234)
Bill Pmt -Check	08/08/2019	15576	Arthur Shorr - May, June, & July Stipends	(1,000)
Bill Pmt -Check	08/08/2019	15577	First Bankcard (Union Bank)	(1,469)
Bill Pmt -Check	08/08/2019	15578	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	08/08/2019	15579	Law Offices of Scott & Jackson	(16,605)
Bill Pmt -Check	08/08/2019	15580	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	08/08/2019	15581	Palm Springs Chamber of Commerce	(250)
Bill Pmt -Check	08/08/2019	15582	Palms to Pines Printing	(3,163)
Bill Pmt -Check	08/08/2019	15583	So.Cal Computer Shop	(810)
Bill Pmt -Check	08/08/2019	15584	Staples Credit Plan	(1,381)
Bill Pmt -Check	08/08/2019	15585	State Compensation Insurance Fund	(643)
Bill Pmt -Check	08/08/2019	15586	Time Warner Cable	(240)
Bill Pmt -Check	08/08/2019	15587	Underground Service Alert of Southern Cal	(8)
General Journal	08/09/2019	02-02	401a payment - 8/9/19 payroll	(1,709)
General Journal	08/09/2019	02-02	457b payment - 8/9/19 payroll	(2,522)
Bill Pmt -Check	08/19/2019	15588	Andrea S. Hayles-	(85)
Bill Pmt -Check	08/19/2019	15589	California Partnership	(5,000)
Bill Pmt -Check	08/19/2019	15590	City of Coachella-Parks & Rec	(507)
Bill Pmt -Check	08/19/2019	15591	CoPower Employers' Benefits Alliance	(2,473)
Bill Pmt -Check	08/19/2019	15592	Find Food Bank, Inc.	(89,178)
Bill Pmt -Check	08/19/2019	15593	Image Source	(836)
Bill Pmt -Check	08/19/2019	15594	Palms to Pines Printing	(138)
Bill Pmt -Check	08/19/2019	15595	Pitney Bowes Global Financial Services	(278)

Desert Healthcare District
Check Register
July through August 2019

Type	Date	Num	Name	Amount
Bill Pmt -Check	08/19/2019	15596	Rauch Communication Consultants	(4,499)
Bill Pmt -Check	08/19/2019	15597	Regents - University of California	(293)
Bill Pmt -Check	08/19/2019	15598	Vanessa Smith-	(591)
Bill Pmt -Check	08/19/2019	15599	Xerox Financial Services	(394)
Bill Pmt -Check	08/20/2019	15600	Sherman's Deli & Bakery	(262)
Liability Check	08/22/2019		QuickBooks Payroll Service	(34,533)
General Journal	08/23/2019	02-05	401a payment - 8/23/19 payroll	(1,707)
General Journal	08/23/2019	02-05	457b payment - 8/23/19 payroll	(2,520)
Check	08/25/2019		Service Charge	(391)
Bill Pmt -Check	08/27/2019	15601	ACHD	(12,170)
Bill Pmt -Check	08/27/2019	15602	Alejandro Espinoza-	(417)
Bill Pmt -Check	08/27/2019	15603	Andrea S. Hayles-	(226)
Bill Pmt -Check	08/27/2019	15604	Chris Christensen	(205)
Bill Pmt -Check	08/27/2019	15605	Frazier Pest Control, Inc.	(30)
Bill Pmt -Check	08/27/2019	15606	Los Medicos Voladores	(5,000)
Bill Pmt -Check	08/27/2019	15607	Meghan Kane	(990)
Bill Pmt -Check	08/27/2019	15608	Principal Life Insurance Co.	(1,066)
Bill Pmt -Check	08/27/2019	15609	Ready Refresh	(48)
Bill Pmt -Check	08/27/2019	15610	Regional Access Project Foundation	(550)
Bill Pmt -Check	08/27/2019	15611	Shred-It	(90)
Bill Pmt -Check	08/27/2019	15612	Top Shop	(47)
Bill Pmt -Check	08/27/2019	15613	Will Dean	(27)
General Journal	08/31/2019	02-06	Record Medical Reimb - August 2019	(434)
Total 1010 · Union Bank - Checking				(1,705,930)
Total 1000 · CHECKING CASH ACCOUNTS				(1,705,930)
TOTAL				(1,705,930)

Desert Healthcare District
Details for credit card Expenditures
Credit card purchases - July 2019 - Paid August 2019

Number of credit cards held by District personnel -2

Credit Card Limit - \$5,000

Credit Card Holders:

Conrado Barzaga - Chief Executive Officer

Chris Christensen - Chief Financial Officer

Routine types of charges:

Office Supplies, Dues for membership, Computer Supplies, Meals, Travel including airlines and Hotels, Catering, Supplies for BOD meetings, CEO Discretionary for small grant & gift items

Year	Statement		Expense Type	Amount	Purpose	Description	Participants
	Month Charged	Total Charges					
		\$ 1,469.30					
Chris' Statement:							
2019	July	\$ 1,469.30	District GL	Dollar	Descr		
			6360	\$ 6.06	Conference call expense		
			6352	\$ 283.82	June staff lunch		
			6360	\$ 0.60	Conference call expense		
			6360	\$ 18.06	Conference call expense		
			5240	\$ 267.68	Program Committee Catering		
			5230	\$ 150.00	Palm Springs CoC - Les & Evett		
			5160	\$ 150.00	Palm Springs CoC - Chris & Conrado		
			6352	\$ 40.63	Director Orientation - Karen, Evett, & Chris		
			5240	\$ 100.56	Board Meeting catering		
			5240	\$ 199.95	Board Meeting catering		
			5240	\$ 20.00	Tip for caterers		
			6352	\$ 212.53	July staff lunch		
			6360	\$ 19.41	Conference call expense		
				\$ 1,469.30			

Desert Healthcare District
Details for credit card Expenditures
Credit card purchases - June 2019 - Paid July 2019

Number of credit cards held by District personnel -2

Credit Card Limit - \$5,000

Credit Card Holders:

Chief Executive Officer

Chris Christensen - Chief Financial Officer

Routine types of charges:

Office Supplies, Dues for membership, Computer Supplies, Meals, Travel including airlines and Hotels, Catering, Supplies for BOD meetings, CEO Discretionary for small grant & gift items

Year	Statement		Expense Type	Amount	Purpose	Description	Participants
	Month Charged	Total Charges					
		\$ 3,593.08					
Chris' Statement:							
2019	June	\$ 3,593.08	District GL	Dollar	Descr		
			6352	\$ 38.07	Lunch meeting - Chris & Carole		
			5160	\$ 140.00	Chris & Donna - CVAG 2019 General Assembly		
			5230	\$ 70.00	Carole - CVAG 2019 General Assembly		
			6360	\$ 26.26	Conference call expense		
			6352	\$ 188.92	May staff lunch		
			6343	\$ 150.00	Courier - June 4th CEO finalists binders		
			6351	\$ 168.04	Hotel for CEO candidate		
			6351	\$ 168.04	Hotel for CEO candidate		
			6360	\$ 24.36	Conference call expense		
			6355	\$ 924.48	Adobe Stock - two 1-year licenses		
			6360	\$ 24.00	Conference call expense		
			5240	\$ 352.21	CEO Interview meal		
			6343	\$ 146.83	Shipping CEO Interview package to Arthur		
			5240	\$ 20.00	CEO Interview meal - tip		
			5240	\$ 110.59	Program Committee Catering		
			6355	\$ 162.00	Cisco Webex 1 Year license		
			5240	\$ 345.05	6/11/19 Special Study Session food		
			6360	\$ 15.28	Tablet charger (to be refunded)		
			6360	\$ (15.28)	Refund for tablet charger		
			5160	\$ 450.00	Meghan - Childhood Obesity Conf Registration		
			6360	\$ 18.18	Conference call expense		
			6360	\$ 13.55	Conference call expense		
			5230	\$ 52.50	Rental fee for 7/9/19 Program Committee Meeting		
		\$ 3,593.08					

**Las Palmas Medical Plaza
Check Register
July through August 2019**

Type	Date	Num	Name	Amount
1000 · CHECKING CASH ACCOUNTS				
1046 · Las Palmas Medical Plaza				
Bill Pmt -Check	07/09/2019	10036	Amtech Elevator Services	(1,322)
Bill Pmt -Check	07/09/2019	10037	Desert Air Conditioning Inc.	(611)
Bill Pmt -Check	07/09/2019	10038	Desert Water Agency	(329)
Bill Pmt -Check	07/09/2019	10039	Imperial Security	(4,875)
Bill Pmt -Check	07/09/2019	10040	Palm Springs Disposal Services Inc	(2,123)
Bill Pmt -Check	07/09/2019	10041	Stericycle, Inc.	(1,449)
Bill Pmt -Check	07/16/2019	10042	Frontier Communications	(225)
Bill Pmt -Check	07/16/2019	10043	Shasta Fire Protection, Inc	(4,000)
Bill Pmt -Check	07/16/2019	10044	Southern California Edison	(492)
Bill Pmt -Check	07/18/2019	10045	INPRO-EMS Construction	(11,717)
Bill Pmt -Check	07/23/2019	10046	Desert Water Agency	(256)
Bill Pmt -Check	07/23/2019	10047	Frazier Pest Control, Inc.	(180)
Bill Pmt -Check	07/23/2019	10048	Imperial Security	(3,145)
Bill Pmt -Check	07/31/2019	10049	Desert Water Agency	(379)
Bill Pmt -Check	07/31/2019	10050	Imperial Security	(1,573)
Check	07/31/2019		Service Charge	(1,080)
Bill Pmt -Check	08/08/2019	10051	Desert Air Conditioning Inc.	(279)
Bill Pmt -Check	08/08/2019	10052	Desert Water Agency	(237)
Bill Pmt -Check	08/08/2019	10053	Palm Springs Disposal Services Inc	(2,227)
Bill Pmt -Check	08/19/2019	10054	Brad Wolfson MD	(1,500)
Bill Pmt -Check	08/19/2019	10055	D.W. Johnston Construction, Inc.	(24,162)
Bill Pmt -Check	08/19/2019	10056	Frontier Communications	(225)
Bill Pmt -Check	08/19/2019	10057	Imperial Security	(1,573)
Bill Pmt -Check	08/19/2019	10058	Southern California Edison	(551)
Bill Pmt -Check	08/19/2019	10059	Stericycle, Inc.	(1,449)
Bill Pmt -Check	08/27/2019	10060	Imperial Security	(1,573)
Bill Pmt -Check	08/27/2019	10061	Prest-Vuksic Architects	(6,265)
Bill Pmt -Check	08/27/2019	10062	WestPac Labs	(1,419)
Check	08/31/2019		Service Charge	(1,079)
Total 1046 · Las Palmas Medical Plaza				(76,294)
Total 1000 · CHECKING CASH ACCOUNTS				(76,294)
TOTAL				(76,294)



MEMORANDUM

DATE: September 10, 2019

TO: F&A Committee

RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

Active – still employed by hospital	111
Vested – no longer employed by hospital	61
Former employees receiving annuity	<u>8</u>
Total	<u>184</u>

The outstanding liability for the RPP is approximately **\$4.2M** (Actives - \$2.9M and Vested - \$1.3M). US Bank investment account balance \$4.9M. Per the June 30, 2018 Actuarial Valuation, the RPP has an Unfunded Pension Liability of approximately **\$3.3M**. A monthly accrual of \$10K is being recorded each month as an estimate for FY2019.

The payouts, excluding monthly annuity payments, made from the Plan for the Two (2) months ended August 31, 2019 totaled **\$39K**. Monthly annuity payments (8 participants) total **\$1.03K** per month.



Chief Financial Officer's Report

September 10, 2019

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

92.0% currently occupied –

Total annual rent including CAM fees is **\$1,198,850**.

Leasing Activity:

Cohen, Musch, Thomas Medical Group (currently located in 3W-101) is interested in relocating to suites 1W 105-106. A draft lease proposal will be presented to the committee at this meeting.

**Las Palmas Medical Plaza
Unit Rental Status
As of September 1, 2019**

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly CAM	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To									
											\$ 0.62		
1W, 104	Vacant					1,024	2.07%						
1W, 105	Vacant					1,060	2.15%						
1W, 106	Vacant					860	1.74%						
2W, 107	Vacant					1,024	2.07%						
Total - Vacancies						3,968	8.04%						
Total Suites-33 - 29 Suites Occupied		\$ 57,097.90				49,356	92.0%	\$ 71,890.09	\$ 862,681.08	\$ 1.58	\$ 28,014.08	\$ 99,904.17	\$ 1,198,850.04
Summary - All Units													
Vacant		3,968	8.0%										
Pending		0	0%										
Total		49,356	100%										

**DESERT HEALTHCARE DISTRICT
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE**

As of 8/31/19

TWELVE MONTHS ENDED JUNE 30, 2020

Grant ID Nos.	Name	Approved Grants - Prior Yrs	Current Yr 2019-2020	6/30/2019 Bal Fwd/New	Total Paid July-June	Open BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000		\$ 10,000,000	\$ -	\$ 10,000,000
2015-876-BOD-6-23-15	Arrowhead Neuroscience Fndtn-NeuroInterventional & NeuroCritical Care Fellowship 2 Yr	\$ 373,540		\$ 37,354	\$ -	\$ 37,354
2016-927-BOD-12-20-16	SafeHouse of the Desert - "What's Up" Crisis Texting Application - 3 Yr	\$ 679,357		\$ 169,839	\$ 101,904	\$ 67,935
2017-938-BOD-07-25-17	Mizell Senior Center - A Matter of Balance Phase 2 - 2 Yr	\$ 400,300		\$ 40,030	\$ -	\$ 40,030
2018-960-BOD-02-27-18	Desert Cancer Foundation - Patient Assistance and Suzanne Jackson Breast Cancer	\$ 200,000		\$ 20,000	\$ -	\$ 20,000
2018-967-BOD-05-22-18	The City of DHS-Public Safety Emergency Response Program - Purchase AEDs	\$ 30,000		\$ 3,000	\$ -	\$ 3,000
2018-974-BOD-09-25-18	HARC - 2019 Coachella Valley Community Health Survey - 2 Yr	\$ 399,979		\$ 219,989	\$ -	\$ 219,989
2018-980-BOD-10-23-18	Joslyn Wellness Senior Behavioral Health Services Program - 1 Yr	\$ 112,050		\$ 11,205	\$ -	\$ 11,205
2018-981-BOD-10-23-18	Desert Arc Healthcare Program - 1 Yr	\$ 164,738		\$ 16,474	\$ -	\$ 16,474
2018-979-BOD-11-27-18	FIND Food Bank - Healthy Food First/Pathways Out of Hunger - 1 Yr	\$ 396,345		\$ 217,989	\$ 89,178	\$ 128,811
2019-985-BOD-03-26-19	Coachella Valley Volunteers in Medicine - Primary Healthcare & Support Services - 1 Yr	\$ 121,500		\$ 66,825	\$ -	\$ 66,825
2019-986-BOD-05-28-19	Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr	\$ 200,000		\$ 200,000	\$ 90,000	\$ 110,000
2019-997-BOD-05-28-19	Martha's Village & Kitchen - Homeless Housing With Wrap Around Services - 1 Yr	\$ 200,896		\$ 110,493	\$ -	\$ 110,493
2019-989-BOD-05-28-19	Pegasus Riding Academy - Cover the Hard Costs of Pegasus Clients - 1 Yr	\$ 109,534		\$ 60,244	\$ -	\$ 60,244
2019-994-BOD-05-28-19	One Future Coachella Valley - Mental Health College & Career Pathway Development - 2 Yr	\$ 700,000		\$ 621,250	\$ -	\$ 621,250
2019-995-BOD-05-28-19	One Future Coachella Valley - HCC Summer Intern at DHCD/F & FIND Food Bank	\$ 14,628		\$ 1,463	\$ -	\$ 1,463
2019-1000-BOD-05-28-19	Voices for Children - Court Appointed Special Advocate Program - 1 Yr	\$ 24,000		\$ 13,200	\$ -	\$ 13,200
2019-1006-BOD-06-25-19	Desert Healthcare Foundation - Homelessness Initiative Collective Fund	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000	\$ -
				\$ -	\$ -	\$ -
TOTAL GRANTS		\$ 15,126,867	\$ -	\$ 12,809,355	\$ 1,281,082	\$ 11,528,273
Amts available/remaining for Grant/Programs - FY 2019-20:						
Amount budgeted 2019-2020			\$ 3,500,000		G/L Balance:	8/31/2019
Amount granted through June 30, 2020:			\$ -		2131	\$ 6,128,273
Mini Grants:	1009; 1015; 1019		\$ (15,000)		2281	\$ 5,400,000
Net adj - Grants not used:					Total	\$ 11,528,273
Balance available for Grants/Programs			\$ 3,485,000		Difference - Rdg	\$ 0



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: September 24, 2019
To: Board of Directors
Subject: Internal Operations. Organizational Chart.

Staff Recommendation: Consideration to approve the new organizational chart.

Background:

- The CEO has completed an internal assessment of the organization's structure and immediate staffing needs in consultation with staff and recommends a new organizational chart.
- The new organization chart illustrates relations between employees within the District. It also shows the relation of two important functions within the District: (1) Programs, and (2) Finance and Administration.
- The new functions align closely with two of the District most active committees: (1) Program Committee, and (2) Finance, Legal, Administration and Real Estate, also known as the F&A Committee.
- The org chart eliminates the Chief Operation Officer position.
- It adds a Chief Administration Officer (CAO) and Chief Program Officer (CPO) positions, which will oversee Finance & Administration, and Program functions respectively.
- It also adds an Administrative & Program Assistant and a Public Policy Analyst positions.
- At the September 10, 2019 F&A Committee meeting, the Committee recommended forwarding to the Board for approval
- Staff recommends approval of the organization chart, proposed salaries, and job descriptions.
- Draft organization chart, proposed salaries/budget, and job descriptions attached.

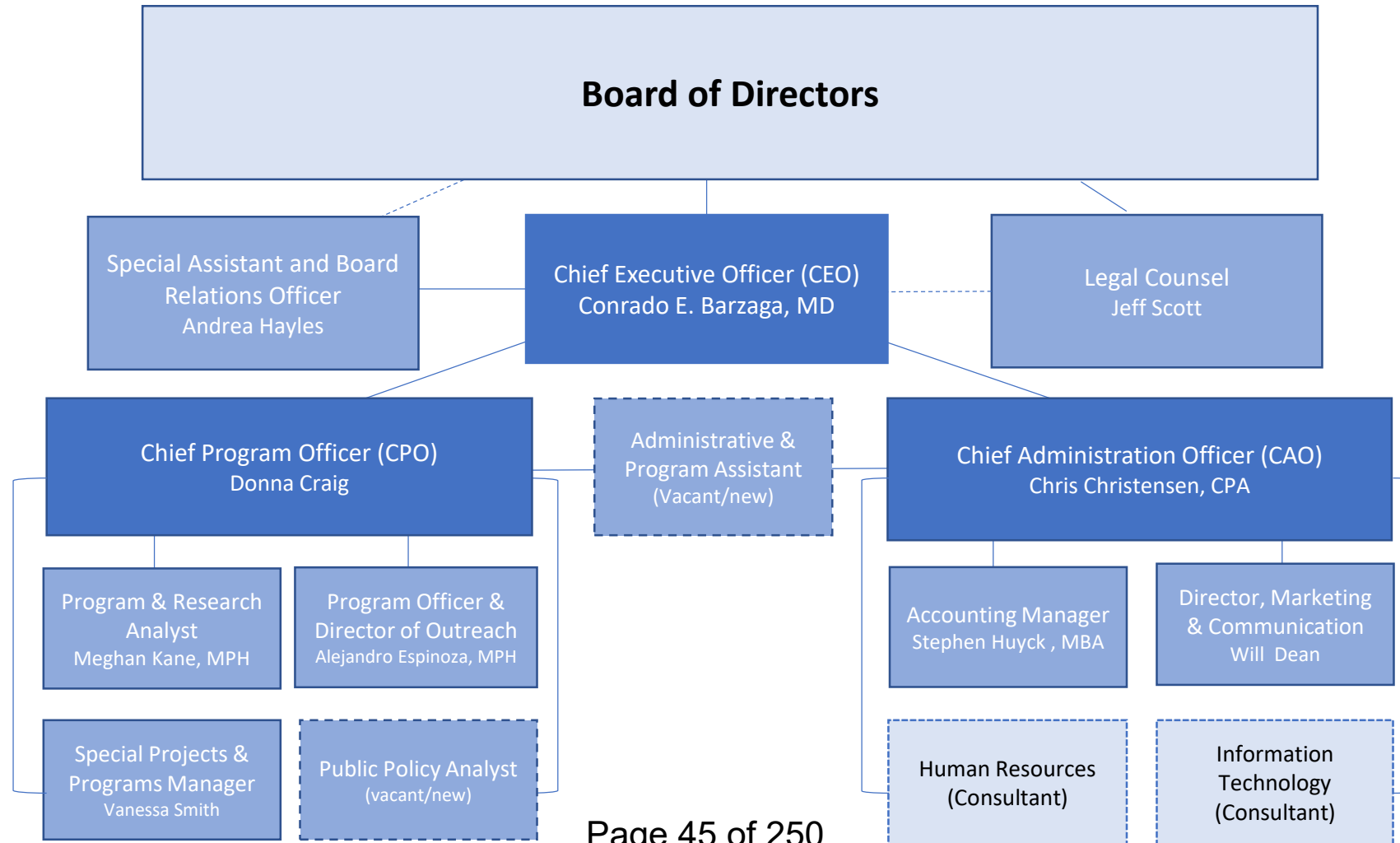
Fiscal Impact:

Current costs, as approved by the Board, are estimated at \$1,458,071.

Estimated cost to the District of new organizational chart would be \$1,302,930.

Estimated savings: \$ 155,141

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C-Suite & Board Relations Officer

Chief Executive Officer (CEO) – Dr. Conrado E. Bárzaga, MD

Dr. Conrado Bárzaga is an internationally recognized public health leader with over 20 years addressing public health issues. He was appointed Chief Executive Officer by the Desert Healthcare District Board of Directors in June 2019. Prior to working with the District, he served as President and CEO at Center for Oral Health, a California-based nonprofit organization, for over seven years. Prior to this appointment, he served in top leadership positions for the Los Angeles County Commission on Children and Families (First 5 LA), Planned Parenthood, and the Area Health Education at Sacred Heart University. He is a Coro Fellow and a Global Health Leadership Fellow at the Global Child Dental Fund, King's College London. He earned his Doctor of Medicine (MD) degree from the University of Havana in 1994.

Chief Administration Officer (CAO) – Chris Christensen, CPA

Chris Christensen is a Certified Public Accountant and a seasoned administrator; he has been the Chief Financial Officer (CFO) at Desert Healthcare District since October 2014. As CFO he has been responsible for various administrative functions, including budget and operations, managing payroll, AP & AR, and overseeing human resources functions. He is responsible for managing the maintenance of District facilities, and the leasing contract with Tenet. A strategic role in management with day-to-day responsibilities for planning, implementing, managing and controlling all financial-related activities. He has served as interim CEO with the District on two occasions, most recently between June 2018 and July 2019. Prior to joining the District, he was Controller at Paragon Strategic Partners, and has held Controller positions with various companies. Chris has a B.S. in Business Administration from Montana State University.

Chief Program Officer (CPO) – Donna Craig

Donna Craig has over 25 years of experience of grant writing and grant making through various Coachella Valley nonprofits, a government agency and philanthropic foundation. She has been with Desert healthcare District since 2004. She has secured funding for the District's and Foundation's programs, including the Smile Factory, Desert Health Car, and the Wellness Park; assisted in the development of a healthcare resource center (now HARC) for the community's nonprofit organizations; coordinated, planned and organized all aspects of public events regarding the Wellness Park. Prior to the District, Donna was a Major Gift Officer at Palm Springs Art Museum. She has a B.A. in Political Science from Virginia Polytech Institute and State University.

Special Assistant to CEO and Board Relations Officer – Andrea Hayles

Andrea Hayles is the liaison on behalf of the CEO with the Board of Directors, stakeholders, elected officials, and non-governmental groups and organizations. She supports the CEO with complex project management and administrative duties; she provides administrative support to the Board, and coordinates election proceedings, oversees Board and committee meetings, and develops Board documents. She joined the District in 2017. Prior to this, she was Executive Assistant to the President and CEO at Watts Healthcare Corporation in Los Angeles between 2007 and 2017. Andrea holds a Bachelor of Science in Communications from the University of Phoenix.

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Program Department

Lead by Chief Program Officer – Donna Craig

Program Officer and Director of Outreach – Alejandro Espinosa, MPH

As Director of Outreach, Alejandro Espinosa represents the District in the Coachella Valley community by maintaining strong partnerships with government officials, community-based organizations, civic organizations, and community groups. He supports the establishment of new partnerships with key stakeholders and community members to advance the District’ and Foundation’s mission, values, and strategic vision. He also manages the Coachella Valley Health Info Place (CVHIP) platform by updating the database, enrolling community organizations into the platform, providing presentations to key stakeholders and community groups, and participating in community events. He also assists the program division by managing internal grants management software, grantee portal, and supporting documentation for the revised grants program. Alejandro is a native of the Coachella Valley, and former member of the United States Marine Corps. Prior to joining the District in 2014, he was a program director at Latino Health Access. He holds a B.S. in Kinesiology, and a Masters of Public Health from California State University Fullerton.

Program & Research Analyst – Meghan Kane, MPH

Meghan Kane joined the Desert Healthcare District and Foundation in 2018 as a Community Health Analyst. She connects and collaborates with community organizations and residents to identify the priorities and research needs of communities across the Coachella Valley. She conducts secondary data research and qualitative data collection through resident-driven engagement to identify the priority needs of the Coachella Valley communities. Her work helps identify factors that improve or impede community health and social equity. Her work currently includes District strategic areas of Homelessness, Behavioral Health, and Healthy Eating/Active Living initiatives. Meghan currently oversees the development of community health needs assessments and future strategic plans. She is a Randall Lewis Health Policy Fellow. Meghan holds a Bachelor of Business Administration from the University of Minnesota Duluth, and a Masters in Public Health from California Baptist University.

Special Projects & Programs Manager – Vanessa Smith

Vanessa Smith joined the Desert Healthcare District and Foundation in 2017. As a Special Projects & Programs Manager, she develops and presents health education and promotion programs through community presentations, school partnerships and classroom curriculum. She has been responsible for successful implementation of the Nutrition Education and Obesity Prevention (NEOP) program, a local partnership with California Department of Public Health; and Ready, Set, Swim! Coachella Valley. Prior to joining the District she worked at Desert Regional Medical Center from 2012 to 2016. Vanessa holds a Bachelor of Arts in Liberal Arts and Psychology from California State University San Bernardino.

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Finance & Administration Department

Lead by Chief Administration Officer – Chris Christensen, CPA

Director of Communications and Marketing – Will Dean

Will Dean is an experienced communications manager and storyteller whose passion is creating, curating and presenting across print and digital platforms an organizational mission and information to engage community members and other stakeholders who need to be informed. He joined the Desert Healthcare District and Foundation in 2108. As the District’s Director of Communications he develops and implements external and internal communications, marketing and public relations strategies and materials to engage and inform the public. Prior to joining the District, he was Editor, Blogger and Social Media Curator for The Desert Outlook, a publication by The Desert Sun. Will was in the Knight Editing Fellowship at the University of Missouri School of Journalism. He holds a Bachelor of Arts from Kentucky Wesleyan College.

Accounting Manager– Stephen Huyck, MBA

Stephen Huyck joined the Desert Healthcare District and Foundation in 2018. Stephen is responsible for managing the District’s finances with the Chief Administration Officer. He produces monthly Income Statements, Balance Sheets, and other operating reports for the District/Foundation. He ensures District and Foundation expenses are operating within approved budget. He also manages the finances of the medical office building owned by the District. He makes sure investment balances are properly recorded and reconciled, and manages payroll for the District’s staff. Prior to joining the District, he was Accountant at Riverside Community Hospital; and Junior Accountant at National Cornerstone Healthcare Services. Stephen holds a Bachelor of Science in Business Management with Emphasis in Finance from Brigham Young University Idaho, and a Master of Business Administration from Texas A&M University.

Human Resources Services Consultant

This is an important administrative function for the organization. Given the size and complexity of the District, it is more cost-effective to have this function fulfilled in the form of a service contract.

Information Technology Services Consultant

Like HR, IT is also an important function for the organization. Given the size and complexity of the District, it is more cost-effective to have this function fulfilled in the form of a service contract.

Additional Positions

Administrative & Program Assistant

The District has additional needs to operate at its maximum capacity. Administrative support is needed on a daily basis for operational and programmatic functions, including but not limited to human resources, employee benefits, receiving grantee proposals, and managing day-to-day demands of programs and administration departments.

Public Policy Analyst

The District's intersection with public policy decisions at local, state, and federal levels is very important for the communities we serve and for the District's board of directors. The Public Policy Analyst works to influence political and social events, as well as raise public awareness on different issues. This involves conducting research, analyzing current policies, evaluating the effects of proposed legislation, and reporting on findings. This position will enable the District to examine and evaluate the available options to implement the goals of laws and Board Members as elected officials.

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Fiscal Impact

The proposed changes to the organizational chart will save the District \$155,141. See budget changes below.

**DESERT HEALTHCARE DISTRICT
New Organizational Chart - Effective 10.01.19
Effect on FY19-20 Budget**

	Approved Budget - FY 19-20					New Organization Chart - Effective 10.01.19						
	Salary (Base)	Merit Increase 11.01.19	Revised Salary 11.01.19	Benefits and Taxes	Total 19-20	FY	Salary as of 10.01.19	Revised Salary (Merit) 11.01.19	Total Salary Expense FY19-20	Benefits and Taxes	Revised Total FY 19-20	Variance
Chief Executive Officer (Effective 07.31.19)	225,000	-	225,000	59,301	284,301		\$ 215,000	215,000	197,083	67,333	264,416	19,885
Chief Financial Officer (CFO)	165,000	5,500	170,500	42,366	212,866				41,250	6,868	48,118	
<i>Chief Administration Officer (CAO)*</i>				-	-		\$ 165,000	170,500	127,417	37,331	164,748	
Chief Operations Officer - Vacant	145,000	-	145,000	43,672	188,672		\$ -	-	-	-	-	188,672
Director - Communications & Marketing	100,000	3,333	103,333	30,969	134,302		\$ 100,000	103,333	102,500	31,802	134,302	
Senior Program Officer (SPO)	117,819	3,927	121,746	35,490	157,236				29,455	4,904	34,359	
<i>Chief Program Officer (CPO)**</i>				-	-		\$ 125,000	125,000	93,750	30,933	124,683	
Program Officer & Outreach Director	101,843	3,395	105,238	31,125	136,362		\$ 101,843	105,238	104,389	31,973	136,362	
Special Assist to the CEO/Board Relations	68,349	2,278	70,627	25,267	95,894		\$ 68,349	70,627	70,058	25,837	95,894	
Accounting Manager	66,040	3,082	69,122	38,414	107,535		\$ 66,040	69,122	68,351	39,185	107,536	
Special Projects & Programs Manager	57,000	-	57,000	22,883	79,883		\$ 57,000	57,000	57,000	22,883	79,883	
Program Research Analyst (Effective 11.01.19)	39,667	-	39,667	21,354	61,020		\$ 68,000	68,000	39,667	21,354	61,020	
<i>Administrative & Program Assistant - New (Effective 11.01.19)</i>				-	-			45,000	30,000	2,595	32,595	(32,595)
<i>Public Policy Analyst - New (Effective 04.01.20)</i>				-	-			70,000	17,500	1,514	19,014	(19,014)
Totals	1,085,718	21,516	1,107,233	350,838	1,458,072				978,420	324,511	1,302,930	155,141

* CAO replaces CFO
** CPO replaces SPO

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Salary Ranges

DESERT HEALTHCARE DISTRICT
SALARY RANGE - STAFF POSITION - BUDGET 2019-2020

Job Title	FT PT	Job Status	BOD Approved Salary Range	Approved Salary FY19-20	Proposed FY 19-20 Effective 10/01/19				Proposed Salary 10/1/19
					Title Change	Salary Range	Salary	Effective Dates	
Current									
Chief Executive Officer	FT	Exempt	175,000 - 225,000	\$ 225,000					\$ 215,000
Chief Financial Officer	FT	Exempt	145,000 - 175,000	\$ 165,000	Chief Administration Officer	155,000 - 185,000	\$ 165,000	10/1/19	\$ 165,000
Chief Operations Officer - OPEN	FT	Exempt	120,000 - 150,000	\$ 145,000					NA
Director - Communications & Marketing	FT	Exempt	95,000 - 125,000	\$ 100,000					\$ 100,000
Senior Program Officer	FT	Exempt	95,000 - 125,000	\$ 117,819	Chief Program Officer	120,000 - 150,000	\$ 125,000	10/1/19	\$ 125,000
Program Officer & Outreach Director	FT	Exempt	95,000 - 125,000	\$ 101,843					\$ 101,843
Special Assist to the CEO/Board Relations	FT	Non-Exempt	60,000 - 80,000	\$ 68,349					\$ 68,349
Accounting Manager	FT	Non-Exempt	55,000 - 80,000	\$ 66,040					\$ 66,040
Special Projects & Programs Manager	FT	Non-Exempt	55,000 - 75,000	\$ 57,000					\$ 57,000
Program & Research Analyst	FT	Non-Exempt	65,000 - 85,000	\$ 68,000					\$ 68,000
					Public Policy Analyst	60,000 - 90,000	\$ 70,000	4/1/20	\$ 60,000
					Administrative & Program Assistant	40,000 - 70,000	\$ 45,000	10/1/19	\$ 45,000

**New Job Descriptions
09 / 24 / 2019**

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CHIEF ADMINISTRATION OFFICER

Summary

The Chief Administration Officer (CAO) supervises the daily operations of the organization and is ultimately responsible for its performance. The CAO reports directly to the CEO, and his work is a critical factor in the overall performance of the organization, keeping things in order and adding a strategic vision to everyday activities. The CAO's goal is to ensure the smooth running of business processes according to established policies and procedures, while supporting the vision of the organization.

Reporting Relationship

The Chief Program Officer reports to the Chief Executive Officer.

Responsibilities

- Provide input in business and strategic planning
- Set goals for departments and individual managers
- Work across departments and collaborate with colleagues to implement policies and develop improvements
- Organize and coordinate inter- and intradepartmental operations
- Oversee resource allocation and budgeting
- Provide guidance to subordinate staff and evaluate performance
- Resolve issues that may arise in a timely manner
- Assume responsibility for timely reporting to CEO, the Board, and/or regulatory agencies
- Oversee assets and contracts management
- Assist in other tasks as assigned

Salary range

\$155,000 - \$185,000

Professional Requirements

- Proven experience as an administrative officer
- Experience in operations management
- Solid understanding of business functions (HR, finance, etc.)
- Knowledge of fiscal planning, budgeting and reporting
- Knowledge of relevant laws and regulations (e.g. GAAP)
- Outstanding communication and interpersonal skills
- Ability in decision-making and problem-solving
- Excellent organizational and leaderships skills
- BSc/BA in business administration or relevant field; MSc/MA is a definite plus

8-30-19

CHIEF PROGRAM OFFICER

Job Summary

The Chief Program Officer (CPO) is responsible for developing and leading the Desert Healthcare District and Foundation Programs team in the execution of our mission. The CPO recommends and implements strategies for evaluating the impact of our work by identifying and measuring the appropriate indicators of progress against our goals. The CPO leads the District's funding strategy and manages key relationships with stakeholders in the community.

Reporting Relationship

The Chief Program Officer reports to the Chief Executive Officer.

Professional Responsibilities

The major role of the Chief Program Officer is to oversee the grant review process, communicate with grant applicants, and be involved with health initiatives and special projects. The Chief Program Officer responsibilities include but are not limited to:

- Develop Requests for Proposals (RFP), develop funding and evaluation strategies and criteria.
- Ensures grantmaking activities are in compliance with California's Government Code and Health and Safety Code related to health care districts.
- Review Letters of Intent, Qualifications, and Proposals submitted to the District for consideration, and make recommendations for review by Committee and Board members.
- Negotiate grants terms and conditions.
- Monitor applicant's performance to ensure grant terms are met.
- Provide guidance to grant recipients on program evaluation tools
- Review and evaluate data derived from evaluation tools.
- Serve as the District's principal contact for applicants.
- Supervise a staff of program officers, directors, coordinators, assistants and consultants.
- Work closely with the CEO developing health initiatives and projects.
- Prepare Committee and Board reports on results of District's funding.
- Develop relationships with other nonprofit and public organizations.
- Have an in-depth understanding of health concerns and needs of the community.
- Keep the CEO informed as to the status of grant activities as appropriate
- Keep current on health issues of importance to the organization by literature review, contact with social and professional communities, and participating in relevant conferences.

Salary range

\$120,000 - \$150,000

Professional Requirements

Master's degree in public health, public administration, education, or social sciences preferred and demonstration of strong analytical, communication and organization skill with an emphasis on writing skills. At least 10 years of experience in similar positions. Knowledge and understanding of philanthropic philosophies, public health, healthcare and public policy. Capacity to coordinate efforts involving various projects and multiple players.

8-30-19

PUBLIC POLICY ANALYST

Job Summary

The Public Policy Analyst will work to influence political and social events, as well as raise public awareness on different issues relevant to the Desert Healthcare District (DHCD). This involves conducting research, analyzing current policies, evaluating the effects of proposed legislation, and reporting on findings. The Policy Analyst will review and evaluate policies and legislation to determine the benefits and impact of any changes that may occur. The Policy Analyst will support efforts to advance DHCD's policy agenda in California. They will work with and maintain strong relationships with allies, stakeholders, policymakers, and others to influence state policy and advance the DHCD's mission to achieve optimal health at all stages of life for all District residents.

Reporting Relationship

The Public Policy Analyst reports to the Chief Program Officer.

Professional Responsibilities

The major role of the Public Policy Analyst is to review and evaluate policies and legislation to determine the benefits and impact of any changes that may occur. They will support efforts to advance DHCD's policy agenda in California. The Public Policy Analyst responsibilities include but are not limited to:

- Develop a plan for evaluating and analyzing relevant public policies that impact the District and its residents.
- Analyze local, state and federal policies and communicate effectively their impact on DHCD.
- Monitor policy ideas developing at state and regional levels.
- Produce internal policy memoranda and make recommendations to leadership.
- Attend meetings with legislative staff, policymakers/experts, and issue stakeholders, effectively communicating DHCD policy priorities.
- Develop relationships with community leaders and other stakeholders in California.
- Engage/participate in California policy coalitions/networks.
- Substantial writing required, including completion of issue briefs and providing substantive support for testimony, public comments, and journal articles.
- Ability to conduct secondary research/publishing.
- Serve as an advocate and DHCD representative in policy forums.
- Ability to work with media as appropriate.

Salary range

\$60,000 - \$90,000

Professional Requirements

Bachelor's degree plus at least five years of policy analysis experience or a master's degree required plus at least two years of experience. Experience developing and executing advocacy campaigns. Knowledge of healthcare districts and commitment to social justice and to DHCD's mission. Knowledge of California lobbying rules/requirements. Knowledge of the legislative and policymaking process, and federal and state government structures (e.g. legislative and administrative process, budget, state agencies, etc.). Excellent writing skills and ability to synthesize information and present it in a variety of formats. Bilingual (English/Spanish) ability strongly preferred. Capacity to coordinate efforts involving various projects and multiple players.

8-30-19

ADMINISTRATIVE AND PROGRAM ASSISTANT

Job Summary

The Administrative & Program Assistant assists the organization's Administration and Program staff by assuming responsibility for administrative duties and is responsible for organizing and expediting workflow at the Desert Healthcare District. They are responsible for producing a variety of business correspondence, reports, confidential documents, and/or forms related to DHCD administration and program divisions.

Reporting Relationship

The Administrative and Program Assistant reports to the Chief Administration Officer.

Professional Responsibilities

The major role of Administrative and Program Assistant is to assist the Chief Administration Officer and the Chief Program Officer by assuming responsibility for administrative duties and is responsible for organizing and expediting workflow at the Desert Healthcare District. their responsibilities include but are not limited to:

- Provides administrative and clerical support to the Chief Administration Officer and the Chief Program Officer related to District/Foundation grantmaking program, including scheduling meetings and other events, preparing correspondence, sending mailings and related duties as assigned. Organize, manage, and maintain electronic and paper grant files and databases. Assists in tracking project finances.
- Compiles and maintains employee records. Assists with the daily administrative operations of human resource and interacts with employees, management and other business associates. Works with benefit brokers/vendors. Presents and administers benefits packages; supports on-boarding and discharge processes. Checks references and organizes background checks.
- Files all organizational documents, including accounting, personnel, and payroll files.
- Work to enhance and improve grants management processes and increase efficiencies.
- Assists in the review and processing of grant applications from letters of intent to approval/denial, including assistance in preparation of funding recommendations for committees and staff.
- Assist in monitoring and documenting grantee performance and preparation of reports for staff, committees, and board.
- Assist in facilitating interaction between grant seekers, grantees, and the District.
- Perform other duties as assigned by the administration and program teams.

Salary range

\$40,000 - \$70,000

Professional Requirements

Bachelor's degree required. Minimum five years administrative, program and support experience, preferably in grantmaking, nonprofit, governmental or related institutions. Excellent oral and written communication skills, including grammar, spelling and punctuation and ability to write clear and professional letters, reports, memos, agendas, minutes, and other business documents. Ability to interact professionally, appropriately, and effectively with board members, co-workers, members of the public, grant seekers, grantees, and diverse community, government and professional individuals and groups. Computer proficiency in Microsoft Office and database management software, including grant information and tracking systems. Strong organizational skills. Ability to work productively without direct supervision. Bilingual (English/Spanish) ability strongly preferred.

8-30-19



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: September 24, 2019
To: Board of Directors
Subject: Consulting Services Agreement for Maggie Martinez dba Personnel 411 HR Consulting - \$833.33/month plus special projects fees

Staff Recommendation: Consideration to approve a Consulting Services Agreement for Maggie Martinez dba Personnel 411 HR Consulting - \$833.33/month plus special projects fees.

Background:

- The CEO has completed an internal assessment of the organization's structure and immediate staffing needs in consultation with staff and recommends a new organizational chart.
- The new organization chart, if approved, includes a Human Resources (HR) Consultant.
- Ms. Martinez is currently the Assistant Director of HR Department at Los Angeles County.
- Prior to this Ms. Martinez was the Director of HR Business Support Services at L.A. Care Health Plan, a public agency in Los Angeles.
- Ms. Maggie Martinez is a former Director of Human Resources for First 5 LA, a public agency in Los Angeles. Dr. Barzaga worked at First 5 LA during part of the time Ms. Martinez was Director of HR at First 5 LA.
- The HR Consultant will review personnel records, review employee handbook, conduct employment investigations, review compliance with regulatory trainings, etc., as outlined in the proposal (Exhibit A) included in the packet.
- The HR Consultant shall provide the services for a flat monthly fee of \$833.33, plus fees for special projects.
- A Consulting Services Agreement and Proposal (Exhibit A) is included in the packet for your review.
- At the September 10, 2019 F&A Committee meeting, the Committee recommended forwarding to the Board for approval
- Staff recommends approval of the Consulting Services Agreement for Maggie Martinez dba Personnel 411 HR Consulting.

Fiscal Impact:

\$833.33 per month (\$10,000 annually), plus fees for special projects.

The HR consultant is not included in the District's FY19-20 annual budget. However, by not rehiring the COO position, the Staffing budget was reduced creating net savings of \$155,141 and sufficient budget to accommodate the expense of the consultant.

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (“Agreement”) is entered into by and between Desert Healthcare District and Foundation (collectively “District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and Maggie Martinez dba Personnel 411 HR Consulting (“Consultant”) as follows:

R-E-C-I-T-A-L-S

1. District would like to retain the professional services of Consultant to provide Human Resources Consulting Services.

2. Consultant is an expert in the field and is qualified and possesses the knowledge, skill, expertise, necessary to provide the professional services (“Services”) as more specifically outlined in the attached Exhibit “A” (“Consultant Proposal”).

C-O-V-E-N-A-N-T-S

1. CONSULTANT’S SERVICES.

1.1 Services. Consultant shall provide District with the professional services described in the Consultant Proposal. All Services shall be coordinated with District Management and District General Counsel and shall be performed by Consultant to the reasonable satisfaction of District.

1.2 Compliance with Laws. In performing the Services, Consultant shall, at all times comply with all applicable laws, rules, regulations, codes, ordinances, and orders of every kind whatsoever issued, adopted, or enacted by any federal, state, or local governmental body having jurisdiction over the Services.

1.3 Performance Standard. Consultant shall perform the Services with efficiency and diligence and shall execute the Services in accordance with the standards of Consultant’s profession, generally described as that degree of skill and care ordinarily exercised by professionals providing similar services as Consultant practicing in California.

1.4 District’s Representative. For purposes of this Agreement, the District’s Representative shall be District’s Chief Executive Officer, Conrado Bárzaga, located at 1140 North Indian Canyon Drive, Palm Springs, CA 92262. All amendments to this Agreement shall be approved by the District Board.

2. FEES AND PAYMENTS.

2.1 Compensation for Services. District shall compensate Consultant a flat monthly retainer of \$833.33 and any services for special projects (i.e., drafting of the employee handbook, special audits, investigations, would be provided at an additional flat rate to be negotiated at the time the assignment is made.

2.2 Invoices. Consultant shall deliver monthly invoices to District no later than the 10th day of each month for Services.

2.3 Payment. District shall remit payment for all amounts due to Consultant within thirty (30) days after receipt of invoices; provided, however, in the event District disputes any portion of Consultant's invoice, it shall timely pay any undisputed amounts invoiced and notify Consultant within thirty (30) days of its receipt of the invoice of the specifics of any disputed amounts. The parties shall expeditiously resolve the subject of any disputed amounts by way of negotiation or, if necessary, mediation. Any such dispute shall not relieve Consultant of its obligation to continue diligently performing the Services.

3. TERM; TERMINATION.

3.1 Term. The term of this Agreement shall run from the date this Agreement is fully executed for a term of one (1) year.

3.2 Termination for Convenience. District may, at any time in the exercise of its sole discretion, terminate this Agreement in whole or in part, with or without cause, by providing notice to Consultant of its intention to terminate the Agreement for convenience. As long as Consultant is not in default under this Agreement at the time of such termination, District shall pay Consultant for all Services incurred up to and including the date of termination.

4. INDEPENDENT CONTRACTOR.

District has retained Consultant to provide, and Consultant shall perform, the Services as an independent contractor maintaining exclusive direction and control over its employees; and, no personnel utilized by Consultant to perform the Services are employees of the District.

5. OWNERSHIP OF DOCUMENTS.

All deliverables and other documents generated by Consultant in the performance of the Services, including all work papers, work-in-progress, designs, documents, data, ledgers, journals, and reports prepared by Consultant as a part of Consultant's Services shall belong to and be subject to the sole ownership and use of the District. The provisions of this Paragraph 5 shall survive any termination of this Agreement.

6. INDEMNIFICATION.

Consultant agrees to indemnify and hold the District, its governing body, officers, employees, representatives, agents, successors and assigns (the "District Indemnities"), harmless from and against any and all losses, liabilities, claims, causes of action or costs and expenses of whatever nature or kind, incurred or suffered by District or the District Indemnities including indemnity claims arising by reason of any personal injury of any

person or property loss, loss of use, or damage, to the extent the same arise out of or in connection with the negligent act(s) or omission(s), recklessness, or willful misconduct of Consultant, its officers, employees, subcontractors, or representatives, relating to the performance of the services outlined in this Agreement.

7. NOTICE.

All notices to be given under this Agreement shall be in writing and shall be deemed effective upon receipt when personally served or two (2) days after mailing by certified, return receipt requested, to the following addresses:

To: District
Desert Healthcare District
Attention: Conrado Bárzaga, Chief Executive Officer
1140 N. Indian Canyon Drive
Palm Springs, California 92262

To: Consultant
Maggie Martinez dba Personnel 411 HR Consulting
1621 Edgewood Dr
Alhambra, California 91803
Tel: (323) 497-6964

8. MISCELLANEOUS PROVISIONS.

8.1 Venue. Venue shall lie only in the federal or state courts nearest to the City of Palm Springs, in the County of Riverside, State of California.

8.2 Modification. This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

8.3 Entire Agreement. This Agreement, together with all Schedules attached, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda, or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its schedules.

8.4 Assignment. Consultant shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior written consent of District. Nothing in this Agreement shall obligate District to give such consent. Any purported assignment without District's consent shall be void.

8.5 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs, and assigns.

8.6 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

This Agreement is entered into in the County of Riverside, State of California.

“District”:

Desert Healthcare District

By: _____
Les Zendle M.D., President

Date: _____

“Consultant”:

Personnel 411 HR Consulting

By: _____
Maggie Martinez

Date: _____

DRAFT

Maggie Martinez

EXHIBIT A

d.b.a. Personnel 411 HR Consulting

1621 Edgewood Dr. Alhambra, California 91803

Tel: (323) 497-6964

Proposal for HR Consulting Services

Submitted to Desert Healthcare District

August 27, 2019

Dear Dr. Barzaga,

I am pleased to submit the following proposal to your organization to offer Human Resources Consulting Services.

As an HR professional with over 25 years of experience in both the private and public sector, I am confident that I can offer the support you need to meet your HR needs.

The following is a partial list of services that would be offered:

- Review/audit of existing personnel records to ensure record-keeping is in compliance with the law (to include main personnel file, I-9 employment eligibility records, medical/health records, workers' compensation records, etc).
- Review of standard correspondence to support new hires, voluntary separations, terminations of employment, transfers and other routine personnel status changes. Drafting or revision of correspondence where needed.
- Review or preparation of forms to support routine personnel actions: status change documents, disciplinary notice templates, documents for reporting work-related injury or illness.
- Review of compliance with regulatory training requirements; recommendations for training where needed/appropriate to ensure either compliance with regulatory requirements or to address organizational needs.
- Support with conducting investigations/addressing allegations of misconduct.
- Support with disability management compliance, including the interactive process.
- Support with communications regarding organizational, management, or operational matters that impact employees.
- Review employee handbook.

HR consulting shall be provided as needed for a flat monthly retainer of \$833.33; any services for special projects (i.e. periodic review/drafting of the employee handbook, special audits, investigations), would be provided at an additional flat rate to be negotiated at the time the assignment is made. HR consultant shall coordinate all work with District's management and general counsel.

I appreciate your consideration and would value the opportunity to support the Desert Healthcare District.

Sincerely,

Maggie Martinez

Maggie Martinez, SPHR, sHRBP

- Seasoned Leader and Strategic HR Business Partner
- Experience in the Nonprofit & Public Sectors
- Effective Executive Coach and Mentor
- Exceptional Communication and Interpersonal Skills
- Fully Fluent in written and spoken Spanish
- Experienced and Effective Investigator of Workplace Issues

PROFESSIONAL EXPERIENCE

County of Los Angeles, Dept. of Human Resources April 2017 to present

Assistant Director, Branch III

Branch III in DHR encompasses employee benefit and retirement plan (operations and administration), workplace programs (wellness, charitable giving, RideShare), occupational health (medical and psychological), leave management and return to work.

- As a member of the Executive DHR team, help develop and lead the strategic goals of the broader organization.
- Leading the re-engineering of the County's occupational health, leave management, and return to work programs, and driving an inclusive and transparent change management process.
- Redesign of all forward-facing websites for programs reporting into the branch to ensure up to date content, ease of obtaining information, and accessibility of resources.

L.A. Care Health Plan, Los Angeles, California December 2015 to April 2017

Established in 1997, L.A. Care Health Plan is an independent public agency created by the state of California to provide health coverage to low-income Los Angeles County residents. Serving more than 2 million members in six health plans, the company is the nation's largest publicly operated health plan with an operating budget of \$3.7 billion dollars, and a \$90 million dollar personnel budget in support of 2000+ employees.

Director, HR Business Support Services

As Director of HR Business Support Services, responsible for introducing and integrating the HR Business Partner model and strategic human resources support across the organization.

- Successfully designed, implemented and staffed a new HR Strategic Business Partner model that transformed HR from a transactional orientation to a highly regarded strategic partner.
- Implemented an organization-wide employee engagement strategy to build management accountability, align mission and culture in order to maximize employee engagement as a key driver of organizational performance.
- Designed and implemented the organization's New Employee Orientation Program and worked closely with the Director of Career & Learning Services and with the Compliance & Regulatory Affairs Department to evaluate and consolidate training requirements for new hires.
- Designed and implemented an infrastructure for the Talent Review Committee that moved the organization into a strategic workforce planning process that reviews and

measures quality of hires.

- Collaborated closely with peer directors in Total Rewards, Talent Acquisition, and Career & Learning Services to elevate and coordinate the provision of services and support to employees and managers.
- Successfully redesigned and launched and integrated performance management process to align organizational incentive plans, merit, and performance reviews to organizational strategic goals and build a culture of accountability.
- Reduced ergonomics and workers compensation costs realigning vendor contracts and internal resources, and integrating auditing control functions to improve efficiencies.
- Developed and delivered monthly HR Lunch & Learn Network training session for supervisors and managers across the organization to promote understanding of HR topics and to facilitate internal networking and collaboration.

**Director of Human Resources, First 5 LA, Los Angeles, California
February 2007 to November 2015**

- Responsible for the design, implementation and oversight of all human resource functions for the Los Angeles County Children & Families First – Proposition 10 Commission, a public entity in Los Angeles. Developed and implemented HR department goals and objectives congruent with First 5 LA's strategic plan. Developed measurement criteria and monitored programs on an on-going basis.
- Strategically redesigned organization compensation and rewards programs to increase employee retention and improve employee engagement and attraction.
- Directed and coordinated all human resources activities including compensation and benefits, leave management, performance evaluations, employee engagement and development, and employee surveys.
- Implemented strategy and infrastructure for First 5 LA's record keeping systems to ensure compliance with state and federal records management and retention requirements and annual audits.
- Researched, implemented and managed a number of new web-based systems, including an HRIS system incorporating electronic candidate management and web-based programs to manage background screening services, and performance evaluations.
- Created and implemented a comprehensive employee on-boarding program that included a post-recruitment survey and an exit interview process that included a post-separation employee survey.
- Ensured compliance with local, state and federal regulations, such as EEO, FLSA, ADA/ADEA, HIPPA, FMLA/CFRA, and other compliance programs.
- Responded to all claims from regulatory and oversight agencies including DFEH, EEOC, OSHA, etc.
- Established a closed chapter of Toastmasters International.

**Director of Human Resources
AIDS Healthcare Foundation, Los Angeles, California
May 1993 to February 2007**

Implemented and oversaw all human resource functions for a large multi-faceted healthcare organization. At the time, AHF was the world's largest HIV/AIDS organization with a \$100+ million budget, 750+ employees and independent consultants at over 50 locations domestic and international locations, including Northern and Southern California, the State of Florida, Uganda, South Africa, Rwanda, Swaziland, Zambia, Honduras, Mexico, India. Programs include medical care, pharmacies, research, and prevention and retail thrift stores. Traveled domestically and internationally to develop, implement and oversee HR programs and remotely managed regional/international HR managers to ensure fidelity to organizational policies and procedures. Established a Toastmasters International Chapter to support employee and manager development.

**Campaign Manager, Michael Weinstein for City Council, Los Angeles, California
January to April 1993**

Responsible for day-to-day operation of campaign office and the candidate's calendar.
Recruited volunteers and coordinated successful get-out-the-vote operation.
Coordinated major grassroots handwritten letter campaign to voters.

**Associate Consultant, Select Committee on California-Mexico Affairs
California State Assembly, Sacramento, California
March 1992 to January 1993**

Performed legislative tracking, prepared analyses and statements for committee presentations by Assembly Member.
Successfully guided twelve bills through the State Legislature, receiving Governor's signature.
Drafted news releases and speeches for the Latino Legislative Caucus.

**Field Representative, Assembly Member Richard Polanco,
California State Assembly, District 55, Los Angeles, California
March 1991 to February 1992 and April 1990 to December 1990**

Liaison to public and staff specialist on education, affirmative action, health, worker's compensation, unemployment, HIV/AIDS and other issues.
Conceived, developed and managed community outreach projects.
Developed direct mail pieces and coordinated district-wide targeted mail program.

EDUCATION

Occidental College, Los Angeles, California
Bachelor's Degree (A.B.) in English Literature

PROFESSIONAL CREDENTIALS

- Certified Senior Professional in Human Resources, HRCI
- Certified Strategic HR Business Partner, Human Capital Institute
- Certified Facilitator, Korn Ferry Leadership Architect
- Competent Communicator, Toastmasters International
- Graduate, Hispanic Leadership Training & Development Program, Kellogg Center of the United Way.

KNOWLEDGE, SKILLS & TRAINING

- Exceptional verbal communication and writing skills.
- Fully fluent in written and spoken Spanish; bi-cultural.
- Experienced and effective investigator of internal workplace issues and complaints.
- Experienced and effective mentor/coach for leadership, managers and line staff.
- Computer literate in word processing, presentation and database applications, spreadsheets and Internet research.

PROFESSIONAL REFERENCES

Robert Turner, Ph.D
Former Chief Human Resources Officer, L.A. Care Health Plan
(714) 743-5840
Former supervisor

Dr. Antonio J. Gallardo
President, FRAI
Professor, UCLA Extension
(323) 363-2341
Former colleague, Dr. Gallardo was the Chief Program Officer at First 5 LA

Carol Baker
Chief, Community and Marketing Services
Los Angeles County, Department of Beaches & Harbors
(310) 305-9562
Former colleague at First 5 LA

Maria Lemus
Executive Director
Vision y Compromiso
(626)864-6177
Client

Additional references available upon request



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: September 24, 2019
To: Board of Directors
Subject: Lease Agreement – Peter Jamieson, M.D. 1W 201

Staff Recommendation: Consideration to approve the draft lease agreement for Peter Jamieson, M.D. at the Las Palmas Medical Plaza.

Background:

- Peter Jamieson, M.D. has been a long-standing tenant of the Las Palmas Medical Plaza
- Dr. Jamieson’s current lease expires September 30, 2019
- Dr. Jamieson is requesting a lease renewal of five years, with a base rent of \$1.86/square foot and a Tenant Improvement Allowance of \$15/square foot
- At the September 10, 2019 F&A Committee meeting, the Committee recommended forwarding to the Board for approval
- Staff recommends approval of the draft lease agreement
- Draft lease agreement is attached for review

Fiscal Impact:

Estimated revenue from Rent and CAMs for life of the lease - \$188,397

Estimated cost of Tenant Improvement Allowance (\$15.00/sf) - \$18,150

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and Peter Jamieson, M.D., referred to as "Tenant", and is dated October 1, 2019.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (Initial)*: \$ Twenty Seven Thousand Seven & 20/100 (27,007.20) per year.
- b. *Base Year*: The calendar year of October 1 to September 30.
- c. *Broker(s)*:
Landlord's: N/A
Tenant's: N/A
In the event that N/A, represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: October 1, 2019.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: September 30, 2024, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Cayon Dr. Palm Springs, CA 92262
Tenant's Mailing Address: 555 E. Tachevah Dr. 1W-201 Palm Springs, CA 92262
- h. *Monthly Installments of Base Rent (initial)*: \$ Two Thousand, Two Hundred Fifty and 60/100 Dollars (\$2,250.60) per month.
- i. *Project Operating Costs (CAMs)*: Currently Sixty-two Cents (\$.62) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Fifteen and 00/100 Dollars (\$15.00) per square foot or Eighteen Thousand One Hundred Fifty & 00/100 Dollars (\$18,150.00).
- k. *Parking*: Tenant shall be permitted, to park 6 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 1210 square feet of Rentable Area, located in Building 1W and known as Suite 201.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

_____ District _____ Recipient

- o. *Security Deposit (Section 7):* \$ Tenant will carry over from previous lease in the amount of Two Thousand, Fifty-Seven & 00/100 Dollars (\$2,057.00).
- p. *State:* the State of California.
- q. *Tenant's First Adjustment Date (Section 5):* The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share:* 2.45 %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8):* General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term:* The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda*

*See Addendum attached hereto and by this reference made a part hereof.

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

5. RENT.

5.1 *Payment of Base Rent:* Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

5.2 *Adjusted Base Rent:*

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.
- b. Such adjustment shall be the greater of 3% over the preceding year or Consumer Price Index.

5.3 *Project Operating Costs(CAMs):*

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

- (a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax,

_____ District _____ Recipient

assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

(d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

_____ District _____ Recipient

- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

5.4 *Definition of Rent:* The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.5 *Rent Control:* If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 *Taxes Payable by Tenant:* In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

5.7 *Tenant Improvement Allowance:* In recognition for Tenant completing all improvements, including fire sprinklers, to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of agreed tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work, and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

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7. SECURITY DEPOSIT.

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (I) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as

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determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
 - (1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."
 - (2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
 - (3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
 - (4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.
- c. *Compliance with Law:* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. *Waiver by Tenant:* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

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- e. *Load and Equipment Limits:* Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to

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Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively “Tenant’s Property”) shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant’s Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit “D” and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant’s use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant’s vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord’s interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant’s business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant’s notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant’s notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
 - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
 - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and

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- (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed with ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.
- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

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- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

_____ District _____ Recipient

- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

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25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

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If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

- 27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

28. BROKERAGE FEES.

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Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

_____ District _____ Recipient

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent:* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. *Corporate Authority:* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts:* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option:* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant

_____ District _____ Recipient

and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

- k. *Furnishing of Financial Statements; Tenant's Representations:* In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances:* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection:* Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments:* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording:* Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability:* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns:* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- r. *Time of the Essence:* Time is of the essence of this Lease.
- s. *Waiver:* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance:* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	_____
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Conrado Bárzaga</u>	By:	_____

_____ District _____ Recipient

Signature: _____

Signature: _____

Title: CEO

Title: _____

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

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EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of Tenant by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

_____ District _____ Recipient

14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

Landlord's Initials

Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated October 1, 2019 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Peter Jamieson, M.D., as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

- 1. Commencement Date: October 1, 2019
- 2. Expiration Date: September 30, 2024
- 3. Rent Schedule:

10/1/2019-9/30/2020	\$2250.60	
10/1/2020-9/30/2021	\$2318.12	Greater of 3% or CPI
10/1/2021-9/30/2022	\$2387.66	Greater of 3% or CPI
10/1/2022-9/30/2023	\$2459.29	Greater of 3% or CPI
10/1/2023-9/30/2024	\$2533.07	Greater of 3% or CPI
- 4. CAMs: Currently \$.62 per square foot.
- 5. Security Deposit: Tenant will carry over from previous lease in the amount of Two Thousand, Fifty-Seven & 00/100 Dollars (\$2,057.00).

The foregoing is hereby agreed to and accepted:

Date: _____	Date: _____
Landlord: <u>Desert Healthcare District</u>	Tenant: _____
<u>dba: Las Palmas Medical Plaza</u>	
By: <u>Conrado Bárzaga</u>	By: _____
Signature: _____	Signature: _____
Title: <u>CEO</u>	Title: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: September 24, 2019
To: Board of Directors
Subject: Lease Agreement – Cohen, Musch, & Thomas Medical Group 1W 105-106

Staff Recommendation: Consideration to approve the draft lease agreement for Cohen, Musch, & Thomas Medical Group at the Las Palmas Medical Plaza.

Background:

- Cohen, Musch, & Thomas Medical Group has been a long-standing tenant of the Las Palmas Medical Plaza
- Cohen, Musch, & Thomas Medical Group's current lease expired August 31, 2019
- Cohen, Musch, & Thomas Medical Group is currently located in unit 3W 101 and would like to relocate to units 1W 105-106, with a base rent of \$1.52/square foot and a Tenant Improvement Allowance of \$15/square foot
- At the September 10, 2019 F&A Committee meeting, the Committee recommended forwarding to the Board for approval
- Staff recommends approval of the draft lease agreement
- Draft lease agreement is attached for review

Fiscal Impact:

Estimated revenue from Rent and CAMs for life of the lease - \$257,354

Estimated cost of Tenant Improvement Allowance (\$15.00/sf) - \$28,800

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and Cohen, Musch, & Thomas Medical Group, referred to as "Tenant", and is dated October 1, 2019.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (Initial)*: \$ Thirty Five Thousand Twenty & 80/100 (35,020.80) per year.
- b. *Base Year*: The calendar year of December 1 to November 30.
- c. *Broker(s)*:
Landlord's: N/A
Tenant's: N/A
In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: Earlier of Notice of Completion or December 1, 2019.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: November 30, 2024, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Cayon Dr. Palm Springs, CA 92262
Tenant's Mailing Address: 555 E. Tachevah Dr. 1W-105 Palm Springs, CA 92262
- h. *Monthly Installments of Base Rent (initial)*: \$ Two Thousand, Nine Hundred Eighteen and 40/100 Dollars (\$2,918.40) per month.
- i. *Project Operating Costs (CAMs)*: Currently Sixty-two Cents (\$.62) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Fifteen and 00/100 Dollars (\$15.00) per square foot or Twenty Eight Thousand eight hundred & 00/100 Dollars (\$28,800.00).
- k. *Parking*: Tenant shall be permitted, to park 7 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 1920 square feet of Rentable Area, located in Building 1W and known as Suite 105-106.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

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- o. *Security Deposit (Section 7)*: \$ Two Thousand, Nine Hundred Eighteen and 40/100 Dollars (\$2,918.40) Upon execution of Lease.
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 3.89 %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda*

*See Addendum attached hereto and by this reference made a part hereof.

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

5. RENT.

5.1 *Payment of Base Rent*: Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

5.2 *Adjusted Base Rent*:

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.
- b. Such adjustment shall be the greater of 3% over the preceding year or Consumer Price Index.

5.3 *Project Operating Costs(CAMs)*:

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

- (a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax,

_____ District _____ Recipient

assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

(d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

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- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

5.4 *Definition of Rent:* The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.5 *Rent Control:* If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 *Taxes Payable by Tenant:* In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

5.7 *Tenant Improvement Allowance:* In recognition for Tenant completing all improvements, including fire sprinklers, to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of agreed tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work, and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

_____ District _____ Recipient

7. SECURITY DEPOSIT.

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (I) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as

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determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
 - (1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."
 - (2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
 - (3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
 - (4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.
- c. *Compliance with Law:* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. *Waiver by Tenant:* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

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- e. *Load and Equipment Limits:* Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to

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Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively “Tenant’s Property”) shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant’s Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit “D” and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant’s use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant’s vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord’s interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant’s business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant’s notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant’s notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
 - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
 - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and

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- (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.
- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

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- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

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- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

_____ District _____ Recipient

25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

_____ District _____ Recipient

If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

- 27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

28. BROKERAGE FEES.

_____ District _____ Recipient

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

_____ District _____ Recipient

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent:* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. *Corporate Authority:* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts:* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option:* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant

_____ District _____ Recipient

and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

- k. *Furnishing of Financial Statements; Tenant's Representations:* In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances:* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection:* Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments:* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording:* Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability:* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns:* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- r. *Time of the Essence:* Time is of the essence of this Lease.
- s. *Waiver:* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance:* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	_____
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Conrado Bárzaga</u>	By:	_____

_____ District _____ Recipient

Signature: _____

Signature: _____

Title: CEO _____

Title: _____

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

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EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of Tenant by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

_____ District _____ Recipient

14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

Landlord's Initials

Tenant's Initials

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ADDENDUM

Addendum to that certain Office Building Lease dated October 1, 2019 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Cohen, Musch, & Thomas Medical Group, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

- 1. **Commencement Date:** Earlier of Notice of Completion or December 1, 2019
- 2. **Expiration Date:** November 30, 2024
- 3. **Rent Schedule:**

12/1/2019-11/30/2020	\$2918.40	
12/1/2020-11/30/2021	\$3005.95	Greater of 3% or CPI
12/1/2021-11/30/2022	\$3096.13	Greater of 3% or CPI
12/1/2022-11/30/2023	\$3189.01	Greater of 3% or CPI
12/1/2023-11/30/2024	\$3284.68	Greater of 3% or CPI
- 4. **CAMs:** Currently \$.62 per square foot.
- 5. **Security Deposit:** Upon execution of Lease, Tenant shall deposit \$ Two Thousand, Nine Hundred Eighteen and 40/100 Dollars (\$2,918.40) amount equal to one month's rent for security deposit.

The foregoing is hereby agreed to and accepted:

Date: _____

Date: _____

Landlord: Desert Healthcare District

Tenant: _____

dba: Las Palmas Medical Plaza

By: Conrado Bárzaga

By: _____

Signature: _____

Signature: _____

Title: CEO

Title: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: September 24, 2019
To: Board of Directors
Subject: Lease Agreement – Dennis Spurgin, D.C. 1W 204

Staff Recommendation: Consideration to approve the draft lease agreement for Dennis Spurgin, D.C. at the Las Palmas Medical Plaza.

Background:

- Dennis Spurgin, D.C. has been a long-standing tenant of the Las Palmas Medical Plaza
- Dr. Spurgin's current lease expired August 31, 2019
- Dr. Spurgin is requesting a lease renewal of five years, with a base rent of \$1.52/square foot and a Tenant Improvement Allowance of \$15/square foot
- At the September 10, 2019 F&A Committee meeting, the Committee recommended forwarding to the Board for approval
- Staff recommends approval of the draft lease agreement
- Draft lease agreement is attached for review

Fiscal Impact:

Estimated revenue from Rent and CAMs for life of the lease - \$171,570

Estimated cost of Tenant Improvement Allowance (\$15.00/sf) - \$19,200

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OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and Dennis Spurgin, D.C., referred to as "Tenant", and is dated October 1, 2019.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (Initial)*: \$ Twenty-Three Thousand Three-Hundred Forty-Seven & 20/100 (23,347.20) per year.
- b. *Base Year*: The calendar year of October 1 to September 30.
- c. *Broker(s)*:
 Landlord's: N/A
 Tenant's: N/A
 In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: October 1, 2019.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: September 30, 2024, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Cayon Dr. Palm Springs, CA 92262
Tenant's Mailing Address: 555 E. Tachevah Dr. IW-204 Palm Springs, CA 92262
- h. *Monthly Installments of Base Rent (initial)*: \$ One-Thousand, Nine-Hundred Forty-Five and 60/100 Dollars (\$1,945.60) per month.
- i. *Project Operating Costs (CAMs)*: Currently Sixty-two Cents (\$.62) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Fifteen and 00/100 Dollars (\$15.00) per square foot or Nineteen Thousand Two hundred & 00/100 Dollars (\$19,200.00).
- k. *Parking*: Tenant shall be permitted, to park 6 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 1280 square feet of Rentable Area, located in Building IW and known as Suite 204.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

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- o. *Security Deposit (Section 7):* \$ Tenant will carry over from previous lease in the amount of Two-Thousand Five-Hundred Sixty-Six & 80/100 Dollars (\$2,566.80).
- p. *State:* the State of California.
- q. *Tenant's First Adjustment Date (Section 5):* The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share:* 2.59 %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8):* General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term:* The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda*

*See Addendum attached hereto and by this reference made a part hereof.

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

5. RENT.

5.1 *Payment of Base Rent:* Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

5.2 *Adjusted Base Rent:*

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.
- b. Such adjustment shall be the greater of 3% over the preceding year or Consumer Price Index.

5.3 *Project Operating Costs(CAMs):*

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

- (a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax,

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assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

(d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

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- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

5.4 *Definition of Rent:* The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.5 *Rent Control:* If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 *Taxes Payable by Tenant:* In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

5.7 *Tenant Improvement Allowance:* In recognition for Tenant completing all improvements, including fire sprinklers, to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of agreed tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work, and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

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7. SECURITY DEPOSIT.

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (I) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as

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determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
 - (1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."
 - (2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
 - (3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
 - (4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.
- c. *Compliance with Law:* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. *Waiver by Tenant:* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

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- e. *Load and Equipment Limits:* Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to

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Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively “Tenant’s Property”) shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant’s Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit “D” and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant’s use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant’s vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord’s interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant’s business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant’s notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant’s notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
 - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
 - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and

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- (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed with ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.
- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

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- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

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- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

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25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

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If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

- 27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

28. BROKERAGE FEES.

_____ District _____ Recipient

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

_____ District _____ Recipient

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent:* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. *Corporate Authority:* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts:* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option:* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant

_____ District _____ Recipient

and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

- k. *Furnishing of Financial Statements; Tenant's Representations:* In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances:* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection:* Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments:* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording:* Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability:* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns:* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- r. *Time of the Essence:* Time is of the essence of this Lease.
- s. *Waiver:* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance:* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	_____
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Conrado Bárzaga</u>	By:	_____

_____ District _____ Recipient

Signature: _____

Signature: _____

Title: CEO

Title: _____

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

DRAFT

_____ District _____ Recipient

EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of Tenant by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

_____ District _____ Recipient

14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

Landlord's Initials

Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated October 1, 2019 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Dennis Spurgin, D.C., as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

- 1. Commencement Date: October 1, 2019
- 2. Expiration Date: September 30, 2024
- 3. Rent Schedule:

10/1/2019-9/30/2020	\$1945.60	
10/1/2020-9/30/2021	\$2003.97	Greater of 3% or CPI
10/1/2021-9/30/2022	\$2064.09	Greater of 3% or CPI
10/1/2022-9/30/2023	\$2126.01	Greater of 3% or CPI
10/1/2023-9/30/2024	\$2189.79	Greater of 3% or CPI
- 4. CAMs: Currently \$.62 per square foot.
- 5. Security Deposit: Tenant will carry over from previous lease in the amount of \$ Two-Thousand, Five-Hundred Sixty-Six and 80/100 Dollars (\$2,566.80).

The foregoing is hereby agreed to and accepted:

Date: _____	Date: _____
Landlord: <u>Desert Healthcare District</u>	Tenant: _____
<u>dba: Las Palmas Medical Plaza</u>	
By: <u>Conrado Bárzaga</u>	By: _____
Signature: _____	Signature: _____
Title: <u>CEO</u>	Title: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: September 24, 2019
To: Board of Directors
Subject: First Amendment to the Chief Executive Officer's Employment Agreement
– Auto Allowance \$500 per month

Staff Recommendation: Consideration to approve the First Amendment to the Chief Executive Officer's Employment Agreement – Auto Allowance \$500 per month.

Background:

- An employment agreement was executed on June 11, 2019 for the District's new CEO, Dr. Conrado Barzaga.
- The District's annual budget as approved by the Board includes a \$6,000 allocation (\$500 per month) for auto allowance for the CEO.
- As an employee of the District, Staff is entitled to mileage reimbursement. However, Staff believes the CEO's time is better spent attending to the goals and mission of the District than maintaining a mileage log.
- Staff desires to amend the CEO's Employment Agreement to include a monthly auto allowance.
- The First Amendment to the CEO's Employment Agreement is included for your review.
- At the September 10, 2019 F&A Committee meeting, the Committee recommended forwarding to the Board for approval
- Staff recommends approval of the First Amendment to the CEO's Employment Agreement to include a \$500 per month auto allowance.

Fiscal Impact:

\$500.00 per month (\$6,000 annually) is included in the District's FY19-20 annual budget.

**FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT
BETWEEN DESERT HEALTHCARE DISTRICT
AND CONRADO E. BARZAGA, M.D.**

The Employment Agreement dated June 11, 2019, between Desert Healthcare District (“District”) and Conrado E. Barzaga M.D. (“Employee”), is hereby amended as follows:

1. Section 4. is modified to read:

“Relocation Expenses and Automobile Allowance. Employee currently resides in Upland California and will need to relocate to the Coachella Valley, California. As part of this Agreement, District agrees to pay Six Thousand Dollars (\$6,000) for relocation expenses. Payment shall be made to Employee upon commencement of employment on July 31, 2019. *In addition, the District agrees to pay Employee an automobile allowance in exchange for the Employee securing a personal vehicle to be used for District business and/or functions, during, before, and after normal work hours. The automobile allowance shall be \$500 per month for travel within Riverside County and San Bernardino County, and standard IRS reimbursement rates for auto travel outside of Riverside County and San Bernardino County. Employee shall be responsible for the costs of operation, repair, maintenance, and liability, property damage and comprehensive insurance for the personal vehicle.*”

2. Except as modified by this First Amendment, the terms and conditions of the June 11, 2019 Employment Agreement are restated and shall remain in full force and effect.
3. The effective date of this Amendment is October 1, 2019.

“Employee”:

“District”:

By _____
Conrado E. Barzaga M.D.
Chief Executive Officer

By _____
Les Zendle M.D., President,
Board of Directors



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: September 24, 2019
To: Board of Directors
Subject: Expansion and Rezoning Background

Staff Recommendation: Information only

Background:

- In 2018, the District transitioned from At Large elections to Zone/District based elections, creating 5 zones.
- Zones 2 & 4 were on the ballot for the November 6, 2018 election. Director Rogers (Zone 3) & Director PerezGil (Zone 4) were elected.
- AB2414 & Measure BB – The legislation of AB2414 and the ultimate passage of Measure BB for the expansion of the Desert Healthcare District required the Board of Directors to be increased from 5 to 7.
- Directors Borja and De Lara were appointed to the Board at the January 15, 2019 Board meeting.
- Additionally, AB2414, upon successful passage of the expansion measure, requires the District to increase from 5 to 7 zones prior to the 2020 election.
- The District will hold 4 public hearings to engage community input (see attached Timeline and Process to Increase Zones from 5 to 7).
- The first public hearing was April 23, 2019 at Fantasy Springs Casino.
- The second public hearing was May 28, 2019 at the Cathedral City Community Center.
- Public and Board input guided the creation of a 3rd and 4th map for consideration.
- The third public hearing is September 24th, 2019 at the Coachella Library.
- The fourth and final public hearing will be held October 22, 2019 at the UCR campus, with anticipated final adoption.

**DESERT HEALTHCARE DISTRICT
TIMELINE AND PROCESS TO INCREASE ZONES FROM 5 TO 7
(Health & Safety Code Section 32499.3)**

The following describes the procedure for transitioning the Desert Healthcare District (“District”) into 7 voting districts or (“Zones”) in accordance with AB 2414 (Health & Safety Code, § 32499 et seq.).

RECOMMENDED OPTION:

**January 15,
2019**

**2 NEW DIRECTORS ARE APPOINTED TO THE BOARD FROM THE
NEWLY ANNEXED AREA**

The Board appointed 2 new Directors to serve on the District Board from the newly annexed area. The District now has 7 Directors. (Health & Safety Code, § 32499.2(c)).

**January 22,
2019 & February
26, 2019**

BOARD DISCUSSION AND DIRECTION CONCERNING OPTIONS

The Board, with staff input, reviews the options for transitioning into 7 zones and provides direction to staff as to which Option the Board would like to consider at the February 26, Board meeting which sets the public hearings and meetings.

**February 26,
2019**

**CONSIDERATION OF RESOLUTION SETTING PUBLIC HEARING
SCHEDULE**

In accordance with Health & Safety Code section 32499.2(c) the Board would consider a Resolution setting the time and place for four hearings on the establishment of the 7 new voting districts at which members of the public can present their views on the proposed new Zones. The Board can receive input from the public but, in accordance with the statute, the final location of the boundaries is the Board’s decision.

**Between April
and May, 2019**

**PUBLIC OUTREACH AND TWO PUBLIC HEARINGS TO REVIEW THE
PROPOSED NEW BOUNDARIES**

During February through May 2019, the staff would conduct outreach to the public, including to non-English-speaking communities, explaining the transition to 7 zones and encouraging public participation. Drafts maps will be published and made available to the public. At the April 23, 2019, public hearing (East Valley location), NDC would present the proposed draft maps for discussion and input from the public would be considered. NDC would take the information and input from the meeting and update the maps in advance of the second public hearing on May 28, 2019 (West Valley location).

**From June
through August
2019**

**SUMMER BREAK WHILE THE NEW MAPS ARE UPDATED AND
PUBLISHED FOR VIEWING**

September 2019

PUBLIC HEARING POST PREPARATION OF BOUNDARY MAPS

At the September 24, 2019 public hearing (East Valley location), draft maps will be viewed from the development of the prior meetings, to which the public would be invited to provide input regarding the draft maps.

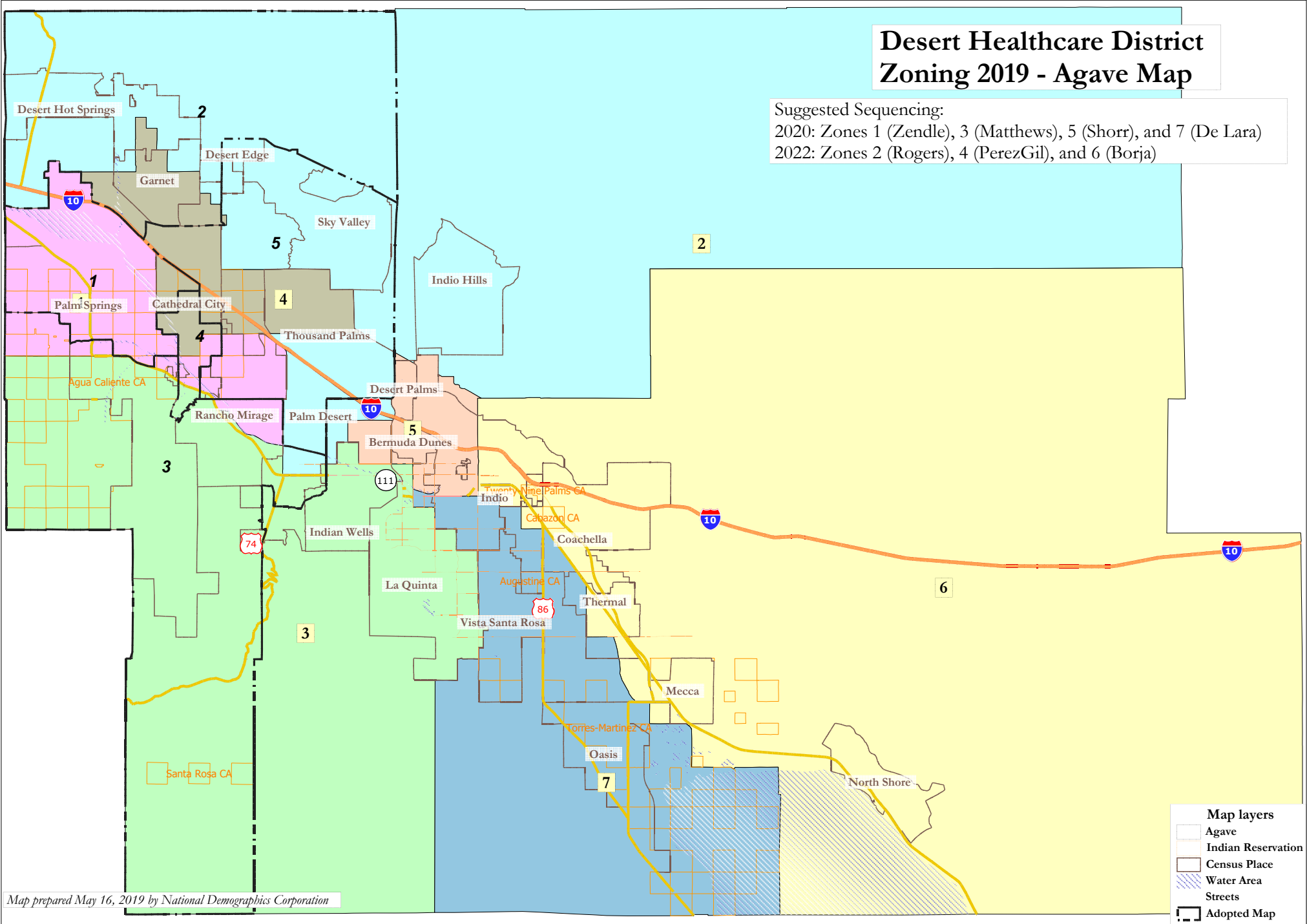
October 2019

**CONSIDERATION OF FINAL RESOLUTION TRANSITIONING TO 7
ZONES**

At the October 22, 2019, Regular Board meeting at the RAP office, the Board would hold the final public hearing and would vote to adopt the final map of the new 7 zones. The estimated costs for the Alternative Option would be approximately **\$50,000** or more depending upon how many meeting NDC representatives attend.

Desert Healthcare District Zoning 2019 - Agave Map

Suggested Sequencing:
 2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)
 2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)



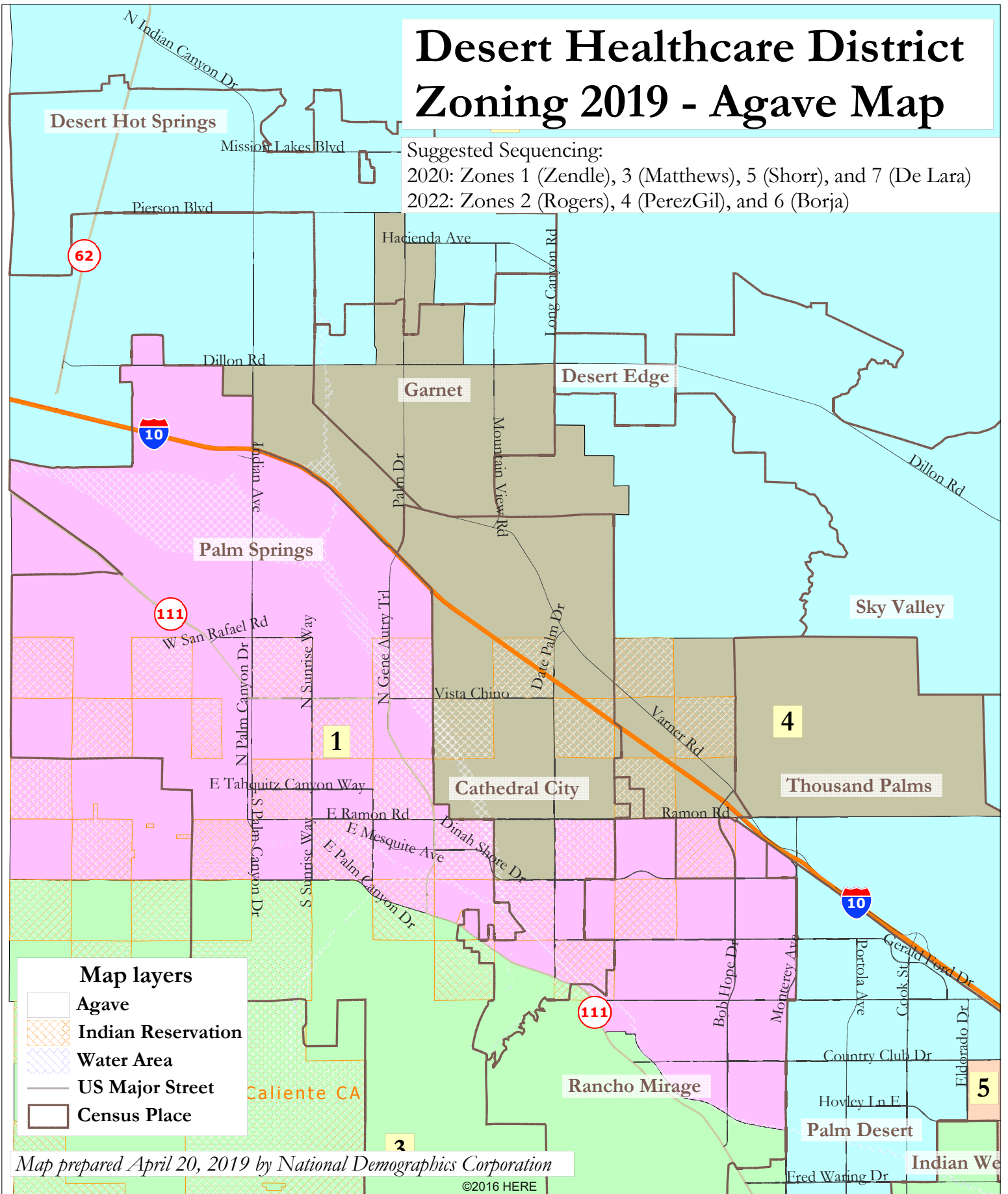
Map prepared May 16, 2019 by National Demographics Corporation

Desert Healthcare District Zoning 2019 - Agave Map

Suggested Sequencing:

2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)

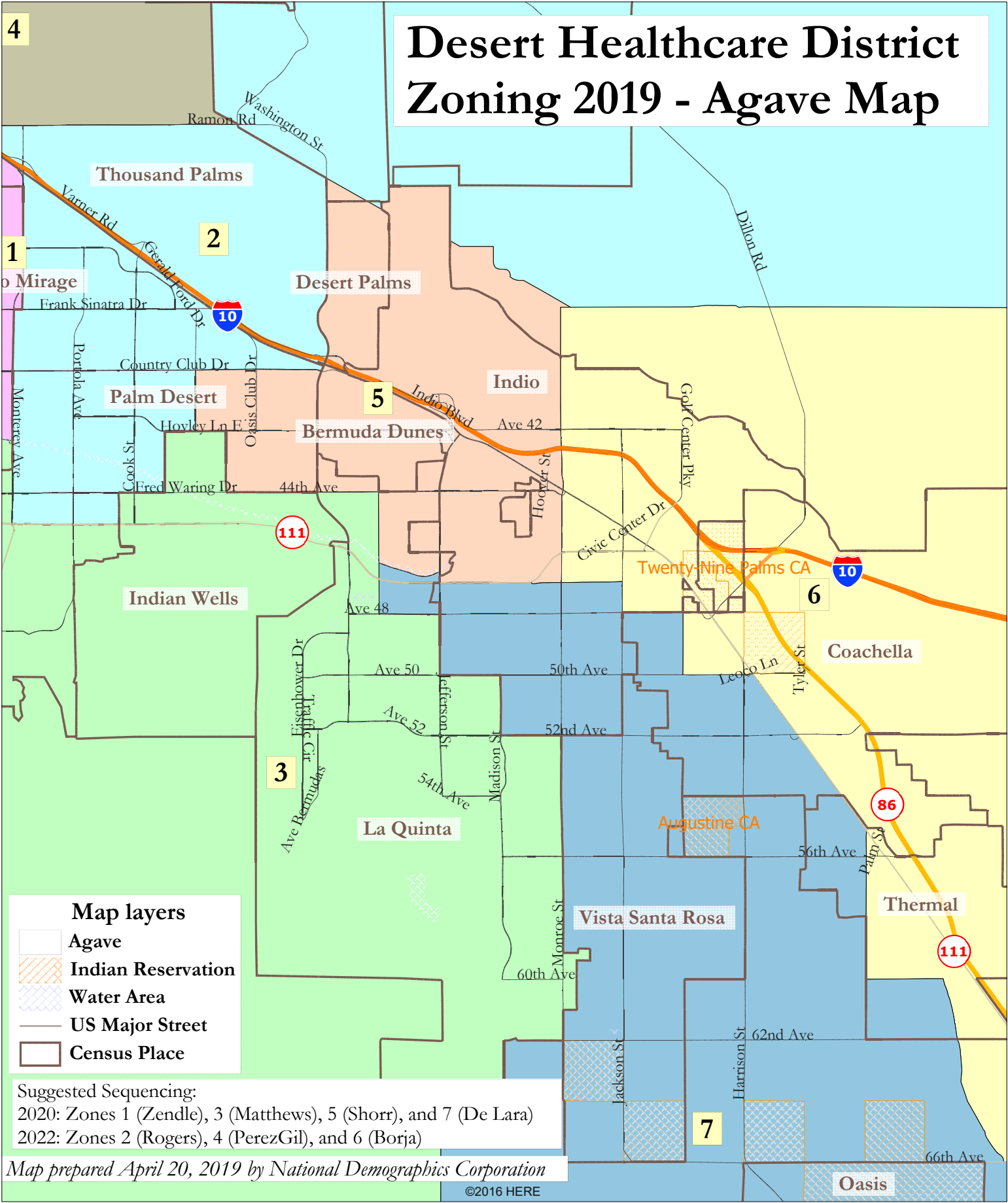
2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)



Map prepared April 20, 2019 by National Demographics Corporation

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Desert Healthcare District Zoning 2019 - Agave Map



Map layers

- Agave
- Indian Reservation
- Water Area
- US Major Street
- Census Place

Suggested Sequencing:
 2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)
 2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)

Map prepared April 20, 2019 by National Demographics Corporation
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Desert Healthcare - NDC Agave

District		1	2	3	4	5	6	7	Total
Ideal	Total Pop	60,479	60,032	59,704	60,201	61,602	58,911	61,007	421,936
	Deviation from ideal	202	-245	-573	-76	1,325	-1,366	730	1,898
84,387	% Deviation	0.34%	-0.41%	-0.95%	-0.13%	2.20%	-2.27%	1.21%	3.15%
Total Pop	% Hisp	24%	33%	24%	67%	41%	86%	85%	52%
	% NH White	66%	58%	71%	23%	53%	10%	12%	42%
	% NH Black	4%	4%	2%	3%	2%	1%	1%	2%
	% Asian-American	5%	3%	3%	5%	3%	1%	1%	3%
Citizen Voting Age Pop	Total	48,173	42,828	46,317	32,524	45,455	24,929	28,425	268,651
	% Hisp	14%	24%	17%	53%	32%	76%	75%	36%
	% NH White	77%	68%	77%	37%	62%	19%	21%	57%
	% NH Black	4%	4%	2%	4%	3%	3%	2%	3%
	% Asian/Pac.Isl.	4%	3%	3%	5%	2%	1%	1%	3%
Voter Registration (Nov 2016)	Total	34,453	28,886	33,206	21,938	33,245	17,507	19,422	188,658
	% Latino est.	13%	23%	16%	55%	30%	79%	78%	36%
	% Spanish-Surnamed	12%	21%	14%	49%	27%	71%	70%	32%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	77%	70%	79%	38%	63%	15%	19%	58%
% NH Black	4%	4%	2%	4%	2%	2%	1%	3%	
Voter Turnout (Nov 2016)	Total	28,191	21,653	27,303	14,823	26,405	11,330	12,845	142,551
	% Latino est.	11%	20%	14%	51%	25%	76%	74%	31%
	% Spanish-Surnamed	10%	18%	12%	46%	23%	68%	66%	27%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	0%	2%	1%	1%	1%	1%
	% NH White est.	79%	74%	81%	42%	68%	18%	24%	63%
% NH Black	4%	4%	2%	4%	2%	3%	1%	3%	
Voter Turnout (Nov 2014)	Total	18,193	12,898	17,883	7,350	16,532	5,219	6,348	84,423
	% Latino est.	8%	12%	9%	40%	17%	71%	64%	22%
	% Spanish-Surnamed	7%	11%	8%	36%	15%	65%	58%	20%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	0%	2%	1%	1%	1%	1%
	% NH White est.	83%	82%	87%	52%	79%	23%	33%	73%
% NH Black est.	4%	3%	1%	5%	3%	2%	1%	3%	
ACS Pop. Est.	Total	62,892	63,976	60,106	63,161	67,111	60,435	62,923	440,604
Age	age0-19	14%	25%	18%	31%	24%	35%	33%	26%
	age20-60	42%	45%	42%	52%	43%	52%	52%	47%
	age60plus	43%	31%	40%	18%	33%	13%	14%	27%
Immigration	immigrants	19%	22%	17%	32%	19%	38%	35%	26%
	naturalized	43%	38%	46%	38%	43%	27%	26%	35%
Language spoken at home	english	73%	65%	74%	43%	65%	23%	26%	53%
	spanish	19%	30%	20%	52%	31%	75%	73%	42%
	asian-lang	3%	2%	2%	3%	2%	1%	0%	2%
	other lang	5%	3%	4%	2%	2%	1%	1%	3%
Language Fluency	Speaks Eng. "Less than Very Well"	9%	12%	9%	22%	13%	39%	38%	20%
Education (among those age 25+)	hs-grad	54%	59%	53%	57%	58%	47%	51%	54%
	bachelor	21%	15%	22%	10%	17%	6%	7%	15%
	graduatedegree	15%	10%	14%	5%	10%	3%	4%	9%
Child in Household	child-under18	11%	24%	17%	37%	23%	43%	40%	25%
Veteran	veteran	12%	9%	10%	5%	9%	3%	3%	8%
Pct of Pop. Age 16+	employed	44%	47%	46%	54%	48%	56%	55%	50%
Household Income	income 0-25k	27%	29%	22%	29%	21%	30%	29%	26%
	income 25-50k	24%	27%	21%	30%	25%	31%	30%	26%
	income 50-75k	16%	19%	16%	18%	18%	17%	19%	17%
	income 75-200k	25%	22%	31%	22%	31%	21%	20%	25%
	income 200k-plus	8%	4%	10%	2%	5%	1%	2%	5%
Housing Stats	single family	76%	77%	84%	79%	85%	81%	81%	80%
	multi-family	24%	23%	16%	21%	15%	19%	19%	20%
	rented	35%	40%	33%	41%	31%	39%	36%	36%
	owned	65%	60%	67%	59%	69%	61%	64%	64%

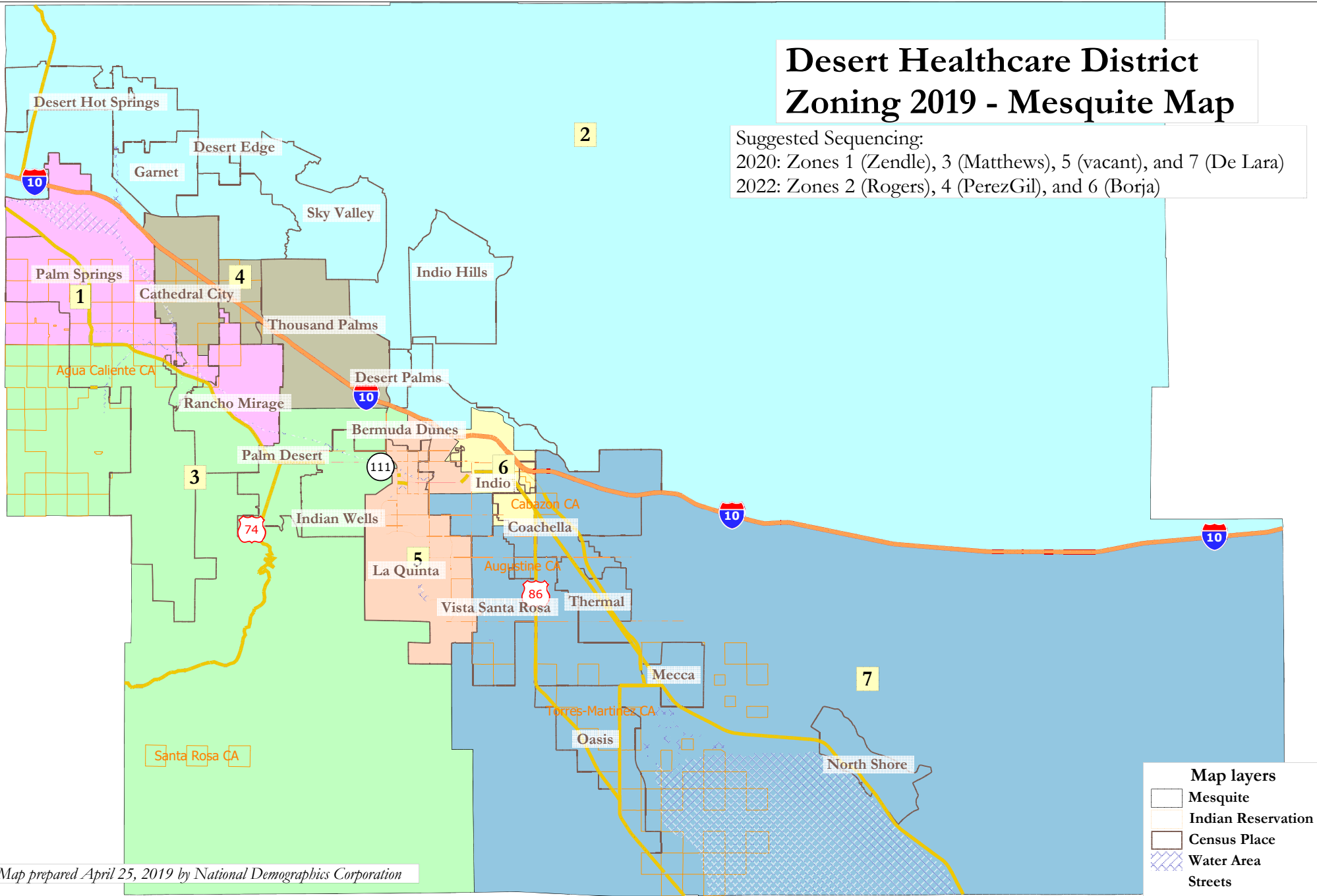
Total population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2012-2016 American Community Survey and Special Tabulation 5-year data.

Desert Healthcare District Zoning 2019 - Mesquite Map

Suggested Sequencing:
 2020: Zones 1 (Zendle), 3 (Matthews), 5 (vacant), and 7 (De Lara)
 2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)



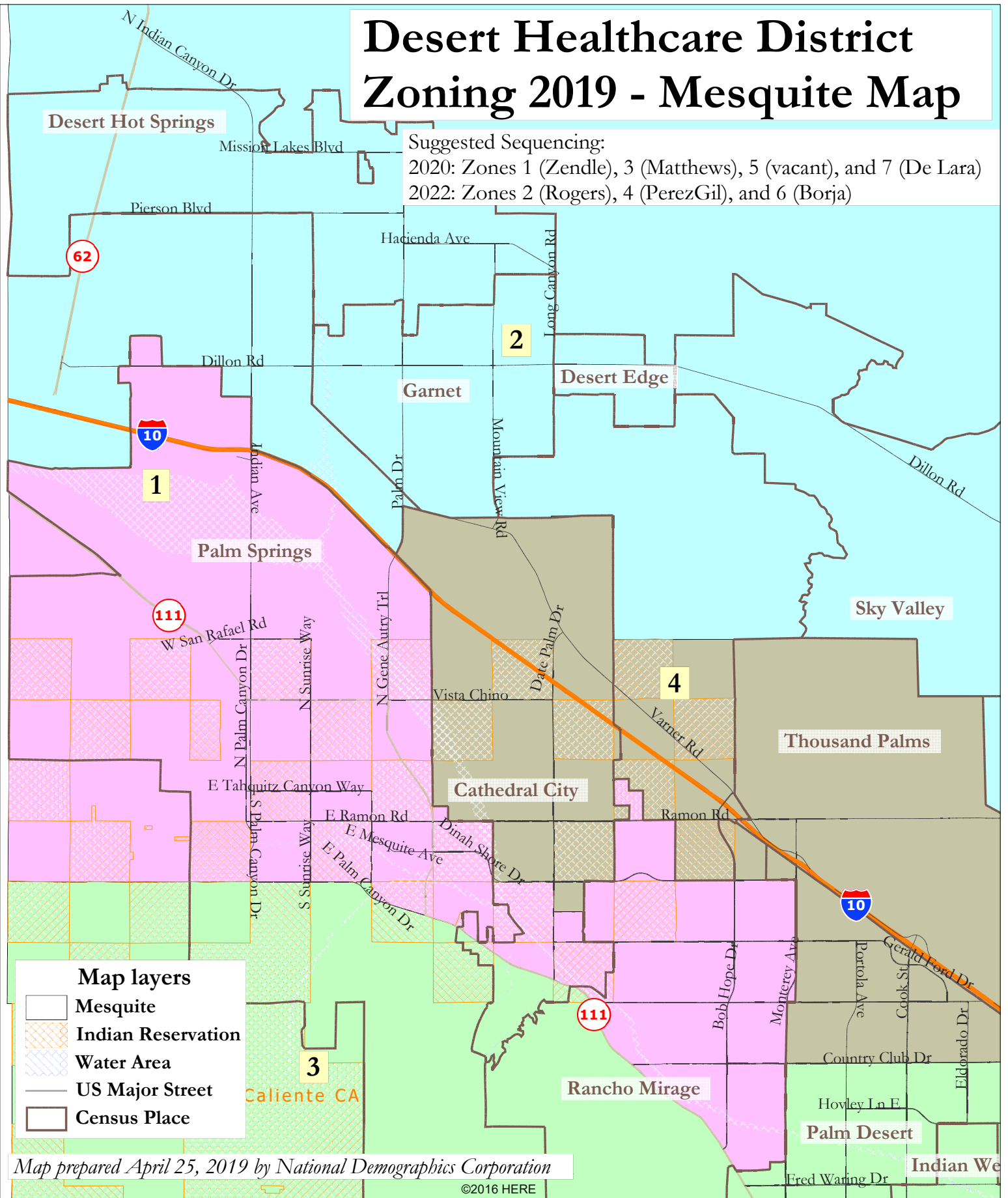
Map prepared April 25, 2019 by National Demographics Corporation

Desert Healthcare District Zoning 2019 - Mesquite Map

Suggested Sequencing:

2020: Zones 1 (Zendle), 3 (Matthews), 5 (vacant), and 7 (De Lara)

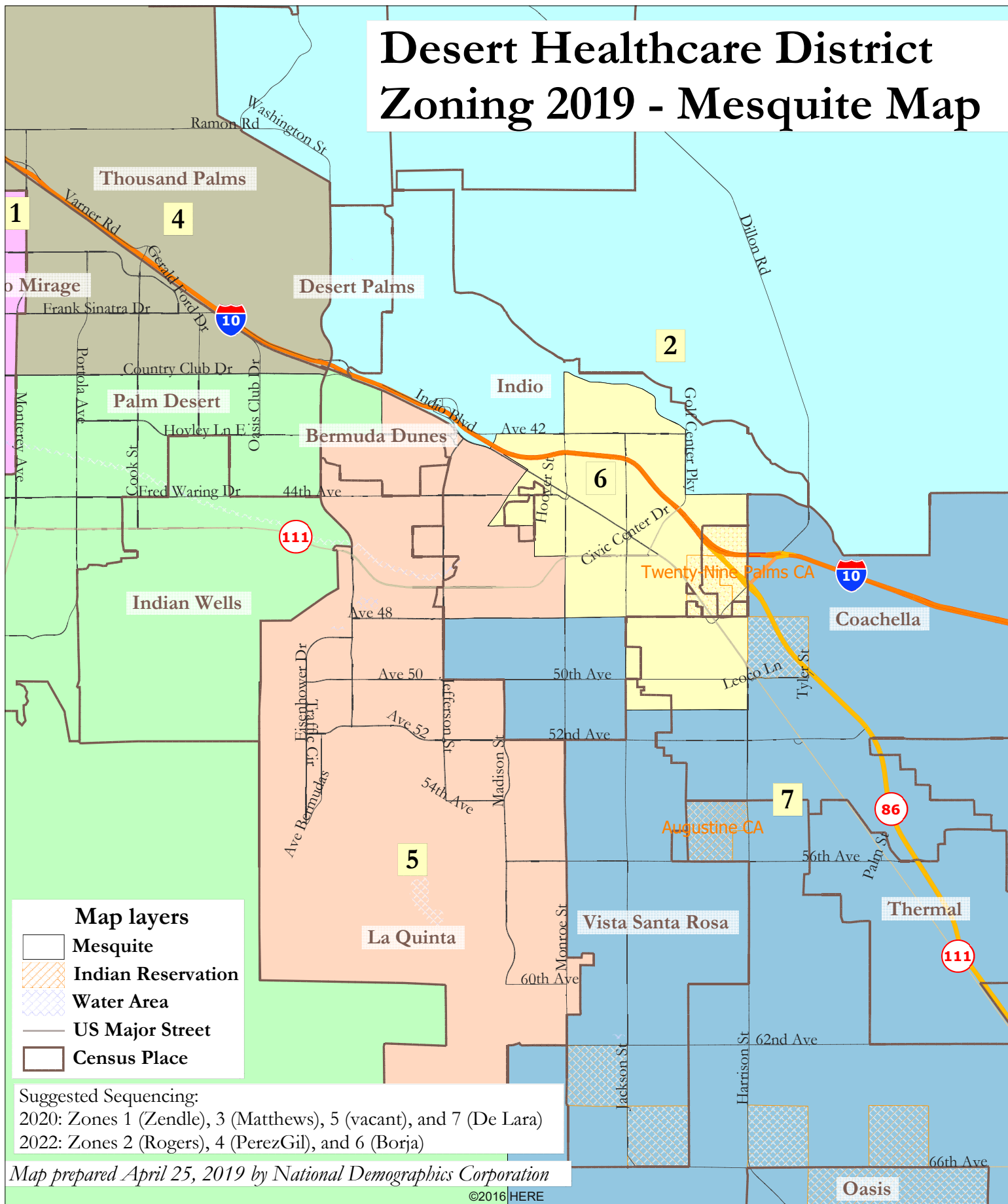
2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)



Map prepared April 25, 2019 by National Demographics Corporation

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Desert Healthcare District Zoning 2019 - Mesquite Map



Desert Healthcare - NDC Mesquite

District		1	2	3	4	5	6	7	Total
Ideal	Total Pop	60,039	61,168	60,627	58,159	60,572	61,265	60,106	421,936
60,277	Deviation from ideal	-238	891	350	-2,118	295	988	-171	3,009
	% Deviation	-0.39%	1.48%	0.58%	-3.51%	0.49%	1.64%	-0.28%	4.99%
Total Pop	% Hisp	23%	44%	24%	55%	41%	85%	90%	52%
	% NH White	67%	48%	70%	36%	53%	11%	9%	42%
	% NH Black	4%	4%	2%	2%	2%	2%	1%	2%
	% Asian-American	5%	2%	3%	5%	3%	2%	1%	3%
Citizen Voting Age Pop	Total	48,027	41,556	47,120	36,106	42,795	31,145	21,904	268,651
	% Hisp	13%	29%	18%	41%	32%	79%	78%	36%
	% NH White	78%	63%	75%	51%	61%	16%	19%	57%
	% NH Black	4%	5%	2%	3%	3%	4%	1%	3%
	% Asian/Pac.Isl.	4%	3%	3%	5%	3%	1%	1%	3%
Voter Registration (Nov 2016)	Total	34,234	28,841	32,298	25,162	31,158	21,635	15,330	188,658
	% Latino est.	13%	30%	14%	41%	32%	80%	81%	36%
	% Spanish-Surnamed	11%	27%	13%	37%	28%	72%	72%	32%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	78%	61%	81%	53%	63%	14%	18%	58%
% NH Black	4%	5%	2%	3%	3%	3%	0%	3%	
Voter Turnout (Nov 2016)	Total	28,108	21,341	26,281	18,499	24,430	13,838	10,053	142,551
	% Latino est.	11%	25%	13%	37%	28%	78%	76%	31%
	% Spanish-Surnamed	10%	22%	11%	33%	25%	70%	68%	27%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%	1%	1%	1%
	% NH White est.	80%	66%	83%	57%	67%	15%	23%	63%
% NH Black	4%	4%	2%	3%	3%	3%	0%	3%	
Voter Turnout (Nov 2014)	Total	18,379	13,346	16,869	10,147	14,439	6,401	4,843	84,423
	% Latino est.	8%	15%	8%	26%	19%	73%	68%	22%
	% Spanish-Surnamed	7%	13%	7%	24%	17%	67%	63%	20%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	0%	1%	1%	1%	1%	1%
	% NH White est.	84%	80%	88%	68%	77%	20%	29%	73%
% NH Black est.	4%	4%	2%	3%	2%	3%	0%	3%	
ACS Pop. Est.	Total	62,191	64,835	61,924	62,205	64,250	63,569	61,630	440,604
Age	age0-19	14%	26%	17%	26%	27%	34%	36%	26%
	age20-60	42%	42%	43%	50%	47%	54%	50%	47%
	age60plus	44%	32%	40%	24%	26%	12%	14%	27%
Immigration	immigrants	19%	21%	19%	31%	19%	33%	41%	26%
	naturalized	43%	36%	46%	39%	46%	34%	19%	35%
Language spoken at home	english	74%	62%	74%	50%	64%	28%	18%	53%
	spanish	18%	34%	19%	45%	31%	70%	81%	42%
	asian-lang	3%	2%	3%	3%	2%	1%	0%	2%
	other lang	5%	2%	4%	2%	3%	1%	1%	3%
Language Fluency	Speaks Eng. "Less than Very Well"	9%	13%	9%	20%	12%	35%	44%	20%
Education (among those age 25+)	hs-grad	54%	59%	56%	57%	56%	54%	43%	54%
	bachelor	21%	13%	21%	14%	19%	6%	5%	15%
	graduatedegree	15%	8%	14%	8%	10%	3%	3%	9%
Child in Household	child-under18	11%	25%	16%	29%	28%	40%	43%	25%
Veteran	veteran	12%	10%	10%	7%	8%	3%	2%	8%
Pct of Pop. Age 16+	employed	43%	42%	48%	53%	52%	59%	52%	50%
Household Income	income 0-25k	27%	30%	22%	27%	20%	27%	34%	26%
	income 25-50k	24%	29%	24%	27%	22%	29%	31%	26%
	income 50-75k	16%	16%	18%	19%	18%	20%	17%	17%
	income 75-200k	25%	23%	28%	24%	33%	23%	16%	25%
	income 200k-plus	8%	3%	8%	3%	8%	1%	2%	5%
Housing Stats	single family	76%	90%	74%	78%	88%	79%	80%	80%
	multi-family	24%	10%	26%	22%	12%	21%	20%	20%
	rented	35%	33%	40%	36%	32%	38%	40%	36%
	owned	65%	67%	60%	64%	68%	62%	60%	64%

Total population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

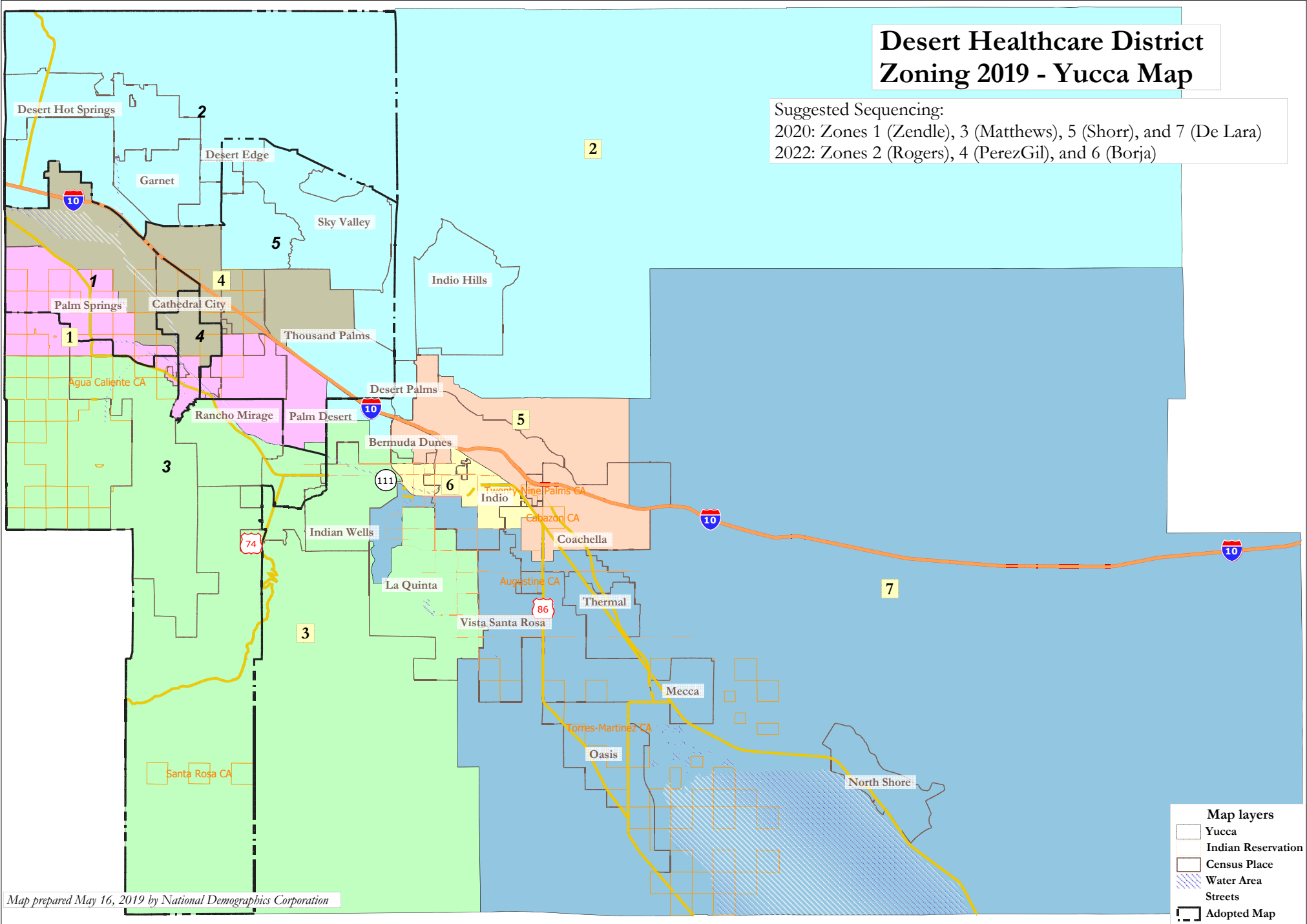
Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2012-2016 American Community Survey and Special Tabulation 5-year data.

Desert Healthcare - NDC Mesquite

Zona		1	2	3	4	5	6	7	Total
Ideal	Pob. Total	60,039	61,168	60,627	58,159	60,572	61,265	60,106	421,936
60,277	Desviación de pob.	-238	891	350	-2,118	295	988	-171	3,009
	% Desviación	-0.39%	1.48%	0.58%	-3.51%	0.49%	1.64%	-0.28%	4.99%
Pob. Total	% Hisp	23%	44%	24%	55%	41%	85%	90%	52%
	% Blanco	67%	48%	70%	36%	53%	11%	9%	42%
	% Negro	4%	4%	2%	2%	2%	2%	1%	2%
	% Asiático	5%	2%	3%	5%	3%	2%	1%	3%
Ciudadanos +18 años	Total	48,027	41,556	47,120	36,106	42,795	31,145	21,904	268,651
	% Hisp	13%	29%	18%	41%	32%	79%	78%	36%
	% Blanco	78%	63%	75%	51%	61%	16%	19%	57%
	% Negro	4%	5%	2%	3%	3%	4%	1%	3%
	% Asiático	4%	3%	3%	5%	3%	1%	1%	3%
Registros (Nov 2016)	Total	34,234	28,841	32,298	25,162	31,158	21,635	15,330	188,658
	% Latino est.	13%	30%	14%	41%	32%	80%	81%	36%
	% apellido asiático	11%	27%	13%	37%	28%	72%	72%	32%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	2%	1%	1%	1%	1%
	% blanco est.	78%	61%	81%	53%	63%	14%	18%	58%
% negro est.	4%	5%	2%	3%	3%	3%	0%	3%	
Votantes (Nov 2016)	Total	28,108	21,341	26,281	18,499	24,430	13,838	10,053	142,551
	% Latino est.	11%	25%	13%	37%	28%	78%	76%	31%
	% apellido asiático	10%	22%	11%	33%	25%	70%	68%	27%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	1%	1%	1%	1%	1%
	% blanco est.	80%	66%	83%	57%	67%	15%	23%	63%
% negro est.	4%	4%	2%	3%	3%	3%	0%	3%	
Votantes (Nov 2014)	Total	18,379	13,346	16,869	10,147	14,439	6,401	4,843	84,423
	% Latino est.	8%	15%	8%	26%	19%	73%	68%	22%
	% apellido asiático	7%	13%	7%	24%	17%	67%	63%	20%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	0%	1%	1%	1%	1%	1%
	% blanco est.	84%	80%	88%	68%	77%	20%	29%	73%
% negro est.	4%	4%	2%	3%	2%	3%	0%	3%	
Pob. ACS	Total	62,191	64,835	61,924	62,205	64,250	63,569	61,630	440,604
Edad	Edad 0 – 19 años	14%	26%	17%	26%	27%	34%	36%	26%
	Edad 20 – 60 años	42%	42%	43%	50%	47%	54%	50%	47%
	Edad +60 años	44%	32%	40%	24%	26%	12%	14%	27%
Migración	Migrante	19%	21%	19%	31%	19%	33%	41%	26%
	Naturalizada	43%	36%	46%	39%	46%	34%	19%	35%
Lengua en casa	Inglés	74%	62%	74%	50%	64%	28%	18%	53%
	Español	18%	34%	19%	45%	31%	70%	81%	42%
	Idioma Asiático	3%	2%	3%	3%	2%	1%	0%	2%
	Otro idioma	5%	2%	4%	2%	3%	1%	1%	3%
Fluidez en Inglés	Habla Inglés solo "bien" o menos	9%	13%	9%	20%	12%	35%	44%	20%
Nivel de educación (edad +25)	preparatoria	54%	59%	56%	57%	56%	54%	43%	54%
	licenciatura	21%	13%	21%	14%	19%	6%	5%	15%
	graduado	15%	8%	14%	8%	10%	3%	3%	9%
Hogares con niño(s)	con niño(s)	11%	25%	16%	29%	28%	40%	43%	25%
Veteranos	veterano	12%	10%	10%	7%	8%	3%	2%	8%
Pto. Edad 16+	empleado	43%	42%	48%	53%	52%	59%	52%	50%
Ingreso (por hogar)	\$0 a \$25 000	27%	30%	22%	27%	20%	27%	34%	26%
	\$25 a \$50 000	24%	29%	24%	27%	22%	29%	31%	26%
	\$50 a \$75 000	16%	16%	18%	19%	18%	20%	17%	17%
	\$75 a \$200 000	25%	23%	28%	24%	33%	23%	16%	25%
	mayor a \$200 000	8%	3%	8%	3%	8%	1%	2%	5%
Unidades de vivienda	Unifamiliar	76%	90%	74%	78%	88%	79%	80%	80%
	Multifamiliar	24%	10%	26%	22%	12%	21%	20%	20%
	Rentadas	35%	33%	40%	36%	32%	38%	40%	36%
	Propias	65%	67%	60%	64%	68%	62%	60%	64%
Fuentes: Censo 2010, California Statewide Database (elecciones Nov 2014 y 2016), 2012-2017 American Community Survey Special Tabulation de ciudadanos +18, y 2012-2016 American Community Survey. Los números de registros y votantes "latinos" son ajustados según el ratio para California del US Census Population Division									

Desert Healthcare District Zoning 2019 - Yucca Map

Suggested Sequencing:
 2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)
 2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)



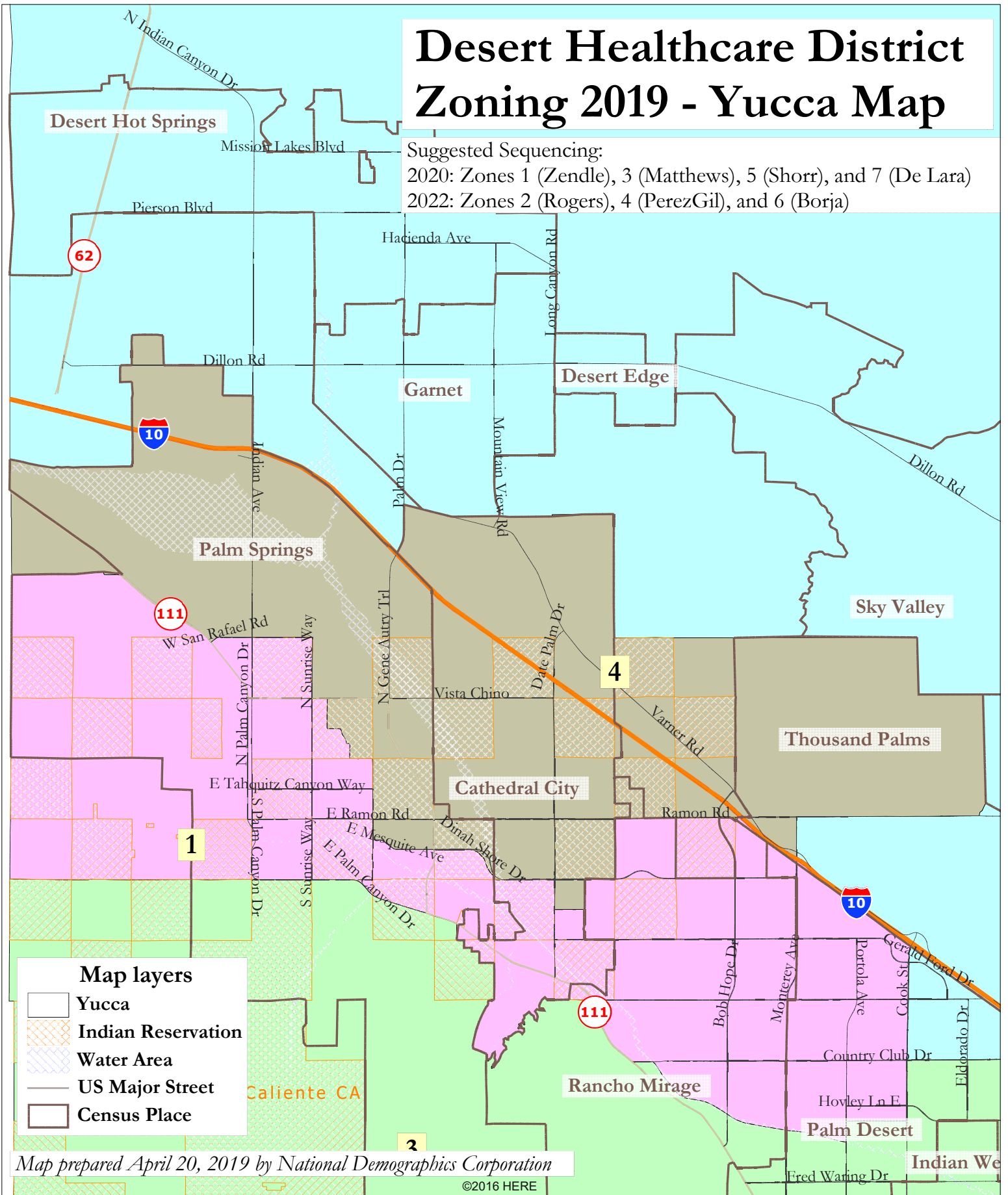
Map prepared May 16, 2019 by National Demographics Corporation

Desert Healthcare District Zoning 2019 - Yucca Map

Suggested Sequencing:

2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)

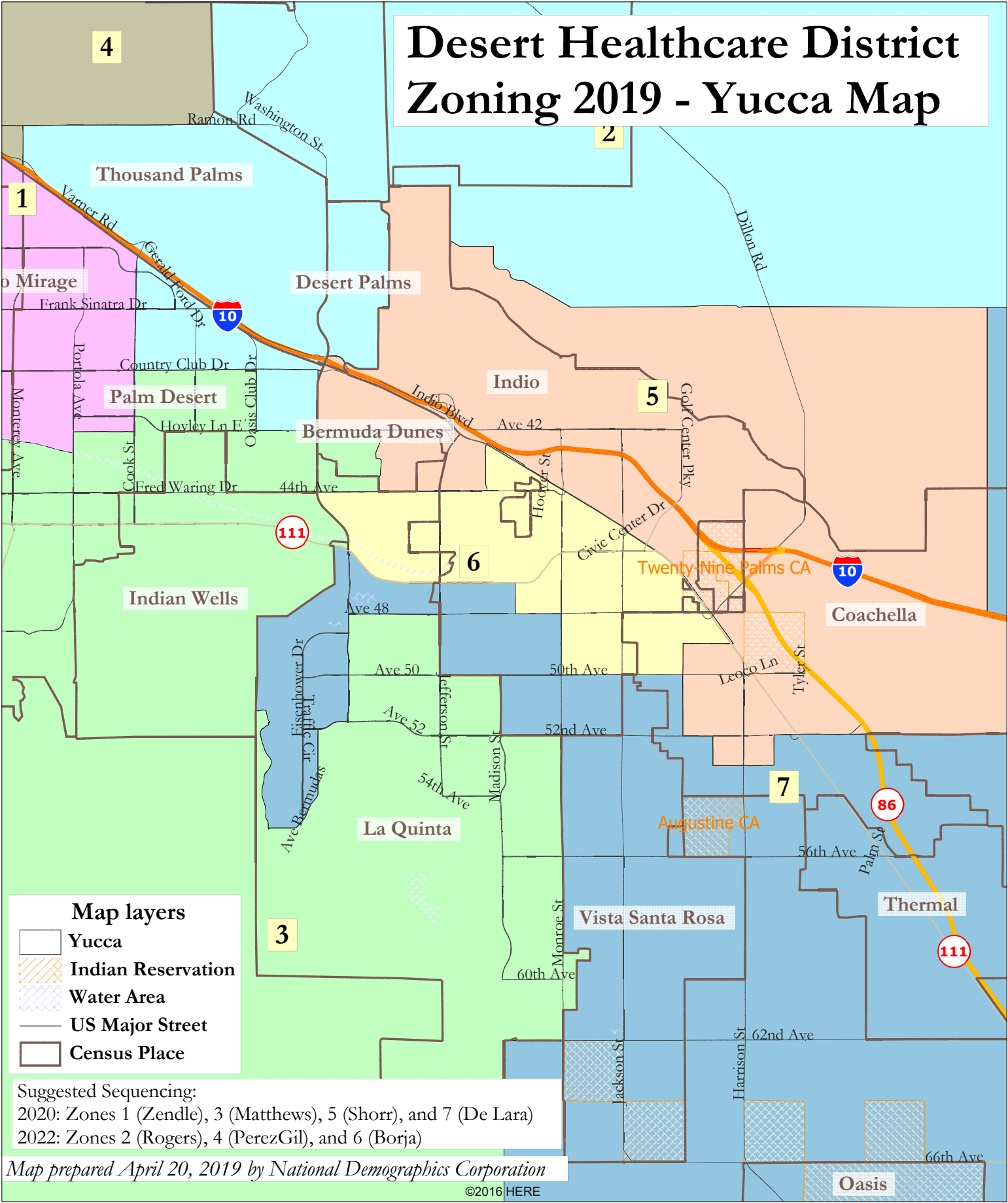
2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)



Map prepared April 20, 2019 by National Demographics Corporation

©2016 HERE

Desert Healthcare District Zoning 2019 - Yucca Map



Desert Healthcare - NDC Yucca

District		1	2	3	4	5	6	7	Total
Ideal	Total Pop	59,450	60,389	60,253	60,111	60,952	60,345	60,436	421,936
84,387	Deviation from ideal	-827	112	-24	-166	675	68	159	1,502
	% Deviation	-1.37%	0.19%	-0.04%	-0.28%	1.12%	0.11%	0.26%	2.49%
Total Pop	% Hisp	18%	41%	20%	61%	73%	72%	77%	52%
	% NH White	74%	51%	75%	28%	23%	23%	20%	42%
	% NH Black	3%	5%	2%	4%	1%	2%	1%	2%
	% Asian-American	4%	2%	3%	6%	2%	2%	1%	3%
Citizen Voting Age Pop	Total	49,161	40,389	47,503	35,644	34,793	33,999	27,163	268,651
	% Hisp	12%	26%	14%	45%	60%	63%	58%	36%
	% NH White	80%	65%	80%	44%	35%	31%	38%	57%
	% NH Black	3%	6%	1%	4%	2%	3%	2%	3%
	% Asian/Pac.Isl.	3%	3%	3%	6%	2%	2%	2%	3%
Voter Registration (Nov 2016)	Total	35,865	27,202	33,208	24,301	25,387	23,650	19,045	188,658
	% Latino est.	12%	28%	12%	45%	58%	63%	57%	36%
	% Spanish-Surnamed	11%	25%	11%	40%	52%	57%	52%	32%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	0%	2%	1%	1%	1%	1%
	% NH White est.	82%	65%	83%	44%	34%	32%	38%	58%
% NH Black	3%	5%	1%	5%	2%	2%	2%	3%	
Voter Turnout (Nov 2016)	Total	29,639	19,947	27,607	17,446	18,224	16,209	13,479	142,551
	% Latino est.	10%	23%	11%	41%	52%	58%	52%	31%
	% Spanish-Surnamed	9%	21%	10%	36%	47%	52%	47%	27%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	0%	2%	1%	1%	1%	1%
	% NH White est.	84%	70%	85%	48%	39%	37%	43%	63%
% NH Black	3%	4%	1%	5%	3%	2%	3%	3%	
Voter Turnout (Nov 2014)	Total	19,518	12,726	18,381	9,070	9,713	8,250	6,764	84,423
	% Latino est.	6%	14%	7%	32%	43%	47%	42%	22%
	% Spanish-Surnamed	6%	13%	6%	28%	40%	42%	39%	20%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	0%	2%	1%	1%	1%	1%
	% NH White est.	88%	81%	89%	56%	51%	49%	54%	73%
% NH Black est.	3%	3%	1%	5%	4%	2%	2%	3%	
ACS Pop. Est.	Total	62,123	62,078	60,922	63,932	66,905	64,461	60,183	440,604
Age	age0-19	12%	25%	16%	28%	32%	33%	33%	26%
	age20-60	40%	42%	41%	52%	50%	53%	49%	47%
	age60plus	47%	33%	43%	20%	18%	14%	18%	27%
Immigration	immigrants	18%	21%	19%	32%	30%	29%	33%	26%
	naturalized	42%	35%	47%	40%	32%	35%	23%	35%
Language spoken at home	english	77%	63%	74%	47%	37%	40%	34%	53%
	spanish	16%	33%	18%	47%	60%	58%	64%	42%
	asian-lang	3%	2%	3%	3%	1%	1%	1%	2%
	other lang	5%	2%	5%	2%	2%	1%	2%	3%
Language Fluency	Speaks Eng. "Less than Very Well"	8%	12%	9%	21%	30%	28%	32%	20%
Education (among those age 25+)	hs-grad	54%	59%	52%	57%	53%	58%	47%	54%
	bachelor	21%	13%	23%	12%	10%	8%	11%	15%
	graduatedegree	16%	8%	15%	7%	5%	4%	5%	9%
Child in Household	child-under18	10%	24%	15%	32%	35%	38%	39%	25%
Veteran	veteran	12%	10%	11%	6%	5%	4%	4%	8%
Pct of Pop. Age 16+	employed	42%	42%	45%	55%	54%	59%	53%	50%
Household Income	income 0-25k	27%	31%	22%	27%	25%	24%	29%	26%
	income 25-50k	24%	29%	21%	28%	27%	28%	28%	26%
	income 50-75k	17%	17%	17%	18%	18%	19%	18%	17%
	income 75-200k	25%	21%	30%	25%	27%	27%	22%	25%
	income 200k-plus	7%	2%	10%	3%	3%	2%	4%	5%
Housing Stats	single family	74%	86%	81%	78%	84%	77%	88%	80%
	multi-family	26%	14%	19%	22%	16%	23%	12%	20%
	rented	37%	34%	34%	39%	34%	39%	36%	36%
	owned	63%	66%	66%	61%	66%	61%	64%	64%

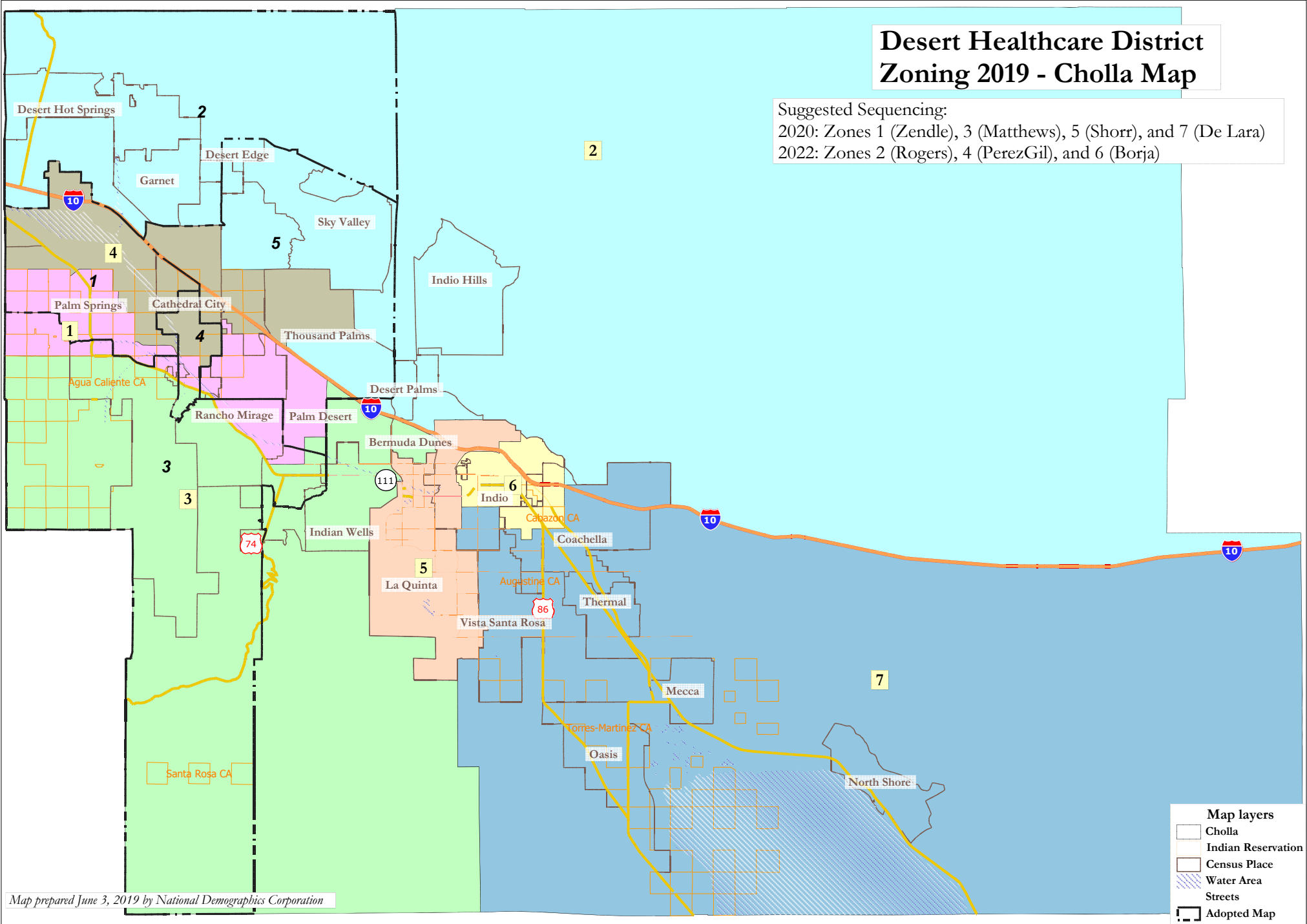
Total population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2012-2016 American Community Survey and Special Tabulation 5-year data.

Desert Healthcare District Zoning 2019 - Cholla Map

Suggested Sequencing:
 2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)
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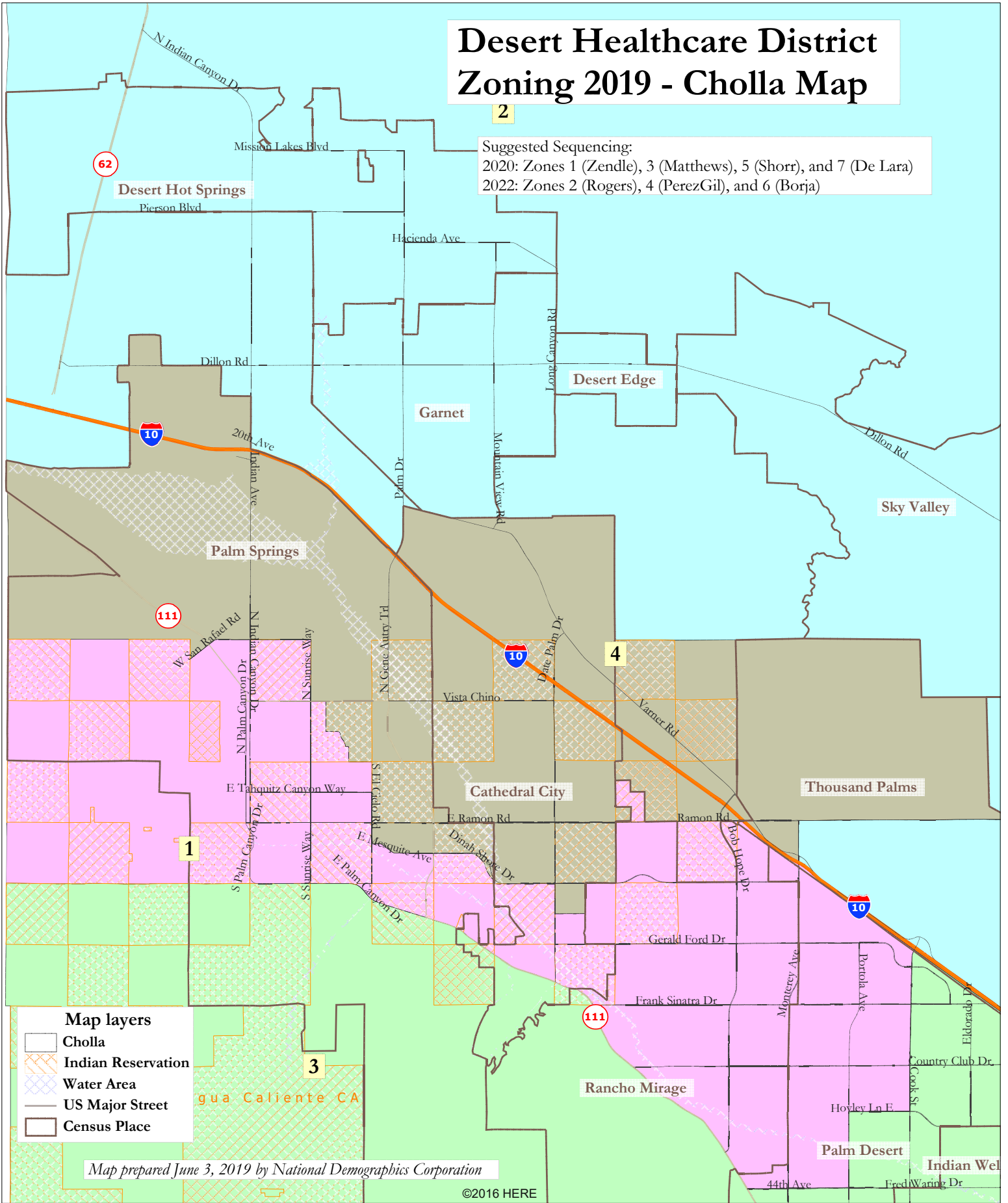


Map prepared June 3, 2019 by National Demographics Corporation

Desert Healthcare District Zoning 2019 - Cholla Map

2

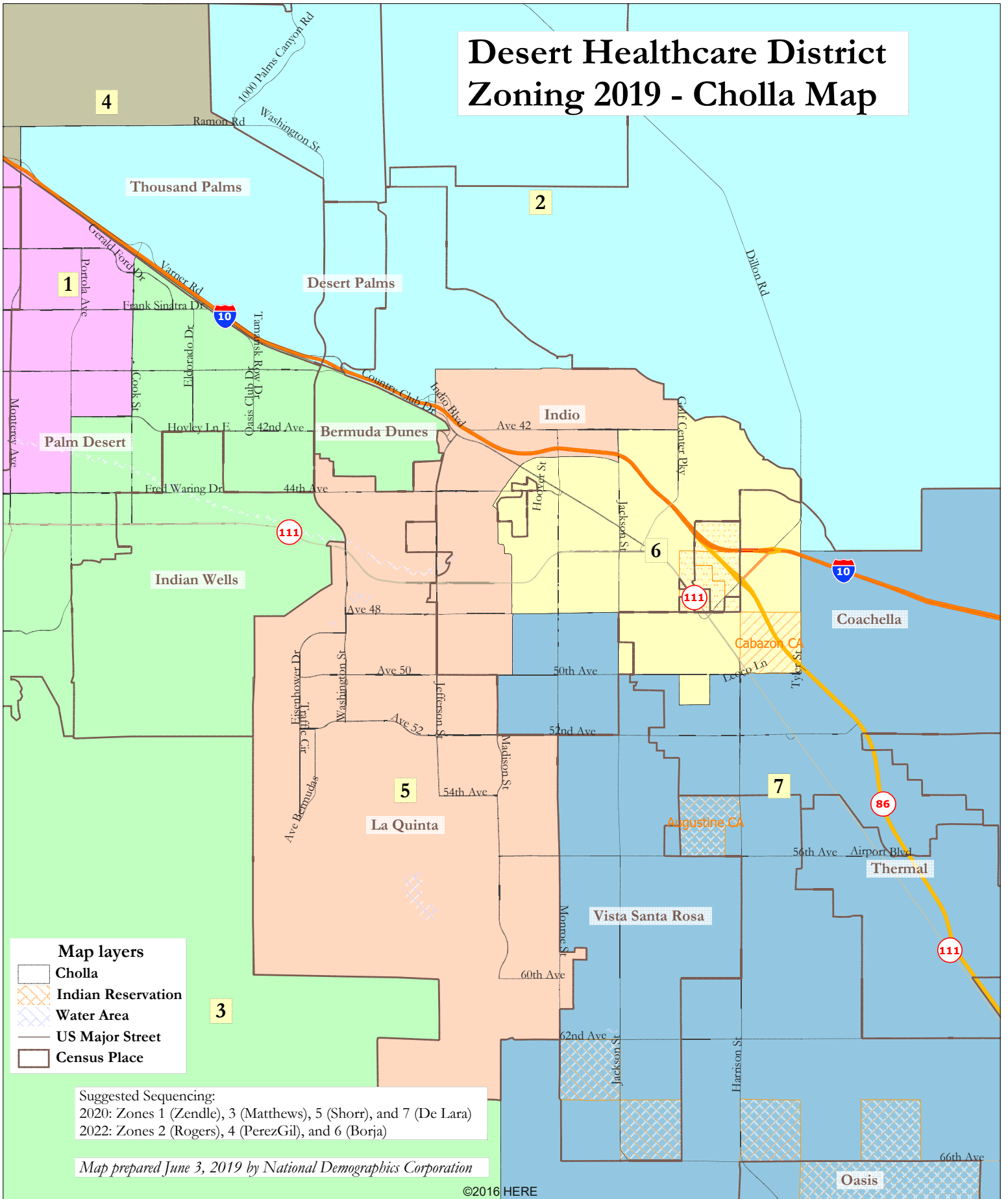
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Map prepared June 3, 2019 by National Demographics Corporation

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Desert Healthcare District Zoning 2019 - Cholla Map



Map layers

- Cholla
- Indian Reservation
- Water Area
- US Major Street
- Census Place

Suggested Sequencing:
 2020: Zones 1 (Zendle), 3 (Matthews), 5 (Shorr), and 7 (De Lara)
 2022: Zones 2 (Rogers), 4 (PerezGil), and 6 (Borja)

Map prepared June 3, 2019 by National Demographics Corporation

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Desert Healthcare - NDC Cholla

District		1	2	3	4	5	6	7	Total
Ideal	Total Pop	60,093	59,296	60,394	59,624	61,260	60,090	61,179	421,936
60,277	Deviation from ideal	-184	-981	117	-653	983	-187	902	1,964
	% Deviation	-0.31%	-1.63%	0.19%	-1.08%	1.63%	-0.31%	1.50%	3.26%
Total Pop	% Hisp	18%	45%	22%	61%	37%	86%	92%	52%
	% NH White	74%	47%	71%	28%	56%	10%	6%	42%
	% NH Black	3%	4%	2%	4%	2%	2%	0%	2%
	% Asian-American	4%	2%	3%	6%	3%	1%	1%	3%
Citizen Voting Age Pop	Total	49,541	39,407	47,071	35,200	45,507	30,481	21,445	268,651
	% Hisp	12%	30%	17%	45%	30%	79%	84%	36%
	% NH White	81%	61%	77%	43%	63%	16%	15%	57%
	% NH Black	3%	6%	2%	4%	3%	4%	0%	3%
	% Asian/Pac.Isl.	3%	2%	3%	6%	3%	1%	1%	3%
Voter Registration (Nov 2016)	Total	36,190	26,735	32,722	24,070	33,619	20,588	14,733	188,658
	% Latino est.	12%	30%	14%	45%	30%	82%	87%	36%
	% Spanish-Surnamed	11%	27%	12%	41%	27%	74%	78%	32%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	82%	60%	82%	44%	64%	12%	12%	58%
	% NH Black	3%	5%	2%	5%	3%	3%	0%	3%
Voter Turnout (Nov 2016)	Total	29,894	19,512	26,794	17,246	26,797	12,888	9,420	142,551
	% Latino est.	10%	25%	12%	41%	27%	80%	84%	31%
	% Spanish-Surnamed	9%	22%	11%	37%	24%	72%	75%	27%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%	1%	1%
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Voter Turnout (Nov 2014)	Total	19,571	11,992	17,599	8,920	15,793	5,972	4,577	84,423
	% Latino est.	6%	16%	8%	32%	18%	74%	76%	22%
	% Spanish-Surnamed	6%	14%	7%	29%	16%	67%	71%	20%
	% Asian-Surnamed	1%	1%	1%	1%	1%	0%	0%	1%
	% Filipino-Surnamed	1%	1%	0%	2%	1%	1%	1%	1%
	% NH White est.	88%	79%	88%	56%	78%	20%	21%	73%
	% NH Black est.	3%	4%	2%	5%	2%	3%	0%	3%
ACS Pop. Est.	Total	62,848	61,974	61,268	63,423	65,027	63,187	62,877	440,604
Age	age0-19	13%	26%	17%	28%	26%	34%	36%	26%
	age20-60	40%	43%	43%	52%	45%	54%	50%	47%
	age60plus	47%	30%	40%	20%	29%	12%	13%	27%
Immigration	immigrants	18%	21%	18%	32%	18%	34%	42%	26%
	naturalized	42%	35%	48%	39%	49%	33%	19%	35%
Language spoken at home	english	77%	61%	76%	47%	66%	28%	17%	53%
	spanish	15%	36%	17%	48%	30%	70%	83%	42%
	asian-lang	3%	1%	2%	3%	2%	1%	0%	2%
	other lang	5%	2%	4%	2%	3%	1%	0%	3%
Language Fluency	Speaks Eng. "Less than Very Well"	7%	13%	8%	21%	11%	35%	45%	20%
Education (among those age 25+)	hs-grad	54%	60%	55%	57%	56%	55%	42%	54%
	bachelor	22%	12%	21%	12%	19%	6%	5%	15%
	graduatedegree	16%	7%	15%	7%	11%	2%	3%	9%
Child in Household	child-under18	11%	26%	15%	32%	27%	41%	44%	25%
Veteran	veteran	13%	10%	10%	6%	8%	3%	2%	8%
Pct of Pop. Age 16+	employed	42%	43%	49%	55%	50%	58%	53%	50%
Household Income	income 0-25k	27%	31%	22%	27%	18%	29%	35%	26%
	income 25-50k	23%	30%	23%	28%	21%	31%	32%	26%
	income 50-75k	17%	16%	17%	18%	18%	19%	17%	17%
	income 75-200k	25%	21%	29%	25%	36%	21%	14%	25%
	income 200k-plus	7%	2%	9%	3%	8%	1%	2%	5%
Housing Stats	single family	74%	89%	76%	78%	94%	75%	79%	80%
	multi-family	26%	11%	24%	22%	6%	25%	21%	20%
	rented	37%	34%	37%	39%	27%	41%	42%	36%
	owned	63%	66%	63%	61%	73%	59%	58%	64%

Total population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

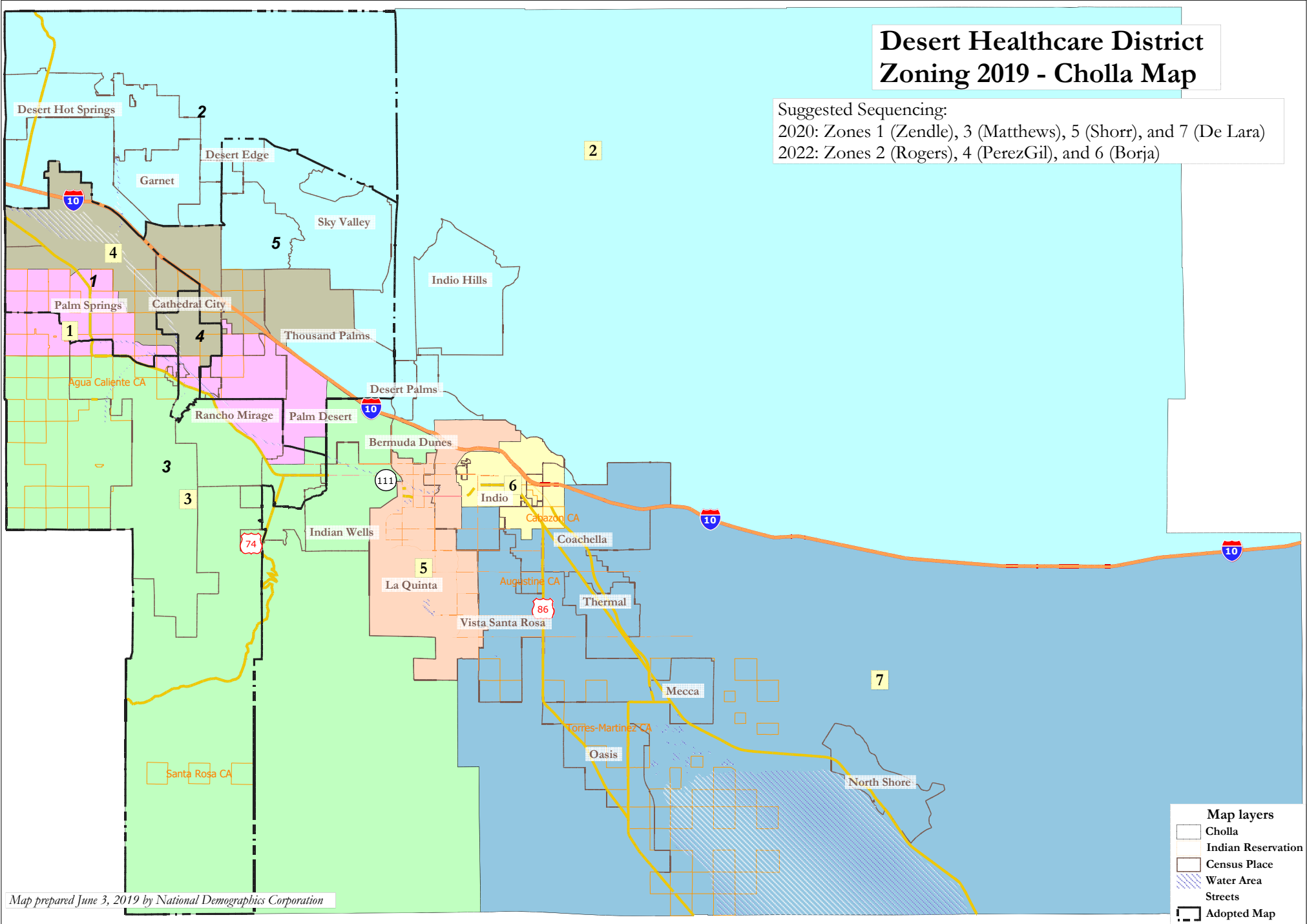
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Desert Healthcare - NDC Cholla

Zona		1	2	3	4	5	6	7	Total
Ideal	Pob. Total	60,093	59,296	60,394	59,624	61,260	60,090	61,179	421,936
60,277	Desviación de pob.	-184	-981	117	-653	983	-187	902	1,964
	% Desviación	-0.31%	-1.63%	0.19%	-1.08%	1.63%	-0.31%	1.50%	3.26%
Pob. Total	% Hisp	18%	45%	22%	61%	37%	86%	92%	52%
	% Blanco	74%	47%	71%	28%	56%	10%	6%	42%
	% Negro	3%	4%	2%	4%	2%	2%	0%	2%
	% Asiático	4%	2%	3%	6%	3%	1%	1%	3%
Ciudadanos +18 años	Total	49,541	39,407	47,071	35,200	45,507	30,481	21,445	268,651
	% Hisp	12%	30%	17%	45%	30%	79%	84%	36%
	% Blanco	81%	61%	77%	43%	63%	16%	15%	57%
	% Negro	3%	6%	2%	4%	3%	4%	0%	3%
	% Asiático	3%	2%	3%	6%	3%	1%	1%	3%
Registros (Nov 2016)	Total	36,190	26,735	32,722	24,070	33,619	20,588	14,733	188,658
	% Latino est.	12%	30%	14%	45%	30%	82%	87%	36%
	% apellido asiático	11%	27%	12%	41%	27%	74%	78%	32%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	2%	1%	1%	1%	1%
	% blanco est.	82%	60%	82%	44%	64%	12%	12%	58%
	% negro est.	3%	5%	2%	5%	3%	3%	0%	3%
Votantes (Nov 2016)	Total	29,894	19,512	26,794	17,246	26,797	12,888	9,420	142,551
	% Latino est.	10%	25%	12%	41%	27%	80%	84%	31%
	% apellido asiático	9%	22%	11%	37%	24%	72%	75%	27%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	2%	1%	1%	1%	1%
	% blanco est.	84%	65%	84%	47%	68%	13%	16%	63%
	% negro est.	3%	4%	2%	5%	3%	3%	0%	3%
Votantes (Nov 2014)	Total	19,571	11,992	17,599	8,920	15,793	5,972	4,577	84,423
	% Latino est.	6%	16%	8%	32%	18%	74%	76%	22%
	% apellido asiático	6%	14%	7%	29%	16%	67%	71%	20%
	% apellido filipino	1%	1%	1%	1%	1%	0%	0%	1%
	% apellido español	1%	1%	0%	2%	1%	1%	1%	1%
	% blanco est.	88%	79%	88%	56%	78%	20%	21%	73%
	% negro est.	3%	4%	2%	5%	2%	3%	0%	3%
Pob. ACS	Total	62,848	61,974	61,268	63,423	65,027	63,187	62,877	440,604
Edad	Edad 0 – 19 años	13%	26%	17%	28%	26%	34%	36%	26%
	Edad 20 – 60 años	40%	43%	43%	52%	45%	54%	50%	47%
	Edad +60 años	47%	30%	40%	20%	29%	12%	13%	27%
Migración	Migrante	18%	21%	18%	32%	18%	34%	42%	26%
	Naturalizada	42%	35%	48%	39%	49%	33%	19%	35%
Lengua en casa	Inglés	77%	61%	76%	47%	66%	28%	17%	53%
	Español	15%	36%	17%	48%	30%	70%	83%	42%
	Idioma Asiático	3%	1%	2%	3%	2%	1%	0%	2%
	Otro idioma	5%	2%	4%	2%	3%	1%	0%	3%
Fluidez en Inglés	Habla Inglés solo "bien" o menos	7%	13%	8%	21%	11%	35%	45%	20%
Nivel de educación (edad +25)	preparatoria	54%	60%	55%	57%	56%	55%	42%	54%
	licenciatura	22%	12%	21%	12%	19%	6%	5%	15%
	graduado	16%	7%	15%	7%	11%	2%	3%	9%
Hogares con niño(s)	con niño(s)	11%	26%	15%	32%	27%	41%	44%	25%
Veteranos	veterano	13%	10%	10%	6%	8%	3%	2%	8%
Pto. Edad 16+	empleado	42%	43%	49%	55%	50%	58%	53%	50%
Ingreso (por hogar)	\$0 a \$25 000	27%	31%	22%	27%	18%	29%	35%	26%
	\$25 a \$50 000	23%	30%	23%	28%	21%	31%	32%	26%
	\$50 a \$75 000	17%	16%	17%	18%	18%	19%	17%	17%
	\$75 a \$200 000	25%	21%	29%	25%	36%	21%	14%	25%
	mayor a \$200 000	7%	2%	9%	3%	8%	1%	2%	5%
Unidades de vivienda	Unifamiliar	74%	89%	76%	78%	94%	75%	79%	80%
	Multifamiliar	26%	11%	24%	22%	6%	25%	21%	20%
	Rentadas	37%	34%	37%	39%	27%	41%	42%	36%
	Propias	63%	66%	63%	61%	73%	59%	58%	64%
Fuentes: Censo 2010, California Statewide Database (elecciones Nov 2014 y 2016), 2012-2017 American Community Survey Special Tabulation de ciudadanos +18, y 2012-2016 American Community Survey. Los números de registros y votantes "latinos" son ajustados según el rato para California del US Census Population Division									

Desert Healthcare District Zoning 2019 - Cholla Map

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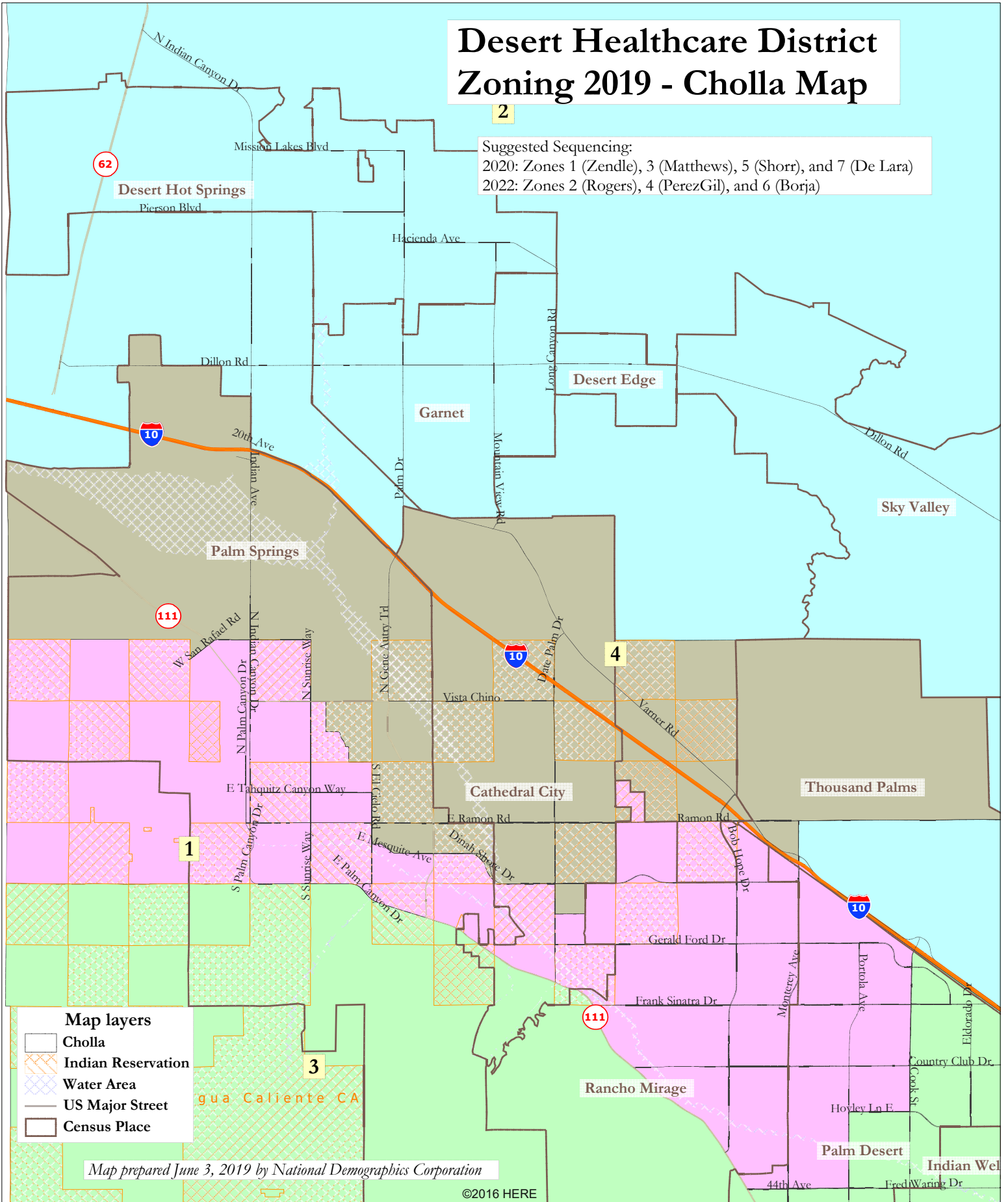


Map prepared June 3, 2019 by National Demographics Corporation

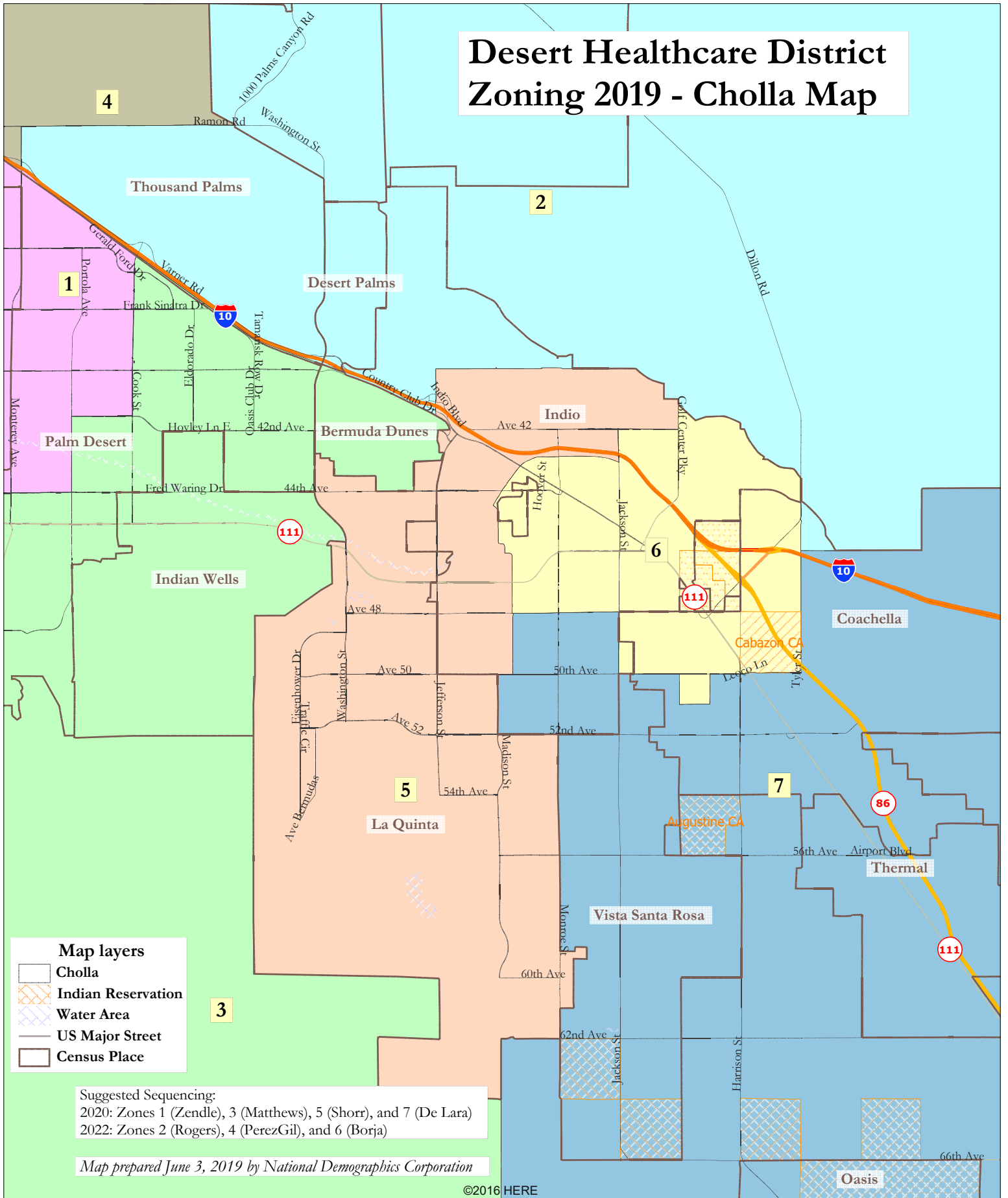
Desert Healthcare District Zoning 2019 - Cholla Map

2

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Desert Healthcare District Zoning 2019 - Cholla Map



Desert Healthcare - NDC Cholla

District		1	2	3	4	5	6	7	Total
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	% Deviation	-0.31%	-1.63%	0.19%	-1.08%	1.63%	-0.31%	1.50%	3.26%
Total Pop	% Hisp	18%	45%	22%	61%	37%	86%	92%	52%
	% NH White	74%	47%	71%	28%	56%	10%	6%	42%
	% NH Black	3%	4%	2%	4%	2%	2%	0%	2%
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Citizen Voting Age Pop	Total	49,541	39,407	47,071	35,200	45,507	30,481	21,445	268,651
	% Hisp	12%	30%	17%	45%	30%	79%	84%	36%
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	% Asian/Pac.Isl.	3%	2%	3%	6%	3%	1%	1%	3%
Voter Registration (Nov 2016)	Total	36,190	26,735	32,722	24,070	33,619	20,588	14,733	188,658
	% Latino est.	12%	30%	14%	45%	30%	82%	87%	36%
	% Spanish-Surnamed	11%	27%	12%	41%	27%	74%	78%	32%
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ACS Pop. Est.	Total	62,848	61,974	61,268	63,423	65,027	63,187	62,877	440,604
Age	age0-19	13%	26%	17%	28%	26%	34%	36%	26%
	age20-60	40%	43%	43%	52%	45%	54%	50%	47%
	age60plus	47%	30%	40%	20%	29%	12%	13%	27%
Immigration	immigrants	18%	21%	18%	32%	18%	34%	42%	26%
	naturalized	42%	35%	48%	39%	49%	33%	19%	35%
Language spoken at home	english	77%	61%	76%	47%	66%	28%	17%	53%
	spanish	15%	36%	17%	48%	30%	70%	83%	42%
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Language Fluency	Speaks Eng. "Less than Very Well"	7%	13%	8%	21%	11%	35%	45%	20%
Education (among those age 25+)	hs-grad	54%	60%	55%	57%	56%	55%	42%	54%
	bachelor	22%	12%	21%	12%	19%	6%	5%	15%
	graduatedegree	16%	7%	15%	7%	11%	2%	3%	9%
Child in Household	child-under18	11%	26%	15%	32%	27%	41%	44%	25%
Veteran	veteran	13%	10%	10%	6%	8%	3%	2%	8%
Pct of Pop. Age 16+	employed	42%	43%	49%	55%	50%	58%	53%	50%
Household Income	income 0-25k	27%	31%	22%	27%	18%	29%	35%	26%
	income 25-50k	23%	30%	23%	28%	21%	31%	32%	26%
	income 50-75k	17%	16%	17%	18%	18%	19%	17%	17%
	income 75-200k	25%	21%	29%	25%	36%	21%	14%	25%
	income 200k-plus	7%	2%	9%	3%	8%	1%	2%	5%
Housing Stats	single family	74%	89%	76%	78%	94%	75%	79%	80%
	multi-family	26%	11%	24%	22%	6%	25%	21%	20%
	rented	37%	34%	37%	39%	27%	41%	42%	36%
	owned	63%	66%	63%	61%	73%	59%	58%	64%

Total population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2012-2016 American Community Survey and Special Tabulation 5-year data.

Desert Healthcare - NDC Cholla

Zona		1	2	3	4	5	6	7	Total
Ideal	Pob. Total	60,093	59,296	60,394	59,624	61,260	60,090	61,179	421,936
60,277	Desviación de pob.	-184	-981	117	-653	983	-187	902	1,964
	% Desviación	-0.31%	-1.63%	0.19%	-1.08%	1.63%	-0.31%	1.50%	3.26%
Pob. Total	% Hisp	18%	45%	22%	61%	37%	86%	92%	52%
	% Blanco	74%	47%	71%	28%	56%	10%	6%	42%
	% Negro	3%	4%	2%	4%	2%	2%	0%	2%
	% Asiático	4%	2%	3%	6%	3%	1%	1%	3%
Ciudadanos +18 años	Total	49,541	39,407	47,071	35,200	45,507	30,481	21,445	268,651
	% Hisp	12%	30%	17%	45%	30%	79%	84%	36%
	% Blanco	81%	61%	77%	43%	63%	16%	15%	57%
	% Negro	3%	6%	2%	4%	3%	4%	0%	3%
	% Asiático	3%	2%	3%	6%	3%	1%	1%	3%
Registros (Nov 2016)	Total	36,190	26,735	32,722	24,070	33,619	20,588	14,733	188,658
	% Latino est.	12%	30%	14%	45%	30%	82%	87%	36%
	% apellido asiático	11%	27%	12%	41%	27%	74%	78%	32%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	2%	1%	1%	1%	1%
	% blanco est.	82%	60%	82%	44%	64%	12%	12%	58%
	% negro est.	3%	5%	2%	5%	3%	3%	0%	3%
Votantes (Nov 2016)	Total	29,894	19,512	26,794	17,246	26,797	12,888	9,420	142,551
	% Latino est.	10%	25%	12%	41%	27%	80%	84%	31%
	% apellido asiático	9%	22%	11%	37%	24%	72%	75%	27%
	% apellido filipino	1%	1%	1%	1%	1%	1%	0%	1%
	% apellido español	1%	1%	1%	2%	1%	1%	1%	1%
	% blanco est.	84%	65%	84%	47%	68%	13%	16%	63%
	% negro est.	3%	4%	2%	5%	3%	3%	0%	3%
Votantes (Nov 2014)	Total	19,571	11,992	17,599	8,920	15,793	5,972	4,577	84,423
	% Latino est.	6%	16%	8%	32%	18%	74%	76%	22%
	% apellido asiático	6%	14%	7%	29%	16%	67%	71%	20%
	% apellido filipino	1%	1%	1%	1%	1%	0%	0%	1%
	% apellido español	1%	1%	0%	2%	1%	1%	1%	1%
	% blanco est.	88%	79%	88%	56%	78%	20%	21%	73%
	% negro est.	3%	4%	2%	5%	2%	3%	0%	3%
Pob. ACS	Total	62,848	61,974	61,268	63,423	65,027	63,187	62,877	440,604
Edad	Edad 0 – 19 años	13%	26%	17%	28%	26%	34%	36%	26%
	Edad 20 – 60 años	40%	43%	43%	52%	45%	54%	50%	47%
	Edad +60 años	47%	30%	40%	20%	29%	12%	13%	27%
Migración	Migrante	18%	21%	18%	32%	18%	34%	42%	26%
	Naturalizada	42%	35%	48%	39%	49%	33%	19%	35%
Lengua en casa	Inglés	77%	61%	76%	47%	66%	28%	17%	53%
	Español	15%	36%	17%	48%	30%	70%	83%	42%
	Idioma Asiático	3%	1%	2%	3%	2%	1%	0%	2%
	Otro idioma	5%	2%	4%	2%	3%	1%	0%	3%
Fluidez en Inglés	Habla Inglés solo "bien" o menos	7%	13%	8%	21%	11%	35%	45%	20%
Nivel de educación (edad +25)	preparatoria	54%	60%	55%	57%	56%	55%	42%	54%
	licenciatura	22%	12%	21%	12%	19%	6%	5%	15%
	graduado	16%	7%	15%	7%	11%	2%	3%	9%
Hogares con niño(s)	con niño(s)	11%	26%	15%	32%	27%	41%	44%	25%
Veteranos	veterano	13%	10%	10%	6%	8%	3%	2%	8%
Pto. Edad 16+	empleado	42%	43%	49%	55%	50%	58%	53%	50%
Ingreso (por hogar)	\$0 a \$25 000	27%	31%	22%	27%	18%	29%	35%	26%
	\$25 a \$50 000	23%	30%	23%	28%	21%	31%	32%	26%
	\$50 a \$75 000	17%	16%	17%	18%	18%	19%	17%	17%
	\$75 a \$200 000	25%	21%	29%	25%	36%	21%	14%	25%
	mayor a \$200 000	7%	2%	9%	3%	8%	1%	2%	5%
Unidades de vivienda	Unifamiliar	74%	89%	76%	78%	94%	75%	79%	80%
	Multifamiliar	26%	11%	24%	22%	6%	25%	21%	20%
	Rentadas	37%	34%	37%	39%	27%	41%	42%	36%
	Propias	63%	66%	63%	61%	73%	59%	58%	64%
Fuentes: Censo 2010, California Statewide Database (elecciones Nov 2014 y 2016), 2012-2017 American Community Survey Special Tabulation de ciudadanos +18, y 2012-2016 American Community Survey. Los números de registros y votantes "latinos" son ajustados según el rato para California del US Census Population Division									

Plan Descriptions:

NDC Agave aims to create compact seats and follow major roads when necessary. It contains three zones entirely in the new annexation areas. Zone 1 includes all of Palm Springs and Rancho Mirage north of Highway 111 and the Whitewater River Channel and the portion of Cathedral City between Highway 111 and roughly Ramon Road. Zone 2 contains the northern communities, including most of Desert Hot Springs, Desert Edge, Sky Valley, Indio Hills, and the portion of Palm Desert north of Highway 111. Zone 3 contains the areas south of Highway 111 in Palm Springs, Cathedral City, Rancho Mirage, and Palm Desert along with Indian Wells and La Quinta. Zone 4 has Cathedral City north of Ramon Road and Thousand Palms, along with a portion of Garnet and Desert Hot Springs that links West Valley Latino communities along I-10. Zone 5 includes the western third of Indio and the eastern part of Palm Desert as well as the Desert Palms community. Zones 6 and 7 are both majority-Latino and roughly use Highway 111 as a dividing line to create two zones that include some of the more urban areas in Indio and Coachella and the more rural communities. Zone 6 includes the northeastern portions of Indio, including Central Indio and Coachella along with Thermal and Mecca and the North Shore of the Salton Sea. Zone 7 includes the southern portions of Indio and Coachella along with Vista Santa Rosa and Oasis.

NDC Yucca aims to create seats that link different communities together. It contains three zones entirely in the new annexation areas. Zone 1 includes the majority of Palm Springs, particularly the central areas between San Rafael and Palm Canyon, along with the southern portion of Cathedral City south of Dinah Shore, and portions of Rancho Mirage and Cathedral City between I-10 and the Whitewater River Channel west of Cook St. Zone 2 contains the northern communities, including all of Desert Hot Springs, Desert Edge, Garnet, Sky Valley, Indio Hills, Desert Palms, and the portion of Palm Desert north of Country Club Drive east of Cook St. Zone 3 contains the areas south of Highway 111 in Palm Springs and Rancho Mirage, and the bulk of Palm Desert, especially south of Country Club Drive, along with Indian Wells and portions of south La Quinta west of Monroe Avenue. Zone 4 links Cathedral City north of Dinah Shore and Thousand Palms, to Desert Highland Gateway and Demuth Park in Palm Springs. Zones 5, 6, and 7 are majority-Latino and create three districts in the Indio area. Zone 5 includes the northern portions of Indio and Coachella north of the railroad, and most of Bermuda Dunes. Zone 6 is a central Indio seat, including the downtown and western parts of the city of Indio and La Quinta north of the Highway 111. Zone 7 includes the agricultural communities of Thermal, Mecca, Oasis, and Vista Santa Rosa as well as the southern portions of Indio and Coachella along with the La Quinta Cove.

(New Plan for 5/28) NDC Mesquite was created in response to the Board's request at the April 25th meeting. It more closely adheres to city boundaries and maintains a more compact arrangement, containing three zones in the annexation area. Zone 1 includes all of Palm Springs and Rancho Mirage north of Highway 111 and the Whitewater River Channel and the portion of Cathedral City between Highway 111 and roughly Dinah Shore Drive. Zone 2 contains the northern communities, including all of Desert Hot Springs, Desert Edge, Garnet, Sky Valley, Indio Hills, Desert Palms, and the portions of Indio in the Shadow Hills and Terra Lago communities. Zone 3 contains the areas south of Highway 111 in Palm Springs, Cathedral City, Rancho Mirage, and Indian Wells as well as all areas south of Country Club Drive in Palm Desert. Zone 4 includes the majority of Cathedral City, all areas north of Dinah Shore Drive, Thousand Palms, as well as Palm Desert north of

Country Club Drive. Zone 5 includes La Quinta, Bermuda Dunes, and western Indio areas along the All-American Canal. Zone 6 is mainly in the City of Indio, including most area west of Monroe, and the northern portion of Coachella, north of Avenue 51. Zone 7 includes all areas south of Coachella, including Thermal, Mecca, North Shore, Oasis, and Vista Santa Rosa, and most of the city of Coachella, along with the southern portion of Indio south of Avenue 48 west of Monroe.

(New Plan for 9/24) NDC Cholla was created in response to Board and Community feedback at the April and May Public Hearings. It combines features of all three previous plans, particularly building on the positive feedback on particular features in each map. Zones 6 and 7 in the eastern part of the Coachella Valley are majority-Latino by eligible voters, and Zone 4 centered in Cathedral City is a plurality Latino zone that also includes sizeable Asian- and African-American communities. Zone 1 includes most of Palm Springs and Rancho Mirage north of Palm Canyon Drive/Highway 111 other than the areas roughly corresponding to Palm Springs City Council District 1, and small portions of Cathedral City between Highway 111 and roughly Dinah Shore Drive. Zone 2 contains the northern communities, including all of Desert Hot Springs, Desert Edge, Garnet, Sky Valley, Indio Hills, Desert Palms, the Tri-Palm Estates community in Thousand Palms, and the Talavera neighborhood in northern Indio. Zone 3 contains the areas south of Highway 111 in Palm Springs, Cathedral City and Rancho Mirage, the entire cities of Indian Wells and Bermuda Dunes as well as all the majority of Palm Desert, including everything east of Cook and south of the College of the Desert. Zone 4 includes the majority of Cathedral City, including all areas north of Dinah Shore Drive, the area roughly corresponding to Palm Springs City Council District 1 (the Desert Highlands Gateway and Demuth Park neighborhoods), and the portion of Thousand Palms north of Ramon Road. Zone 5 includes the city of La Quinta and portions of Indio north and west of the All-American Canal. Zone 6 is mainly in the City of Indio, including most areas south and east of the All-American Canal, and the northern portion of Coachella north of Avenue 51. Zone 7 includes all areas south of Coachella, including Thermal, Mecca, North Shore, Oasis, and Vista Santa Rosa, and most of the city of Coachella, along with the southern portion of Indio south of Avenue 48 and west of Monroe.

Descripciones del plan:

NDC Agave tiene como objetivo crear asentamientos compactos y seguir las carreteras principales cuando sea necesario. Contiene tres zonas enteramente en las nuevas áreas de anexión. La zona 1 incluye todo Palm Springs y Rancho Mirage al norte de la autopista 111 y el Whitewater River Channel y la parte de Cathedral City entre la autopista 111 y aproximadamente Ramon Road. La zona 2 contiene las comunidades del norte, incluidas la mayoría de Desert Hot Springs, Desert Edge, Sky Valley, Indio Hills y la parte de Palm Desert al norte de la autopista 111. La zona 3 contiene las áreas al sur de la autopista 111 en Palm Springs, Cathedral City, Rancho Mirage y Palm Desert, junto con Indian Wells y La Quinta. La zona 4 tiene Cathedral City al norte de Ramon Road y Thousand Palms, junto con una parte de Garnet y Desert Hot Springs que une las comunidades latinas de West Valley a lo largo de la I-10. La zona 5 incluye el tercio occidental de Indio y la parte oriental de Palm Desert, así como la comunidad de Desert Palms. Las zonas 6 y 7 son mayoritariamente latinas y utilizan aproximadamente la autopista 111 como línea divisoria para crear dos zonas que incluyen algunas de las áreas más urbanas de Indio y Coachella y las comunidades más rurales. La zona 6 incluye las porciones del noreste de Indio, incluyendo Central Indio y Coachella junto con Thermal y Mecca y la costa norte del Mar Salton. La zona 7 incluye las porciones del sur de Indio y Coachella junto con Vista Santa Rosa y Oasis.

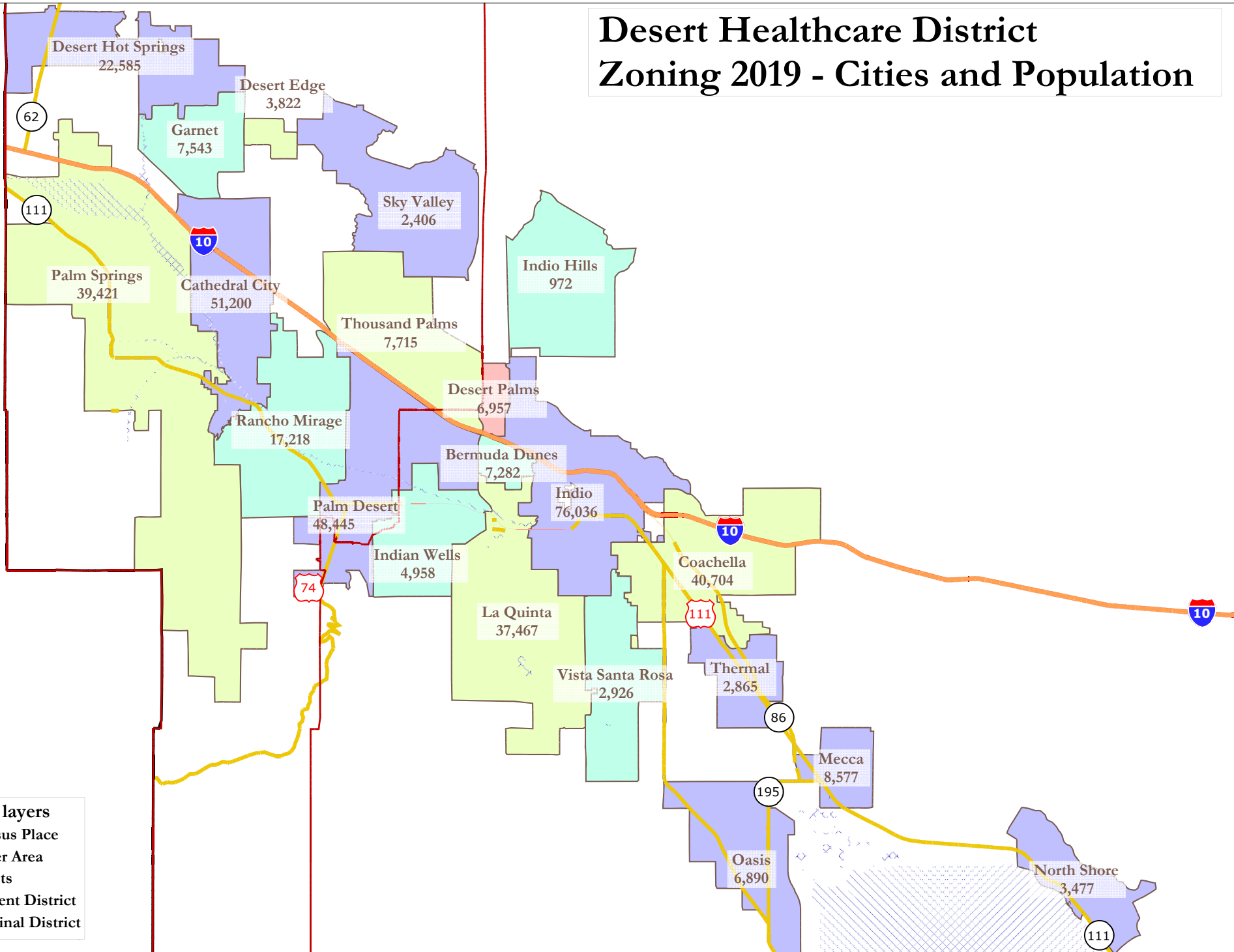
NDC Yucca tiene como objetivo crear asentamientos que unan a las diferentes comunidades. Contiene tres zonas enteramente en las nuevas áreas de anexión. La zona 1 incluye la mayoría de Palm Springs, particularmente las áreas centrales entre San Rafael y Palm Canyon, junto con la porción sur de Cathedral City al sur de Dinah Shore, y porciones de Rancho Mirage y Cathedral City entre I-10 y el canal del río Whitewater Cocine al oeste de San Zona 2 contiene las comunidades del norte, incluyendo todos los de Desert Hot Springs, Desierto de borde, granate, Sky Valley, Indio Hills, Desierto de las Palmas, y la porción de Palm Desert norte de Country Club Drive al este de Cook St. La zona 3 contiene las áreas al sur de la autopista 111 en Palm Springs y Rancho Mirage, y la mayor parte de Palm Desert, especialmente al sur de Country Club Drive, junto con Indian Wells y partes del sur de La Quinta al oeste de Monroe Avenue. La zona 4 conecta la ciudad de la catedral al norte de Dinah Shore y Thousand Palms, con Desert Highland Gateway y Demuth Park en Palm Springs. Zonas 5, 6 y 7 son mayoría latina y crean tres distritos en el área de Indio. La zona 5 incluye las porciones norteñas de Indio y Coachella al norte del ferrocarril, y la mayoría de las dunas de Bermudas. La zona 6 es un asentamiento central de Indio, que incluye el centro y las partes occidentales de la ciudad de Indio y La Quinta al norte de la autopista 111. La Zona 7 incluye las comunidades agrícolas de Thermal, La Meca, Oasis y Vista Santa Rosa, así como las porciones del sur de Indio y Coachella junto con La Quinta Cove.

(Nuevo Plan de 5/28) NDC Mesquite fue creado en respuesta a la petición de la Junta, en 25 de Abril reunión. Se adhiere más estrechamente a los límites de la ciudad y mantiene una disposición más compacta, que contiene tres zonas en el área de anexión. La zona 1 incluye todo Palm Springs y Rancho Mirage al norte de la autopista 111 y el Whitewater River Channel y la parte de Cathedral City entre la autopista 111 y aproximadamente Dinah Shore Drive. La zona 2 contiene las comunidades del norte, incluidas todas las aguas termales de Desert, Desert Edge, Garnet, Sky Valley, Indio Hills, Desert Palms y las porciones de Indio en las comunidades de Shadow Hills y Terra Lago. La zona 3 contiene las áreas al sur de la autopista 111 en Palm Springs, Cathedral City, Rancho Mirage e Indian Wells, así como todas las áreas al sur de Country Club Drive en Palm Desert. La Zona 4 incluye la mayoría de Cathedral City, todas las áreas al norte de Dinah Shore Drive, Thousand Palms, así como Palm Desert al norte de Country Club Drive. La zona 5 incluye áreas de La Quinta, las dunas de las Bermudas y el oeste del Indio a lo largo del Canal All-

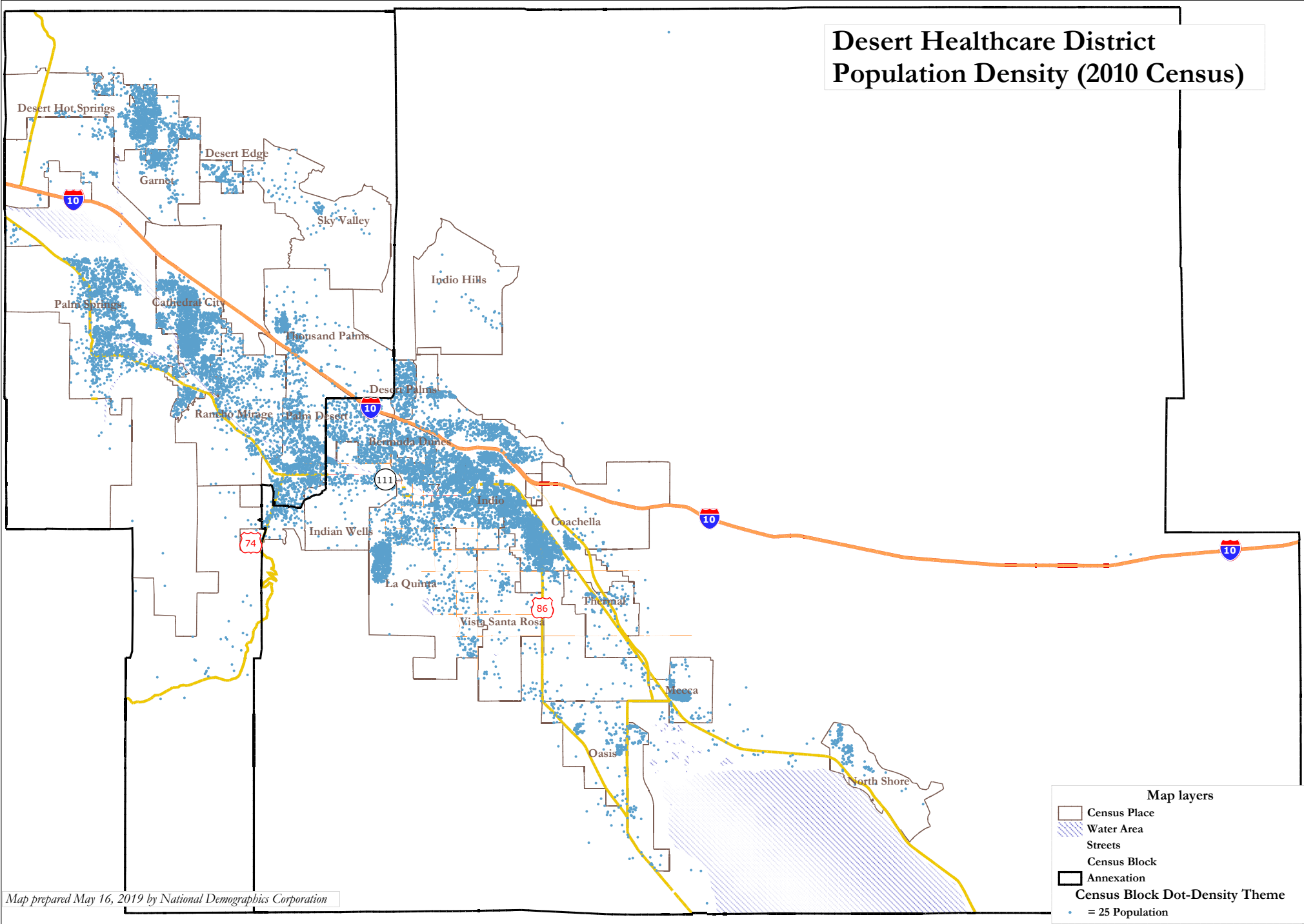
American. La zona 6 se encuentra principalmente en la ciudad de Indio, incluida la mayoría del área al oeste de Monroe, y la parte norte de Coachella, al norte de la avenida 51. La zona 7 incluye todas las áreas al sur de Coachella, incluidas las termas, la Meca, North Shore, Oasis y Vista Santa Rosa y la mayor parte de la ciudad de Coachella, junto con la parte sur del Indio al sur de la Avenida 48 al oeste de Monroe.

(Nuevo plan para el 24/9) NDC Cholla fue creado en respuesta a los comentarios de la Junta y la Comunidad en las audiencias públicas de abril y mayo. Combina características de los tres planes anteriores, en particular basándose en la retroalimentación positiva sobre características particulares en cada mapa. Las zonas 6 y 7 en la parte oriental del Valle de Coachella son mayoritariamente latinas según los votantes elegibles, y la Zona 4 centrada en Cathedral City es una zona latina plural que también incluye grandes comunidades de asiáticos y afroamericanos. La zona 1 incluye la mayoría de Palm Springs y Rancho Mirage al norte de Palm Canyon Drive / Highway 111, excepto las áreas que corresponden aproximadamente al Distrito 1 del Ayuntamiento de Palm Springs, y pequeñas porciones de Cathedral City entre la autopista 111 y aproximadamente Dinah Shore Drive. La zona 2 contiene las comunidades del norte, incluidas todas las aguas termales de Desert, Desert Edge, Garnet, Sky Valley, Indio Hills, Desert Palms, la comunidad Tri-Palm Estates en Thousand Palms y el vecindario de Talavera en el norte de Indio. La zona 3 contiene las áreas al sur de la autopista 111 en Palm Springs, Cathedral City y Rancho Mirage, las ciudades enteras de Indian Wells y Bermuda Dunes, así como la mayoría de Palm Desert, incluido todo al este de Cook y al sur del College of the desierto . La zona 4 incluye la mayoría de Cathedral City, incluidas todas las áreas al norte de Dinah Shore Drive, el área que corresponde aproximadamente al Distrito 1 del Concejo Municipal de Palm Springs (los vecindarios Desert Highlands Gateway y Demuth Park), y la porción de Thousand Palms al norte de Ramon Road. La zona 5 incluye la ciudad de La Quinta y porciones de Indio al norte y al oeste del Canal All-American. La zona 6 se encuentra principalmente en la ciudad de Indio, incluidas la mayoría de las áreas al sur y al este del Canal All-American, y la parte norte de Coachella al norte de la avenida 51. La zona 7 incluye todas las áreas al sur de Coachella, incluidas las termas, la Meca, North Shore, Oasis y Vista Santa Rosa, y la mayor parte de la ciudad de Coachella, junto con la parte sur del Indio al sur de la Avenida 48 y al oeste de Monroe.

Desert Healthcare District Zoning 2019 - Cities and Population



Desert Healthcare District Population Density (2010 Census)



- Map layers**
- Census Place
 - Water Area
 - Streets
 - Census Block
 - Annexation
 - Census Block Dot-Density Theme
 - = 25 Population

Map prepared May 16, 2019 by National Demographics Corporation



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
September 10, 2019

Directors Present	District Staff Present	Absent
Chairman/Treasurer Mark Matthews Vice-President Leticia De Lara, MPH Director Arthur Shorr – <i>Telephonic</i>	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Financial Officer Stephen Huyck, Accounting Manager Andrea S. Hayles, Clerk to the Board	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chairman Matthews called the meeting to order at 3:00 p.m.	
II. Approval of Agenda	Chairman Matthews asked for a motion to approve the agenda. Chairman Matthews moved to table Item VIII.8.	Moved and seconded by Chairman Matthews and Vice-President De Lara to approve the agenda and tabling Item VIII.8. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting July 9, 2019	Chairman Matthews motioned to approve the July 9, 2019 minutes.	Moved and seconded by Chairman Matthews and Director Shorr to approve the minutes. Motion passed unanimously.
V. CEO Report	Conrado E. Bárzaga, MD, Chief Executive Officer, described his internal assessment of the District and the immediate staffing needs for reorganization that include costs savings, and outlining the agenda items and follow-up discussions on the Community Needs Assessment RFP.	
VI. Chief Financial Officer’s Report 1. LPMP Leasing Update	Chris Christensen, CFO, explained the most recent lease renewals and three (3) vacancies with the goal of 100% occupancy.	
VII. Financial Reports 1. District and LPMP Financial Statements	Chris Christensen, CFO, described the financials such as the profit and loss net revenue	Moved and seconded by Vice-President De Lara and Director Shorr to approve the July and August 2019

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
September 10, 2019**

<p>2. Accounts Receivable Aging Summary</p> <p>3. District – Deposits</p> <p>4. District – Property Tax Receipts</p> <p>5. LPMP Deposits</p> <p>6. District – Check Register</p> <p>7. Credit Card – Detail of Expenditures</p> <p>8. LPMP – Check Register</p> <p>9. Retirement Protection Plan Update</p> <p>10. Grant Payment Schedule</p>	<p>and replying to inquiries on the A/R Aging summary.</p> <p>Director De Lara inquired if the District has assessed a company vehicle due to staff's numerous trips to meetings throughout the valley and Los Angeles County. Staff explained that the District has a mileage reimbursement policy.</p> <p>Mr. Christensen explained that the participant funds for Retirement Protection Plan (RPP) participants whose annual letters have been returned undeliverable will be sent to the State. Accounting will contact Desert Regional Medical Center's human resources department to verify the addresses before moving forward.</p>	<p>District Financial Reports - Items 1-10 and to forward to the Board for approval.</p> <p>Motion passed unanimously.</p>
<p>VIII. Other Matters</p> <p>1. LPMP Lease Extension – Suite 1W 201 – Peter Jamieson, MD</p> <p>2. LPMP Lease – Suites 1W 105-106 – Cohen, Musch, & Thomas Medical Group</p>	<p>Chris Christensen, CFO, explained the 5-year lease renewal with a base rent of \$1.86/sq. ft., and \$15/sq. ft. tenant improvement allowance. The lease will commence on October 1.</p> <p>Chris Christensen, CFO, explained that Cohen, Musch, & Thomas is moving to a new suite with tenant improvement work scheduled for completion in December, and a proposed Oct. 1 lease date. The term of the lease is 5-years at \$1.52/sq. ft.</p>	<p>Moved and seconded by Vice-President De Lara and Director Shorr to approve the LPMP Lease Extension – Suite 1W 201 – Peter Jamieson, MD and forward to the Board for approval.</p> <p>Motion passed unanimously.</p> <p>Moved and seconded by Director Shorr and Vice-President De Lara to approve the LPMP Lease – Suites 1W 105-106 – Cohen, Musch, & Thomas Medical Group and forward to the Board for approval.</p> <p>Motion passed unanimously.</p>

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
September 10, 2019**

<p>3. LPMP Lease Extension – Suite 1W 204 – Dennis Spurgin, DC</p>	<p>Chris Christensen, CFO, explained that the lease is a 5-year renewal with a start date of Oct. 1, and tenant improvements at \$1.52/sq. ft.</p>	<p>Moved and seconded by Vice-President De Lara and Director Shorr to approve the LPMP Lease Extension – Suite 1W 204 – Dennis Spurgin, DC, and forward to the Board for approval. Motion passed unanimously.</p>
<p>4. Revised Organizational Chart, Proposed Salaries, and Job Descriptions</p>	<p>Conrado E. Bázquez, MD, Chief Executive Officer, explained the programmatic side of grant-making and the administrative side with legal and human resources – eliminating the Chief Financial Officer position and replacing with a Chief Administrative Officer. A human resources consultant is necessary to stay apprised on the legal aspects and updating the District’s employee manual. Supporting the two functions would require an administrative assistant – a total savings of \$155k.</p> <p>At the request of Vice-President De Lara, the committee directed staff to include legal on the organizational chart, reporting directly to the Board. Vice-President De Lara recommended a public policy intern or an intern in a similar position.</p>	<p>Moved and seconded by Director Shorr and Vice-President De Lara to approve the Revised Organizational Chart, Proposed Salaries, and Job Descriptions and forward to the Board for approval. Motion passed unanimously.</p>
<p>5. Human Resources Consultant Service Agreement</p>	<p>Conrado E. Bázquez, MD, Chief Executive Officer, described his request for a human resources consultant for the purposes of an immediate need to review</p>	<p>Moved and seconded by Director Shorr and Vice-President De Lara to approve the Human Resources Consultant Service Agreement</p>

**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
September 10, 2019**

	<p>the employee handbook, training compliance, and labor laws that require review of the District's human resources processes.</p>	<p>and forward to the Board for approval. Motion passed unanimously.</p>
<p>6. First Amendment to CEO Employment Agreement – Auto Allowance \$500/month</p>	<p>Chris Christensen, CFO, described the amendment to the CEO employment agreement based on extensive travel and the need for a \$500/month auto allowance.</p>	<p>Moved and seconded by Vice-President De Lara and Chairman Matthews to approve the First Amendment to CEO Employment Agreement – Auto Allowance and forward to the Board for approval. Motion passed unanimously.</p>
<p>7. Community Needs Assessment RFP – NTE \$300,000</p>	<p>Conrado E. Bázquez, MD, Chief Executive Officer, explained that the Strategic Planning Committee will meet to discuss the views and opinions expressed in the Program Committee since the assessment is related to the strategic plan.</p>	
<p>8. Coachella Valley Association of Governments (CVAG) CV Link MOU Review and Analysis – Contingency and Conditions</p>	<p>The item was pulled from the agenda and tabled for the October meeting.</p>	
<p>9. Political Consultants for Potential Hospital Lease/Transaction</p>	<p>Conrado E. Bázquez, MD, Chief Executive Officer, described the ad hoc committee Tenet lease meeting with Kaufman Hall, the committee's understanding and the potential intentions of the</p>	



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
September 10, 2019

	<p>voters with a request for a political consultant to provide services concerning the political implications, which would include polling, and determining a March 2020 or November 2020 ballot measure. In the event of the unknown, the District should be prepared including with talking points to present the sensitive information.</p> <p>Linda Evans, Chief Strategy Officer, Desert Regional Medical Center, explained that a proposal from the local firms with surveys and analysis to determine the strategic outreach throughout the District to pass the vote is underway.</p> <p>Chairman Matthews emphasized the upcoming ad hoc committee meeting with Tenet, he is uncomfortable with the timing, another month is necessary, and he will not be supporting the political consultant at this time.</p> <p>Since the other two committee members are hesitant to move forward, Vice-President De Lara requested more details if the matter will be moved to 30-days.</p> <p>There was no motion to approve the political consultant agreement, and the committee will await an update after the</p>	
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DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, LEGAL, AND COMMITTEE
MEETING MINUTES
September 10, 2019

	upcoming ad hoc committee meeting.	
IV. Adjournment	Chairman Matthews adjourned the meeting at 4:06 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
Mark Matthews, Chairman/Treasurer Finance & Administration Committee
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DRAFT



**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
September 10, 2019**

Directors Present	District Staff Present	Absent
Chair, Carole Rogers, RN – <i>Telephonic</i> Vice-President Leticia De Lara Director Evett PerezGil Nicolas Behrman, Community Member Luciano Crespo, Community Member Allen Howe, Community Member Thomas Smith, Community Member Thomas Thetford, Community Member	Conrado E. Bárzaga, Chief Executive Officer Chris Christensen, Chief Financial Officer Donna Craig, Senior Program Officer Andrea S. Hayles, Clerk of the Board	Alejandro Espinoza, Program Officer and Outreach Director

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	The meeting was called to order at 12:04 p.m. by Vice-President De Lara, chairing the meeting since Chair Rogers participated telephonically.	
II. Approval of Agenda	Vice-President De Lara asked for a motion to approve the agenda. Chair Rogers requested to table Old Business Item V.2.	Moved and seconded by Community Member Howe and Director Rogers to approve the agenda and to table Item V.2. Motion passed unanimously.
III. Meeting Minutes 1. July 09, 2019	Vice-President De Lara asked for a motion to approve the July 9, 2019, minutes. Community Member Crespo joined the meeting at 12:06 p.m.	Moved and seconded by Director PerezGil and Director Rogers to approve the meeting minutes. Motion passed unanimously.
IV. Public Comment	None	
V. Old Business		
1. Grant Proposals Under Development	Donna Craig, Senior Program Officer, described the status update of the new and existing grants proposals under development.	
2. Coachella Valley Association of Governments (CVAG) CV	The item was tabled until the October 8 Program Committee meeting.	

DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
September 10, 2019

<p>Link Review and Analysis – MOU Contingency and Conditions</p>		
<p>VI. New Business</p> <p>1. Consideration to approve Grant #1017 – Jewish Family Services (JFS) - \$90,000 to support case management services for homeless prevention.</p> <p>2. Consideration to recommend release of the Community Health Needs Assessment RFP – NTE \$300,000</p>	<p>Donna Craig, Senior Program Officer, explained the \$90k grant request to support case management services for homeless prevention.</p> <p>Maureen Foreman, Executive Director, Jewish Family Services, explained the rent and utility needs for low-income seniors, and the network of referrals for at-risk adults for homelessness such as those living in cars and couch-surfing, also termed couch-homelessness.</p> <p>Committee and Volunteer Community Members inquired on the effectiveness of the program and how others can connect seniors to services with Ms. Foreman providing details.</p> <p>Conrado E. Bázquez, MD, Chief Executive Officer, explained that in 2017, the strategic plan outlined the priorities of the District, one of which was One Coachella Valley. The Strategic Plan will expire in June 2020, and with the new District boundaries, there will be a shift in health priorities with a new definition and understanding of the healthcare needs of the community. A comprehensive</p>	<p>Moved and seconded by Community Member Howe and Community Member Luciano Crespo to approve Grant #1017 – Jewish Family Services (JFS) - \$90,000. Motion passed unanimously.</p> <p>Moved and seconded by Director PerezGil and Community Member Howe to share the committee’s views and ideas with the Strategic Planning Committee to address the Community Health Assessment RFP concerns and apprehensions. Motion passed unanimously.</p>

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
September 10, 2019**

	<p>assessment will assist to effectively allocate and drive investments and resources to areas of the most prioritized community health needs. The RFP is a transparent and open process to determine which organization can accomplish the work.</p> <p>Chair Rogers inquired about telephone surveys and other tools. Dr. Bárzaga explained that there are three layers of data with quantity, community surveys, and community meetings.</p> <p>Vice-President De Lara considers the assessment premature and proposes to discuss the direction of the District such as alignment, collective impact, and not duplicating services. Other buy-ins are necessary such as with the county. Some work is now taking place with Lift to Rise (LTR) on housing and social economic opportunity. The work should be revisited such as LTR's investment and USC's data portal. The District should invite others in the initiation of the assessment, pause and explore making the assessment more inclusive as opposed to having several assessments by different agencies. How does EVALCORP's behavioral health assessment tie into the assessment? Inclusion from other partners is necessary with the District leading the way. The District should look for</p>	
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**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
September 10, 2019**

	<p>solutions on better access to healthcare and possibly modeling OneFuture Coachella, which has been successful.</p> <p>As lifelong residents, Vice-President De Lara suggests that she and the community members provide their input to Dr. Bárzaga on the needs of the Coachella Valley.</p> <p>Chair Rogers and Vice-President De Lara suggest a workshop to discuss the RFP, with Chair Rogers explaining that the 2017-2020 strategic plan connects the priorities to the grant funding.</p> <p>Director PerezGil explained the collaborations in the Dream Homes neighborhood that assisted to bring forth the community needs and resources, which has demonstrated more attention and benefits to citizens in Cathedral City. The same model should apply to the needs assessment, but it is necessary to move forward with the RFP.</p> <p>Chair Rogers proposes a steering committee to incorporate the various ideas.</p> <p>Director PerezGil motioned to share the ideas with the strategic planning committee to address the RFP concerns.</p>	
<p>VII. Committee Member Comments</p>	<p>There were no community member comments.</p>	



**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
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V. Adjournment	Vice-President De Lara adjourned the meeting at 1:17 p.m.	<i>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</i>
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ATTEST: _____
Carole Rogers, RN, Chair/Director
Program Committee

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DRAFT

PROPOSALS UNDER DEVELOPMENT

Information only – status update of new and existing grants since last Board report 6/25/19

Letters of Interest			
Agency	Staff Notes	Status	Funding Allocation
Desert Ability Center MINI GRANT	LOI – Stage 1 received requesting \$5,000 toward the acquisition of adaptive equipment including, but not limited to, trainers upon which handcycles are placed, handcycles, wheelchair accessible rowing machines and strength trainers. Residents with spinal cord injuries, other neurological disorders and amputations will have the ability to train at Kirkfit. Initial training offerings will include indoor cycling, rowing and strength training.	Waiting for project budget to be submitted before generating stage 2, the application.	District
Lift To Rise	Stage 1 – LOI received to reflect the Health CAN & Healthy Eating/Active Living health outcomes.	Stage 2 – the application - generated	District
Desert AIDS Project	Stage 1- LOI received requesting \$188,419 toward Homeless Testing Outreach for HIV/HCV/STI. This is a pilot program, now through October, at Well in the Desert and Palm Springs Library.	Advised DAP to review CVAG’s RFP for CV Housing First (specifically for the Focused Street Outreach service goal), which DAP has done and has determined DAP does not have the necessary resources to apply. Staff feels this is a siloed and duplicative effort, being that numerous agencies have established outreach teams and programs with the knowledge of	District

		<p>locations and encampments where homeless individuals gather as well as developing case management wrap-around services with access to medical homes.</p> <p>Staff will be a reader of the CVAG RFP proposals and will review those that have been submitted for Focused Street Outreach to determine if DAP could align its program with those organizations.</p>	
Hidden Harvest	LOI received requesting \$50,000 for low-income senior markets.	Grant request on hold (per grantee's decision) until more current audited financials are completed.	District – could increase grant request to cover senior markets in East Valley through Foundation.
Palm Springs Cultural Center	LOI received requesting \$50,000 to conduct a mobile farmers' market feasibility study.	<p>PS Cultural Center audited financials received and reviewed by CFO. His review is based on the current ratio (current assets/current liabilities). Out of a preferred strong ratio of 2:1 or better, the Cultural Center has a ratio of .8:1, indicating a weak liquidity position. Additionally, the organization has been operating at a net loss for the past 2 years. The CFO would not recommend the PS Cultural Center as a sound investment of public taxpayer dollars.</p> <p>In such, there are numerous feasibility studies on mobile farmers' markets that have been conducted and are available to replicate for free online.</p>	Foundation

		Note: Currently, throughout the Coachella Valley, FIND Food Bank's mobile food pantry serves underserved and low-income communities at 22 sites; Hidden Harvest serves low income and seniors at 7 locations.	
Neurovitality Center	LOI received requesting \$143,787 to cover a year of new staffing & consultants start-up costs in the development of a Community Based Adult Services (CBAS) program and an Adult Day Health Care (ADHC) program. This is a collaborative effort with Regional Access Project Foundation, who is being requested to fund the gap in start-up costs.	These new positions are mandated by the state and county to be in place before licensure and certification can be conducted. Stage 2 – application – generated.	District
Applications			
Grantee	Staff Notes	Status	
Jewish Family Service of the Desert	LOI received requesting \$90,000 to support case management services due to a 45% increase in seniors and other low-income individuals requesting financial emergency assistance.	Stage 2 – full application – has been received – staff scoring completed – 9/10/19 Program Committee for review	District
Coachella Valley Rescue Mission	LOI received requesting \$216,200 for assistance with transportation services for hospital-discharged homeless patients and seniors.	Stage 2 – application received and under review due to some inconsistencies in the narrative– planning for review at the 10/8/19 Program Committee	½ District/ ½ Foundation
Progress Reports			
Applicant	Staff Notes	Status	

<p>Mizell Senior Center #938: <i>Senior Falls Prevention Program</i> 2017-2019</p>	<p>Grant term 8/1/17 – 7/31/19 Original Approved Amount: \$400,300 4th six-month progress report covering the time period from 2/1/19 – 7/31/19</p>	<p>Overall the A Matter of Balance project is on track. It was an active, busy season and A Matter of Balance courses were quite popular during this period. We definitely have made a name for ourselves as spreading the word about AMOB and educating prospective participants is essential to the success of this program.</p> <p>During this report period in the West Valley, seven host sites completed 15 courses, with 135 graduates, bringing the two-year total to 54 courses completed, with 451 graduates. We also completed 95 home-safety assessments representing 70% of the graduates. In that group 57 safety changes were made and 18 sets of grab bars, night lights and shower mats were installed to our underserved participants. After two years, 214 home-safety assessments were completed, 124 safety changes and 66 sets of grab bars, night lights and shower mats were distributed.</p>	<p>District</p>
<p>FIND Food Bank #979: <i>FIND's Healthy Food First/Pathways Out of Hunger Pilot</i></p>	<p>Grant term 1/1/19 – 12/31/19 Original Approved Amount: \$396,345 2nd progress report covering the time period from 4/1/19 – 6/30/19</p>	<p>During the second quarter of the grant period, the following milestones were achieved:</p> <p>(a) FIND distributed 1,299,798 pounds of fresh produce across its service area, for a total of 2,498,239 pounds distributed year to date (49.9% of goal). Within the District, FIND distributed 562,879 pounds, for a total of 1,195,955 pounds distributed (or 48% of</p>	<p>District</p>

		<p>the stated 2.5 million pounds goal during the one-year grant period) so far.</p> <p>(b) Two (2) new Community Health Workers (“CHWs”) were hired and trained;</p> <p>(c) FIND developed a healthcare needs and financial literacy survey, in partnership with Loma Linda University; and</p> <p>(d) Five hundred and five (505) client needs assessment surveys were conducted at both pilot sites.</p>	
Final Grant Reports			
Applicant	Staff Notes	5 things to be done differently	
<p>City of Desert Hot Springs #967: DHS Public Safety Emergency Response Program</p>	<p>Grant term 7/1/18 – 6/30/19 Original Approved Amount: \$3,000</p> <p>FINAL RESULTS TO BE ACHIEVED: All 17 marked units of the DHS Police Department will be equipped 24 hours a day with AEDs. One AED will be installed at police headquarters. All officers and sergeants will be trained in the use of the equipment. When police personnel are first to arrive at the scene of an accident or medical emergency requiring resuscitation, they will be able to deliver initial treatment while they await paramedics.</p> <p>FINAL RESULTS WERE ACHIEVED</p>	<ol style="list-style-type: none"> 1. Invite more city workers to the training. 2. Buy more than the amount needed; after purchasing the devices we encountered different sites that have requested more devices. 3. Provide media coverage of the devices and the reasons why they are needed. 4. Purchase replacement pads during initial purchase. 5. Besides having protocol as to the reasons to use the device also have protocol to tract the results of the usage. 	District

	<p>FINAL RESULTS IMPEDIMENTS</p> <p>The only impediment that has occurred thus far is replacement pads needed once the device is used. After an initial slow response in acquiring the needed replacements, we have a few replacement pads. We are working on acquiring additional pads so that we do not have an AED that is idle due to not having the right replacement equipment.</p>		



Date: September 24, 2019

To: Board of Directors

Subject: Grant #1017 Jewish Family Service of the Desert

Grant Request: Preventing Homelessness Among Coachella Valley Residents with Low Incomes

Amount Requested: \$90,000.00

Project Period: 10/1/2019 to 9/30/2020

Project Description and Use of District Funds: To keep at-risk residents in their homes, JFS provides case management services to help improve financial stability, prevent homelessness, and connect residents to critical community resources. Case management may include emergency financial assistance with rent, utilities, medication, and dental payments, and house repairs, as well as assistance navigating the complex low-income housing processes. A significant amount of staff time is spent through office visits, telephone interventions, and home visits in which JFS case managers support clients by strategizing solutions (e.g., applying for Section 8 housing) to help ensure long-term housing stability.

First, JFS case managers conduct a thorough screening of all emergency requests, obtain the required documentation, and verify income/need. They also serve as client advocates, coordinating intervention with other assistance agencies, such as Social Security and Adult Protective Services. JFS's Executive Director reviews all requests for emergency assistance; once need has been determined and all other means of financial assistance have been exhausted, the Executive Director will approve the request. Then case managers coordinate services with landlords, utility companies, and other vendors to pay bills directly.

Early this year during the federal government shutdown, JFS expanded emergency assistance to persons of all ages, providing case management screenings for approximately 1,100 individuals—a 45% increase from the previous year, during which 759 seniors were served. **To accommodate the increased number of individuals requesting services, JFS requests \$90,000 to support salaries for case management staff.**

Strategic Plan Alignment: Homelessness



Action by Program Committee:

- Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$90,000.00 be approved.
- Recommendation with modifications
- Deny

2019 Grant Request Summary

Jewish Family Service of the Desert, Grant #1017

About the Organization

Jewish Family Service of the Desert
 490 S. Farrell Drive, Suite C208
 Palm Springs, CA 92262
 Tel: (760) 325-4088
 Fax: (760) 778-3781
<http://www.jfsdesert.org>

Organization Type:

501(c)(3) \Medical

Primary Contact:

Maureen Forman
 Tel: (760) 325-4088 ext. 105
 Fax: (760) 778-3781
mforman@jfsdesert.org

Historical (approved Requests)

Grant Year	Project Title	Grant Amount	Type	Disposition Date	Fund
1998	grant # 199-028	\$3,000	Grant	6/30/1999	
1998	grant # 199-007	\$25,000	Grant	6/30/1999	
1999	grant # 2000-016	\$12,450	Grant	6/30/2000	
1999	grant 2000-007-p	\$25,000	Grant	6/30/2000	
2000	grant # 2001-095	\$25,000	Grant	6/30/2001	
2000	grant 2001-044	\$3,000	Grant	6/30/2001	
2002	Grant Writer	\$0	Grant	7/23/2002	
2002	PHI: Mental Health Collaborative	\$0	Grant	1/28/2003	
2003	Solutions for Seniors (geriatric case management)	\$10,000	Grant	6/15/2004	Grant budget
2003	DMHC - Preventive Health Initiative continuation project.	\$62,601	Grant	6/22/2004	
2006	Nightengale Manor - Supportive Services	\$117,595	Grant	11/28/2006	Grant budget
2007	Case Management & Supportive Services for Families at Nightengale Manor	\$110,636	Grant	1/22/2008	Grant budget
2008	Solutions for Seniors - summer food distribution	\$2,500	Grant	8/4/2008	Grant budget
2008	Nightengale Manor Supportive Case Management	\$107,964	Grant	1/27/2009	Grant budget
2008	Alleviating food insecurity for District residents in need	\$5,000	Food Assistance	2/23/2009	Grant budget
2010	Alleviating Food Insecurity for District Residents	\$5,000	Food Assistance	8/26/2010	Grant budget

2010	KidsFirst	\$44,905	Improving Lives	1/25/2011	Grant budget
2012	Mental Health Counseling Program for Low-Income Coachella Valley Residents	\$60,000	Achievement Building	11/27/2012	Grant budget
2012	KidsFirst Healthy Life Project	\$75,000	Grant	6/25/2013	Grant budget
2013	Mental Health Counseling Program for Low-Income Coachella Valley Residents	\$95,000	Grant	5/27/2014	Grant budget
2015	Mental Health Outpatient Treatment Services for Low-Income Coachella Valley Residents	\$497,411	Achievement Building	11/17/2015	Grant budget

Proposal

Project Title: Preventing Homelessness Among Coachella Valley Residents with Low Incomes

Total Project Budget: \$590,788

Requested Amount: \$90,000

Length of Project: 12 months

Start Date: 10/1/2019

End Date: 9/30/2020

Background:

When financial crises occur, Coachella Valley’s most vulnerable residents risk losing their housing. With limited short-term support and connection to community services, such emergencies can be weathered, preserving self-sufficiency and preventing homelessness, while reducing the drain on public funds and community resources. To meet this need, Jewish Family Service of the Desert (JFS) provides case management, including emergency financial assistance for expenses such as rent and utilities and assistance navigating the low-income housing process. JFS has provided these services to seniors since 1999 and expanded the program in 2019 to serve adults and families living on low to moderate incomes.

Community Health Focus Area

Homelessness

Community Need:

The high cost of living in the Coachella Valley combined with the high proportion of seniors on fixed incomes and adults earning low wages in service industry and agricultural jobs threaten housing stability for many residents. Unable to respond to financial emergencies, one unexpected bill can lead to their inability to pay rent or utilities, and they could face eviction and end up becoming homeless. To keep at-risk residents in their homes, JFS offers assistance with rent and utility, medication and dental payments, as well as house repairs and navigation of complex low-income housing processes. JFS case managers pay bills directly and serve as client advocates, coordinating intervention with other assistances agencies, such as Social Security and Adult Protective Services. This year during the federal government shutdown, JFS expanded emergency assistance to persons of all ages, providing case management screenings for approximately 1,100 individuals. This represents a 45% increase from the previous year, during which 759 seniors were served. Multiple pass-through grants have been approved to support emergency assistance, including one from CDBG; however, none support case management salaries. To accommodate the increased number of individuals requesting services, JFS requests \$90,000 to support salaries for case management staff. During the

project period from October 1, 2019 to September 30, 2020, a projected 1,311 Coachella Valley residents will receive case management screenings to help improve financial stability, prevent homelessness, and be connected to critical community resources. JFS is grateful for the DHCD's continued assistance and is fully supportive of the district's expansion to cover the entire Coachella Valley.

The high cost of living in the Coachella Valley, combined with the high proportion of seniors on fixed incomes and adults earning low wages in service industry and agricultural jobs, threatens housing stability for many residents. In 2016, HARC reported that 32% of the Coachella Valley's population is age 55 or older, representing 127,259 residents; 15.1% of seniors live in homes that fall at or below the Federal Poverty Line (FPL) and 14,474 seniors are living in poverty. According to the California Healthy Places Index, approximately 43.4% of Coachella Valley adults ages 18-64 earn less than 200% of poverty level (a higher percentage than 64.4% of other cities) and 27% lack health insurance (more than in 73.4% of other CA cities), which increases income inequality. Families with children under the age of 18 in Riverside County are more likely to live below the poverty line (19.2% in Palm Springs and 17.4% Riverside County, compared to 16.7% in California).

One unexpected bill for seniors or families living on low incomes can lead to an inability to pay rent or utilities and they could face eviction and end up becoming homeless. Of particular concern is the lack of regulation surrounding rents for mobile home lots. According to the County of Riverside, there are approximately 200 trailer/mobile home parks in the Coachella Valley. JFS has found that, even when residents own a mobile home, the rent for the lots can be raised without cause or fair notice, resulting in an immediate housing crisis.

This project directly aligns with the DHCD Community Focus Areas as a homelessness diversion strategy by resolving the emergency financial crises of the region's most vulnerable residents and allowing them to retain their housing.

Program Area

Direct Services\Emergency Services; Direct Services\Other

Project Description:

To keep at-risk residents in their homes, JFS provides case management services to help improve financial stability, prevent homelessness, and connect residents to critical community resources. Case management may include emergency financial assistance with rent, utilities, medication, and dental payments, and house repairs, as well as assistance navigating the complex low-income housing processes. A significant amount of staff time is spent through office visits, telephone interventions, and home visits in which JFS case managers support clients by strategizing solutions (e.g., applying for Section 8 housing) to help ensure long-term housing stability.

First, JFS case managers conduct a thorough screening of all emergency requests, obtain the required documentation, and verify income/need. They also serve as client advocates, coordinating intervention with other assistances agencies, such as Social Security and Adult Protective Services. JFS's Executive Director reviews all requests for emergency assistance; once need has been determined and all other means of financial assistance have been exhausted, the Executive Director will approve the request. Then case managers coordinate services with landlords, utility companies, and other vendors to pay bills directly.

Early this year during the federal government shutdown, JFS expanded emergency assistance to persons of all ages, providing case management screenings for approximately 1,100 individuals—a 45% increase from the previous year, during which 759 seniors were served. To

accommodate the increased number of individuals requesting services, JFS requests \$90,000 to support salaries for case management staff.

Proposed Program / Project Evaluation Plan

Quantitative evaluation is primarily measured through reports generated from the JFS Electronic Health Records (EHR) database, which is developed and maintained by Welligent, Inc. Clients complete an intake form in consultation with an intake coordinator prior to receiving services. The coordinator enters client data into the EHR database that is used to collect and report quantitative data, including name, address, birthdate, household income, insurance, ethnicity and other information. Case managers then utilize the database to track case management, financial assistance, transportation, and other services received.

Qualitative evaluation is primarily evaluated based on surveys provided to clients, which are administered by program staff with results tracked and analyzed via an Excel spreadsheet. JFS staff follow up with clients to make sure that services are provided by vendors, and have found that calling clients to provide surveys over the phone increases the number of responses received. This contact also provides the opportunity for JFS case managers to assess clients for any additional services, determine whether the emergency assistance resolved their financial problem, if they have become more financially stable, and if their overall quality of life has improved.

Program/Project Goals and Evaluation

<p>Goal #1: By December 2019, JFS will hire an additional full-time case manager. This will increase the organization’s capacity to meet demand for the expanding case management program.</p>	<p>Evaluation #1: Hiring will be overseen by JFS Executive Director Maureen Forman in conjunction with human resources. Maureen has a master’s degree in social work from U.C. Berkeley with an emphasis on community mental health. Prior to joining JFS in 2011, she spent a combined 16 years as supervisor of clinical social services at Eisenhower Medical Center and JFK Memorial Hospital.</p>
<p>Goal #2: By September 30, 2020, at least 1,311 individuals will be served through the expanded case management program.</p>	<p>Evaluation #2: Participation will be documented in intake/assessment forms administered by program staff and kept in the EHR database.</p>
<p>Goal #3: By September 30, 2020, JFS will provide 542 clients (out of 1,311 case management clients) with emergency financial assistance.</p>	<p>Evaluation #3: Participation will be documented in intake/assessment forms administered by program staff and kept in the EHR database.</p>
<p>Goal #4: By September 30, 2020, 70% of clients who receive emergency financial assistance will report that emergency financial assistance has helped to resolve their immediate financial crisis.</p>	<p>Evaluation #4: Client surveys are conducted by program staff, during which clients are asked the following four evaluation statements and asked to reply “agree,” “disagree,” or “not applicable”:</p> <ol style="list-style-type: none"> 1. Working with JFS provided me with greater information about community resources. 2. Working with JFS helped me resolve my emergency or made me more financially stable. 3. Working with JFS has improved the quality of my life. 4. I would recommend JFS services to others. <p>Data is tracked in an Excel spreadsheet for analysis and reporting.</p>

<p>Goal #5: By September 30, 2020, 60% of clients who receive emergency assistance will report an increase in their quality of life.</p>	<p>Evaluation #5: Client surveys are conducted by program staff, during which clients are asked the following four evaluation statements and asked to reply “agree,” “disagree,” or “not applicable”:</p> <ol style="list-style-type: none"> 1. Working with JFS provided me with greater information about community resources. 2. Working with JFS helped me resolve my emergency or made me more financially stable. 3. Working with JFS has improved the quality of my life. 4. I would recommend JFS services to others. <p>Data is tracked in an Excel spreadsheet for analysis and reporting.</p>
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Participants:

Population Served

Adults (25-64 years old)

Geographical Area Served

All District Areas

Age Group

- (18-24) Youth
- (25-64) Adults
- (65+) Seniors

Number Served Per Age Group

- 0-5:** 0
- 6-17:** 0
- 18-24:** 53
- 25-64:** 471
- 65 or more:** 787
- Total:** 1,311

Participant Community

An estimated 1,311 Coachella Valley residents will benefit, including 787 seniors on fixed incomes and 524 individuals and families earning low wages, with 2% being female heads of household and 2% disabled. Based on previous demographics, residents are likely to be 73% Caucasian, 18% American Indian or Alaskan Native, 8% Black, and 1% Native Hawaiian or Pacific Islander; and 18% Hispanic/Latino ethnicity across all races. Approximately 32% will be residents of Palm Springs, 18% Desert Hot Springs, 16% Cathedral City, 10% Palm Desert, 7% Indio, 5% Rancho Mirage, 3% LaQuinta, and 9% from other communities including Thousand Palms and Mecca.

Organizational Capacity and Sustainability

Organizational Capacity

JFS has served the Coachella Valley community for 36 years and was established to meet the Coachella Valley’s significant unmet need for social services. In fiscal year 2017-2018, 14 full-time and 3 part-time staff, along with 119 volunteers, served 2,538 Coachella Valley residents across all programs. Currently, JFS staff includes 15 full-time and 10 part-time employees, and

is comprised of licensed clinical social workers, licensed marriage and family therapists, master's-level counselors, NAPGCM credentialed care manager, senior care manager (LMFT), intake coordinator, volunteer coordinator, community liaison, and transportation coordinator. Bilingual staff members are also available to assist Spanish-speaking clients.

Organizational Sustainability:

Case management is a primary program within the JFS strategic plan, which also highlights the importance of maintaining capacity and ensuring the organization's sustainability. Procuring funding for case management and emergency assistance services has historically been one of JFS's biggest challenges, as the need is ever increasing. Fortunately, JFS's work has been recognized with support from The Jewish Federation of the Desert, as well as United Way of the Desert, Pacific Western Bank, Grace Helen Spearman Foundation, Coachella Valley Wellness Foundation, the city of Palm Springs, and several other requests for support are pending.

JFS continues to aggressively seek additional funding from corporations, private foundations, tribes, and municipal funding sources for this vital program. In the event of funding gaps, the case management program will remain a priority, and JFS will endeavor to continue its expansion of the services through reserve funds and applying for additional grants from other sources. However, without support for case management staff salaries, the number of clients may need to be reduced, risking the chance of some seniors and/or individuals and families with low incomes becoming homeless.

Partnerships:

Key Partners:

JFS actively collaborates with, receives referrals from, and provides referrals to, numerous local service providers, and this program is an integral part of the community's homelessness prevention efforts.

JFS has taken a lead role in spearheading a Senior Care Management Collaborative group of multiple senior care providers including the senior centers, APS, Office on Aging, Salvation Army, Catholic Charities, Martha's Village, Coachella Valley Rescue Mission and Well in the Desert. Letters of support from Cathedral City Senior Center and Senior Advocates of the Desert are included with this proposal. The Senior Collaborative created an inter-agency spreadsheet that is updated monthly reflecting which agency currently has emergency funding for seniors. This allows for a reduction in duplication of services, increased efficiencies and greater coordination of immediate case management responses to the needs of seniors throughout the Coachella Valley. Recently, the Senior Collaborative joined with a new statewide partner, Tenants Together, to advocate for rent control, since the lack of this safeguard can result in seniors losing their housing.

Because many of the organizations in the Senior Collaborative work with clients of all ages, these partnerships will deepen to include the non-seniors receiving emergency assistance from JFS. JFS also collaborates with numerous other organizations, agencies and institutions, including the Arthritis Foundation, the Desert Cancer Foundation, the Braille Institute, Desert AIDS Project, Neurovitality Center, Eisenhower Medical Center, Desert Regional and JFK Medical Centers among others. Additionally, JFS is listed on Riverside County's 211 Information and Referral line, CVHIP, and Connect IE.

Grant Scoring Review

Reviewer: Donna Craig

Executive Summary: 10

Need and Alignment: 10

Goals: 10

Evaluation: 10

Organizational Capacity: 10

Organizational Sustainability: 10

Budget: 10

Percent of Funding Requested: 10

Fiduciary Compliance: 10

Financial Stability: 10

Key Partners/Collaborations: 10

Total Score: 110.00

Reviewer Comments: Lack of mental health services in the Coachella Valley is ongoing and a growing crisis. The Desert Healthcare District has supported JFS mental health counseling services over the past several years. We are impressed with the outstanding services provided by their highly skilled clinicians, resulting in evidence-based outcomes that are replicated valley-wide. Their therapists deal with a variety of issues that affect all residents including depression, anxiety, substance abuse, grief and loss, and marital conflict, among others. They have established their credibility as being a professional organization committed to providing critically needed mental health services to the most vulnerable members of our community.

Response Notes:

Average Review Score: Staff Review Stage: 108.5 (2 of 2)

Sum of all Reviews: Staff Review Stage: 217 (2 of 2)

Grant Scoring Review

Reviewer: Alejandro Espinoza

Executive Summary: 10

Need and Alignment: 9

Goals: 10

Evaluation: 9

Organizational Capacity: 10

Organizational Sustainability: 10

Budget: 10

Percent of Funding Requested: 10

Fiduciary Compliance: 10

Financial Stability: 10

Key Partners/Collaborations: 10

Total Score: 108.00

Reviewer Comments: Grant is recommended for approval. JFS of the Desert is a model organization and the proposed grant application is a great example. Each section is clearly written and supported with data and/or a clear explanation. The program falls under the DHCD community health focus area of homelessness, and meets a key community need.

Response Notes:

Average Review Score: Staff Review Stage: 108.5 (2 of 2)

Sum of all Reviews: Staff Review Stage: 217 (2 of 2)

GRANT # 1017 JEWISH FAMILY SERVICE OF THE DESERT

EXHIBIT B

PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Preventing Homelessness Among Coachella Valley Residents with Low Incomes	10/01/2019 09/30/2020

PAYMENTS:

(2) Payments: \$40,500.00
10% Retention: \$9,000.00

Total request amount: \$ 90,000.00

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
10/01/2019	Signed Agreement submitted & accepted	Advance of \$40,500.00 for time period 10/01/2019- 03/31/2020
04/01/2020	1 st six-month (10/01/2019 - 03/31/2020) progress and budget reports submitted & accepted	Advance of \$40,500.00 for time period 04/01/2020 - 09/30/2020
10/01/2020	2 nd six-month progress and budget reports (04/01/2020 - 09/30/2020) submitted and accepted	\$0
10/31/2020	Final report (10/01/2019 - 09/30/2020) submitted & accepted	\$9,000.00 (10 % retention)

TOTAL GRANT AMOUNT: \$90,000.00

DELIVERABLES:

Program/Project Goals and Evaluation

<p>Goal #1: By December 2019, JFS will hire an additional full-time case manager. This will increase the organization’s capacity to meet demand for the expanding case management program.</p>	<p>Evaluation #1: Hiring will be overseen by JFS Executive Director Maureen Forman in conjunction with Human Resources. Maureen has a Master’s degree in Social Work from U.C. Berkeley with an emphasis on community mental health. Prior to joining JFS in 2011, she spent a combined 16 years as Supervisor of Clinical Social Services at Eisenhower Medical Center and</p>
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	JFK Memorial Hospital.
Goal #2: By September 30, 2020, at least 1,311 individuals will be served through the expanded case management program.	Evaluation #2: Participation will be documented in intake/assessment forms administered by program staff and kept in the EHR database.
Goal #3: By September 30, 2020, JFS will provide 542 clients (out of 1,311 case management clients) with emergency financial assistance.	Evaluation #3: Participation will be documented in intake/assessment forms administered by program staff and kept in the EHR database.
Goal #4: By September 30, 2020, 70% of clients who receive emergency financial assistance will report that emergency financial assistance has helped to resolve their immediate financial crisis.	<p>Evaluation #4: Client surveys are conducted by program staff, during which clients are asked the following four evaluation statements and asked to reply “agree,” “disagree,” or “not applicable”:</p> <ol style="list-style-type: none"> 1. Working with JFS provided me with greater information about community resources. 2. Working with JFS helped me resolve my emergency or made me more financially stable. 3. Working with JFS has improved the quality of my life. 4. I would recommend JFS services to others. <p>Data is tracked in an Excel spreadsheet for analysis and reporting.</p>
Goal #5: By September 30, 2020, 60% of clients who receive emergency assistance will report an increase in their quality of life.	<p>Evaluation #5: Client surveys are conducted by program staff, during which clients are asked the following four evaluation statements and asked to reply “agree,” “disagree,” or “not applicable”:</p> <ol style="list-style-type: none"> 1. Working with JFS provided me with greater information about community resources. 2. Working with JFS helped me resolve my emergency or made me more financially stable. 3. Working with JFS has improved the quality of my life. 4. I would recommend JFS services to others. <p>Data is tracked in an Excel spreadsheet for analysis and reporting.</p>

Line Item Budget - Sheet 1 Operational Costs

Approved budgets are the basis for reporting all grant expenditures. Line items may not be added or changed without grant amendment. Prior authorization is required for transferring funds (<10%) between existing line items. Describe budget narrative in cell B38. You may insert rows or create additional worksheets if more space is needed to fully describe your budget.

PROGRAM OPERATIONS		Total Program Budget	Funds from Other Sources Detail on sheet 3	Amount Requested from DHCD
Total Labor Costs	Detail on sheet 2	417,680	327,680	90,000
Equipment (itemize)				
1	Leasing/maint alloc of office equipt	1,990	1,990	
2		-		
3		-		
4		-		
Supplies (itemize)				
1	Program/office supplies	2,554	2,554	
2		-		
3		-		
4		-		
Printing/Duplication		721	721	
Mailing/Postage/Delivery		899	899	
Travel		1,350	1,350	
Education/Training		-		
Facilities (Detail)				
	Office/Rent/Mortgage	19,621	19,621	
	Meeting Room Rental	-		
	Telephone/Fax/Internet	999	999	
	Utilities	-		
	Insurance	3,469	3,469	
	Maintenance/Janitorial	535	535	
	Other Facility costs (itemize)			
1		-		
2		-		
3		-		
4		-		
Other Program Costs not described above (itemize)				
1	Emergency Financial Assistance	138,300	138,300	

Line Item Budget - Sheet 1 Operational Costs

2	Electronic Health Record	2,670	2,670	
3		-		
4		-		
Total Program Budget				
		590,788	500,788	90,000
Budget Narrative	<p style="color: red; margin: 0;">A) Equipment: Total organization annual Leasing/Equipment maintenance cost \$9,520 x 20.9% (Case Management program allocation of annual agency cost)</p> <p style="color: red; margin: 0;">B) Program/Office Supplies: Total agency annual Office Supplies \$12,220 x 20.9% allocation</p> <p style="color: red; margin: 0;">C) Printing/Duplication: Total agency annual Copying/General Printing cost \$3,450 x 20.9% allocation</p> <p style="color: red; margin: 0;">D) Mailing/Postage/Delivery: Total agency annual Postage agency cost \$4,300 x 20.9% allocation E)</p> <p style="color: red; margin: 0;">Travel: \$1,350 is total program annual cost for staff/volunteers mileage reimbursement</p> <p style="color: red; margin: 0;">F) Office/Rent/Mortgage: Total agency annual Rent cost \$93,880 x 20.9% allocation</p> <p style="color: red; margin: 0;">G) Telephone/Fax/Internet: Total agency annual Telephone cost \$4,780 x 20.9% allocation</p> <p style="color: red; margin: 0;">H) Insurance: Total agency annual Insurance cost \$16,600 x 20.9% allocation I)</p> <p style="color: red; margin: 0;">Maintenance/Janitorial: Total agency annual Janitorial and Building Maintenance cost \$2,560 x 20.9% allocation</p> <p style="color: red; margin: 0;">J) Other Program Costs: Total annual Emergency Financial Assistance \$138,300 provided to the community for rent, utilities, medical, and other purposes; total agency annual Electronic Health Record cost \$15,524 x 20% program allocation</p>			

Line Item Budget
Sheet 2 - Labor Costs

Staff Salaries			% of Time Allocated to Program	Actual Program Salary	Amount of Salary Paid by DHCD Grant
Employee Position/Title		Annual Salary			
1	Case Manager 1	67,095	100%	67,095	60,000
2	Case Manager 2	46,904	52%	24,390	20,000
3	LMFT Counselor	79,104	25%	19,776	10,000
4	Program Support - Ops	79,104	25%	19,776	
5	Program Support - Exec Dir	153,901	25%	38,475	
6	Program Support - Asst Exec Dir	79,104	20%	15,821	
7	Program Support - Fin Svcs	79,104	35%	27,686	
8					
<i>Enter this amount in Section 1, Employee Salaries</i>				Total >	90,000
Budget Narrative	Case Mgr 1 \$52,418 salary + 28% benefits, provides case management; Case Mgr 2 \$41,482 salary + 13.07% benefits (part-time), provides case management; LMFT Counselor \$61,800 salary + 28% benefits, provides counseling; Dir IT & Ops \$61,800 salary + 28% benefits, provides program support of EHR system; Exec Dir \$120,235 salary + 28% benefits, oversight of program; Asst Exec Dir \$61,800 salary + 28% benefits, oversight of program; Dir Fin & Acctg \$61,800 + 28% benefits, provides program support on financial assistance				
Consultants/Contractors					Amount of Salary Paid by DHCD Grant
Consultant/Contractor Name		Hourly Rate	Hours/Week	Monthly Fee	
1					
2					
3					
4					
5					
6					
7					
8					

Line Item Budget
Sheet 2 - Labor Costs

<i>Enter this amount in Section 1, Professional Services/Consultants</i>		Total >	0
Budget Narrative	Fully describe costs listed above in this cell (B24).		

Line Item Budget - Other Program Funds

Funding for this program received from other sources		Amount
Fees		40,500
Donations		15,300
Grants (List Organizations)		
	1 Grants	271,880
	2	
	3	
	4	
Fundraising (describe nature of fundraiser)		
Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize)		
	1	
	2	
	3	
	4	
Total funding in addition to DHCD request		327,680

Line Item Budget - Other Program Funds

<p style="text-align: center;">Budget Narrative</p>	<p>A) Budgeted revenues for Fees from counseling \$40,500 (projected) B) Budgeted revenues from Donations \$15,300 (projected) C) Budgeted funding from Grants \$271,880 (projected)</p>
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Date: September 24, 2019

To: BOARD OF DIRECTORS

Subject: Grant # 1025 Desert Healthcare Foundation

Grant Request: Ready, Set, Swim 2019/2020

Amount Requested: \$200,000

Project Period: 9/1/2019 to 8/31/2020

Project Description and Use of District Funds:

Background:

- The Ready, Set, Swim (RSS) program, since its inception in the 2014/2015 school year, has established itself as a model, award-winning program that combines physical activity and nutrition education. The program has taught well over 3,000 Palm Springs Unified School District third-grade students how to swim and about nutrition.
- The program was previously funded by the collective fund established by funds from the Palm Springs Mayor's Race and the Desert Healthcare District totaling approximately \$500,000. Approximately \$65,000 remains unexpended.
- At the April 23 Board of Directors meeting, the Board directed staff to develop a program and budget to expand the swim program across the entire expanded District for FY 2019-2020. The preliminary estimated cost of the program was \$300,000-\$400,000.
- Staff has worked diligently to work with its partners, Desert Recreation District and Boys and Girls Club of Palm Springs, to create the program.
- The Desert Recreation District's proposed program budget includes the expansion of the program into the Coachella Valley Unified School District (10) and Desert Sands Unified School District schools (14), along with the continuation of the program in the Palm Springs Unified School District (14).
- The Boys and Girls Club of Palm Springs' budget includes increased staffing to support all program activities, along with increased fees associated to the pool facility.
- The DHCD's internal budget includes staffing along with key programmatic supplies and the pool facility rental fees.
- Since \$65,000 remains from the prior funds, the District will need to provide grant funding to the Foundation for approximately \$200,000
- The Board of Directors at the July 25th Board meeting approved the annual budget.



- A formal grant request was brought to the September 10, 2019 Program Committee meeting.

Action by Program Committee:

- Full recommendation and forward to the Board for consideration with the committee's recommendation that a grant amount of \$200,000 be approved
- Recommendation with modifications
- Deny

Fiscal Impact:

Desert Healthcare District Internal Budget:	\$ 67,788
Boys and Girls Club of Palm Springs Budget:	\$ 37,310
Desert Recreation District Budget:	\$160,725
<hr/>	
Combined Total Program Budget:	\$265,823

\$65,000 from remaining unexpended funds
\$200,000 from a new grant from the Desert Healthcare District



**DESERT HEALTHCARE
DISTRICT & FOUNDATION**

DESERT HEALTHCARE DISTRICT GRANT AGREEMENT

This agreement is entered into by the Desert Healthcare District (“DISTRICT”), a California health care district organized and operating pursuant to Health and Safety Code section 32000 et seq., and Desert Healthcare Foundation (“RECIPIENT”) and is effective upon execution by both parties.

1. **Grant**

Purpose and Use of Grant: Ready, Set, Swim 2019/2020

Amount: \$200,000.00

2. **Term of Agreement**

The term of this agreement is from September 1, 2019 through August 31, 2020, subject, however, to earlier termination as provided in this agreement.

3. **Legal Responsibility/Liability**

In authorizing execution of this agreement, the governing body of RECIPIENT accepts legal responsibility to ensure that the funds provided by DISTRICT are allocated solely for the purpose for which the grant was intended. RECIPIENT agrees to be knowledgeable of the requirements of this agreement and to be responsible for compliance with its terms. In no event shall DISTRICT be legally responsible or liable for RECIPIENT’s performance or failure to perform under the terms of the grant or this agreement.

RECIPIENT agrees that DISTRICT may review, audit, and/or inspect DISTRICT-funded program operated by RECIPIENT under this agreement for compliance with the terms of this agreement.

4. **Reduction/Reimbursement of Awarded Funds**

DISTRICT may reduce, suspend, or terminate the payment or amount of the grant if the District determines in its sole discretion that RECIPIENT is not using the grant for the intended purposes or meeting the objectives of the grant. RECIPIENT hereby expressly waives any and all claims against DISTRICT for

DISTRICT _____ RECIPIENT _____

damages that may arise from the termination, suspension, or reduction of the grant funds provided by DISTRICT.

RECIPIENT further agrees to reimburse any funds received from DISTRICT, where the DISTRICT determines that grant funds have not been utilized by RECIPIENT for their intended purpose.

5. **Other Funding Sources**

If requested by DISTRICT, RECIPIENT shall make information available regarding other funding sources or collaborating agencies for the programs or services provided by RECIPIENT.

6. **Attribution Policy**

RECIPIENT agrees to comply with the DISTRICT'S attribution policy, which is attached to this agreement as Exhibit "A."

7. **Payment Schedule**

Unless RECIPIENT and DISTRICT agree upon alternative arrangements, grant funds shall be allocated and paid according to the schedule and requirements described on Exhibit "B." In the event RECIPIENT fails to provide report(s) and/or appropriate supporting documentation in a timely manner, RECIPIENT may be subject to a delay or discontinuance of funding, at DISTRICT'S sole discretion.

8. **Program Budget**

RECIPIENT shall also submit, prior to the DISTRICT entering into this agreement, a program budget, which shall be subject to review and approval of DISTRICT. A copy of RECIPIENT'S program budget shall be attached to this agreement as Exhibit "C."

9. **Scope of Services/Recipient Activities**

Prior to the DISTRICT entering into this agreement, RECIPIENT shall include in its application, subject to review and approval by the DISTRICT, details of the RECIPIENT'S scope of service(s), activities or program(s) proposed for funding.

10. **Evaluation/Outcomes Reporting**

Prior to the District entering into this agreement, RECIPIENT shall include in its application, subject to review and approval of the DISTRICT, details of its plan for evaluation and reporting.

DISTRICT _____ RECIPIENT _____

RECIPIENT shall cooperate in efforts undertaken by DISTRICT to evaluate RECIPIENT'S effectiveness and use of the grant funds. RECIPIENT shall participate in and comply with all on-site evaluation and grant monitoring procedures including interviews with RECIPIENT'S staff by DISTRICT. RECIPIENT, at the request of the DISTRICT, shall also provide progress reports to DISTRICT according to the schedule contained on Exhibit "B" in a format to be provided by DISTRICT.

11. **Use of Subcontractors**

RECIPIENT may not subcontract any portion of the duties and obligations required by this agreement without the written consent of the DISTRICT. A copy of the proposed subcontract between RECIPIENT and the subcontractor shall be provided to DISTRICT for review. In the event DISTRICT consents to subcontract, the subcontractor shall be required to execute an agreement assuming all rights and obligations of this agreement, including the DISTRICT'S right to inspect the subcontractor's books and records and the right to monitor and evaluate the effectiveness of the use of the grant funds. Notwithstanding the forgoing, RECIPIENT shall remain primarily responsible for compliance with all terms and conditions of this agreement.

12. **Use of Funds**

The funds received pursuant to this agreement may not be used by RECIPIENT for general operating expenses or any other programs or services provided by RECIPIENT without the written consent of DISTRICT.

Upon request, RECIPIENT shall make available for the DISTRICT and members of the public, a detailed description of the program(s) and/or service(s) funded by DISTRICT. This program description may be a separate document or may be incorporated into the overall program materials developed by the RECIPIENT.

13. **Prevailing Wages**

If the funds received are used to pay for any portion of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws (Labor Code sections 1720 et seq. and 1770 et seq.), and if the project cost is \$1,000 or more, RECIPIENT agrees to fully comply with such Prevailing Wage Laws, if applicable. RECIPIENT shall require any contractor or subcontractor performing work on an applicable "public works" or "maintenance" project to fully comply with all Prevailing Wage Laws, including but not limited to the payment of prevailing wages, registration with DIR, and maintenance of certified payroll records."

14. **Independent Contractor Status**

The relationship between DISTRICT and RECIPIENT, and the agents, employees, and subcontractors of RECIPIENT in the performance of this agreement, shall be one of independent contractors, and no agent, employee, or subcontractor of RECIPIENT shall be deemed to be an officer, employee, or agent of DISTRICT.

15. **Use of Funds for Lobbying or Political Purposes**

RECIPIENT is prohibited from using funds provided by DISTRICT herein for any political campaign or to support attempts to influence legislation by any governmental body.

16. **Compliance with Applicable Law and Regulations**

RECIPIENT shall comply with all federal, state, and local laws and regulations, including but not limited to labor laws, occupational and general safety laws, and licensing laws. All licenses, permits, notices, and certificates as are required to be maintained by RECIPIENT shall be in effect throughout the term of this agreement.

Where medical records, and/or client records are generated under this agreement, RECIPIENT shall safeguard the confidentiality of the records in accordance with all state and federal laws, including the provisions of the Health Insurance Accountability and Portability Act of 1996 (HIPAA), and the laws and regulations promulgated subsequent thereto.

RECIPIENT shall notify DISTRICT in writing within 5 (five) days if any required licenses or permits are canceled, suspended, or otherwise terminated, or if RECIPIENT becomes a party to any litigation or investigation by a regulatory agency that may interfere with the ability of RECIPIENT to perform its duties under this agreement.

17. **Changes or Modifications to the Use of DISTRICT Grant Funds**

RECIPIENT shall submit to DISTRICT, in writing, any requests for proposed changes in the use of DISTRICT grant funds. DISTRICT must receive such requests at least thirty (30) days prior to the date the proposed changes are to be implemented and the proposed changes shall be subject to DISTRICT Board approval.

Notwithstanding the foregoing, requests for transfers between budget categories or line items less than ten percent (10%) of the total grant amount that do not change the total grant amount or generate additional line items may be directed to the DISTRICT's Program Department for consideration.

DISTRICT _____ RECIPIENT _____

18. **No-Cost Grant Extensions**

Any request by the RECIPIENT to extend a grant's project period without additional funding from the DISTRICT will be processed pursuant to the DISTRICT's No-Cost Grant Extension Policy. Any no-cost grant extension request shall be subject to DISTRICT Board approval.

19. **Conflict of Interest/Self Dealing**

RECIPIENT and RECIPIENT'S officers and employees shall not have a financial interest or acquire any financial interest, direct or indirect, in any business entity or source of income that could be financially affected by, or otherwise conflict in any manner or degree with, the performance of programs or services required under this agreement.

20. **Indemnity and Hold Harmless**

RECIPIENT agrees to indemnify, defend, and hold harmless DISTRICT and its officers, agents, employees, volunteers, and servants from any and all claims and losses accruing or resulting to any and all employees, contractors, subcontractors, laborers, volunteers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this agreement and from any and all claims and losses of any kind accruing or resulting to any person, firm, or corporation arising out of, or in any way connected with or as a result of, the performance or execution of this agreement, the consummation of the transactions contemplated hereby, or in the expenditure of grant funds provided by DISTRICT.

21. **Fiscal/Accounting Principles**

RECIPIENT shall maintain an accounting system that accurately reflects and documents all fiscal transactions for which grant funds are used. The accounting system must conform to generally accepted accounting principles and upon request, DISTRICT shall have the right to review, inspect and copy all books and records related to the accounting system.

22. **Documentation of Revenues and Expenses**

RECIPIENT shall maintain full and complete documentation of all revenue and expenses (including subcontracted, overhead, and indirect expenses) associated with use of the grant funds covered by this agreement. During the term of this agreement and thereafter, DISTRICT or its authorized representative(s) shall have the right to review all RECIPIENT financial records including records related to the use or disbursement of the grant funds, upon request by DISTRICT.

DISTRICT _____ RECIPIENT _____

DISTRICT shall also have the right to audit, if necessary, RECIPIENT'S use of grant funds and any and all programs or services that were provided through the use of the DISTRICT funds. In the event of an audit or financial review, RECIPIENT agrees to provide DISTRICT access to all of RECIPIENT'S books and records.

23. **Records Retention**

All records of RECIPIENT pertaining to the use of grant funds shall be maintained at RECIPIENT'S main local office for at least five (5) years following the year in which grant funds were first provided by DISTRICT.

24. **Governing Law**

This agreement shall be governed by and construed in accordance with the laws of the State of California.

25. **Assignment or Transfer**

RECIPIENT may not assign or transfer any interest in this agreement or entitlement to grant funds without the written consent of District.

26. **Entire Agreement, Amendment**

This agreement contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements not contained herein. This agreement may only be amended or modified by a writing signed by both parties.

27. **Notices**

Any notice required or permitted pursuant to this agreement may be given by a party to the other party at the address set forth in the signature block of this agreement. Either party may change its address for purposes of notice by complying with the requirements of this section.

28. **Signatories**

The persons executing this agreement on behalf of the RECIPIENT have been designated by the governing body or fiscal agent of the RECIPIENT as the official signatories of this agreement and all related documents. At least one of these persons is a member of the RECIPIENT'S governing board, and both persons have the authority to execute this agreement on behalf of RECIPIENT.

DISTRICT _____ RECIPIENT _____

RECIPIENT:
Desert Healthcare Foundation
1140 N. Indian Canyon
Palm Springs, CA 92262

Name: President/Chair of RECIPIENT
Governing Body

Name: Executive Director/CEO

PLEASE PRINT

PLEASE PRINT

SIGNATURE

SIGNATURE

DATE

DATE

DISTRICT _____ RECIPIENT _____

Authorized Signatory for Desert Healthcare District:

Name: Conrado Bárzaga, MD

Title: Chief Executive Officer

SIGNATURE

DATE

Desert Healthcare District
1140 N. Indian Canyon Dr.
Palm Springs, CA 92262

DISTRICT _____ RECIPIENT _____

EXHIBIT A

DESERT HEALTHCARE DISTRICT ATTRIBUTION POLICY

1. Attribution Wording

Attribution for District-funded programs shall be as follows:

“Made possible by funding from Desert Healthcare District” / “Echo posible por medio de fondos de Desert Healthcare District” or “Funded by Desert Healthcare District” / “Fondado por Desert Healthcare District”

2. Educational Materials

Educational materials are items such as brochures, workbooks, posters, videos, curricula, or games. Materials (in print or electronic formats) produced and distributed for Desert Healthcare District-funded programs shall include the approved wording.

3. Promotional Materials

District attribution shall be included on promotional items such as flyers, banners and other types of signage. However, acknowledgement may be omitted when space limitation is an issue (e.g., buttons, pencils, pens, etc.)

4. Media Materials and Activities

Attribution to the District shall be included in any information distributed to the media for the purpose of publicizing a District-funded program. This information may include news releases and advisories, public service announcements (PSAs), television and radio advertisements, and calendar/event listings.

Media and publicity activities, such as news conferences, story pitching, press interviews, editorial board meetings and promotional events shall include reference to the District's program support. As a courtesy, the District would appreciate notification of these activities at least two (2) weeks in advance, whenever possible. Please send to the District copies of any press coverage of District-funded programs.

5. Logo Usage

Use of the Desert Healthcare District logo is permitted and encouraged. Logos can be provided in print and electronic formats. Logos will be provided by DISTRICT upon initial grant funding and at RECIPIENT's request thereafter. Graphic standards for logos shall be adhered to as provided by DISTRICT. Requests for logo should be directed to the Program Department of Desert Healthcare District.

6. Photograph Consent

RECIPIENT shall permit photographs of District-funded program to be taken by District-designated photographer at District expense, and consents to usage of such photographs on District Web site and other materials designed to inform and educate the public about District.

DISTRICT _____ RECIPIENT _____

EXHIBIT B

PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Ready, Set, Swim 2019/2020	9/01/2019 8/31/2020

PAYMENTS:

(1) Payments: \$200,000.00

Total request amount: \$200,000.00

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
09/01/2019	Signed Agreement submitted & accepted	Advance of \$200,000.00 for time period 09/01/2019 - 08/31/2020

TOTAL GRANT AMOUNT: \$200,000.00

DISTRICT _____ RECIPIENT _____

EXHIBIT C

PROGRAM BUDGET ATTACHED AS SUPPLEMENTAL PAGE(S)

**Desert Healthcare District
Ready, Set, Swim 2019/2020 Program Budget**

Desert Healthcare District Ready, Set, Swim Budget: 2019/2020			
		Salary Allocation	
			FTE
Expense Categories		Vanessa's Salary:	57,000 0.25
		Alejandro's Salary:	101,843 0.05
		Stephen's Salary:	66,040 0.02
Salary Allocation	27,688	Benefit O/H:	34%
Mileage	7,000	Total:	\$ 27,688
Supplies	7,500		
Snacks/Towels/Pool Supplies/Misc	7,000		
Pool Rental Fees	13,000		
Insurance	600		
Promotional/Marketing	5,000		
Total Estimated Costs		\$ 67,788	
		Mileage	
		IRS Reimb Rate:	0.58 per mile
		Est. # of miles/mo.	1,341
		Teaching months:	9
		Total:	\$ 7,000
		Supplies	
		Ex: ink, paper, pens, folders, paper, clipboards, etc.	
		Total:	\$ 7,500
		Snacks/Towels/Pool Supplies/Misc	
		Ex. Cuties, apples, cheese, pool toys, kickboards, misc pool supplies	
		Snacks	\$ 5,000
		Pool Supplies	\$ 2,000
		Total:	\$ 7,000
		Pool Rental Fees	
		Palm Springs & DHS	\$ 13,000
		Insurance	
		Borrego & Palm Springs	\$ 600
		Promotional/Marketing	
		Polos, Facebook ads	\$ 5,000

**Boys and Girls Club of Palm Springs
Ready, Set, Swim 2019/2020 Program Budget**

Boys and Girls Club of Palm Springs Ready, Set, Swim Budget: 2019/2020			
This budget is based off the the membership fees as DHD desired but with the additional staffing needs of the Club.			
MEMBERSHIP			
Palm Springs Membership 6 months			
# youth	# schools	\$ per membership	Total
48	4	15	3000
Cathedral City Membership 1 month			
# youth	# schools	\$ per membership	Total
48	5	5	1200
MEMBERSHIP			\$ 4,200.00
STAFFING COST *			
Number of Staff	Estimated # of Hours	\$ per hour	Total
3	286	20	\$ 17,160.00
Additional hiring expense would be \$20 per background check, \$60 per drug screening and onboarding process per new employee. **			
STAFFING TOTAL			\$ 17,160.00
FACILITY RENTAL FEE			
	# of days	\$ per day	Total
	72	125	\$ 9,000.00
Shocking of the swimming pool - \$100 per time			\$ 500.00
Towels & Laundry Soap (50 towels @ \$7 = \$350 Laundry Soap \$100)			\$ 450.00
Gas Bill (this is for 5 months of the program to offset the expense)			\$ 6,000.00
Total			\$ 37,310.00
* Based off of National BGCA guidelines for staff to child ratio			
** All inclusive of this expense			

**Desert Recreation District
Ready, Set, Swim 2019/2020 Program Budget**

	Palm Springs Schools	Cathedral City Schools	Desert Hot Springs Schools	Totals	Hourly Rate	Expense Total	
Number of Schools	4	5	5	14			
Activity Days (8 per school)	32	40	40	112			
1- Aquatic Specialist (3hrs/day)	117	117	120	354	27.23	\$ 9,639.42	
1- Pool Manager (4hrs/day)	225	226.25	237.5	688.8	21.5	\$ 14,808.13	
2-Recreation Leader for DHS	0	0	400	400	16.37	\$ 6,548.00	
4- Lifeguards/Swim Instructors (4hrs/day)	798	798	840	2436	20	\$ 48,720.00	
Program Logistics							
<p>1. <i>Classes not to exceed 48 students to support our 1/6 staff to student ratio.</i></p> <p>2. <i>One swim crew that will perform the program in the fall through early spring in PS. and the later part of the school year will be in DHS</i></p> <p style="padding-left: 40px;">* This will help with staffing challenges (DRD) and weather conditions.</p> <p>3. <i>The hours have been based on swim schedule and PSUSD calendar, hourly rate has been updated.</i></p> <p style="padding-left: 40px;">a. This includes 1 hour transportaion in total per person each day -</p> <p style="padding-left: 40px;">b. This included the 30 min buffer both before and after class as per this years program.</p> <p>4. <i>Projected start date will be Monday Sewptember 09, 2019 and will go to the end of May.</i></p> <p>5. <i>RHUS will still perform the nutrition classes in Palm Springs and our team will do 4 nutrition classes in DHS. (DRD extra staff included above)</i></p> <p>6. <i>1000 schoarships for swim lessons will be issued to third grade students enrolled at CVUSD & DSUSD . Student will be able to select</i></p>							
						Staffing Total	\$ 79,715.55
						30% Benefits	\$ 23,914.66
						Sub Total	\$ 103,630.21
						Staff Uniforms	\$ 667.18
						Cell Phone	\$ 240.00
						Mileage	\$ 2,800.00
						Materials & Supplies	\$ 250.00
						Lifeguard Course	\$ 1,500.00
						Program Exp Sub Total	\$ 5,457.18
						30% Indirect Cost	\$ 1,637.15
						Sub Total	\$ 7,094.33
						500 CVUSD Scholarships	\$ 25,000.00
						500 DSUSD Scholarships	\$ 25,000.00
						Sub Total	\$ 50,000.00
Facilities Fees will be paid directly via the DHCD.							
Boys and Girls club Fees will be paid by DHCD							
						Total	\$ 160,724.54

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is made and entered into by **DESERT HEALTHCARE FOUNDATION**, a California healthcare district organized and operating pursuant to Health & Safety Code section 3200 et seq. (the "Agency") and **DESERT RECREATION DISTRICT** ("Contractor")

RECITALS

- A. The Agency is engaged in the business of providing funding for programs/projects that advance health and wellness to District/Foundation residents.
- B. The Contractor provides recreational services to more than 380,000 residents throughout the Greater Coachella Valley. In addition, the Contractor creates and delivers quality programs, services and classes; and, facilitates leisure opportunities through partnerships that encourage residents to engage in healthy lifestyles and wellness activities.
- C. The Agency desires to utilize Contractor's services for specific projects on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Engagement and Scope of Services. (Exhibit A)

(a) **Engagement:** The Agency hereby retains the services of Contractor and Contractor hereby agrees to provide the services described in Exhibit A, and such other services as requested in writing from time to time by an authorized representative of the Agency, in accordance with the terms and conditions of this Agreement.

(b) **Extent of Services:** Contractor shall be available to render services as described in Exhibit A or as requested by the Agency. The Agency expects the initial assignment described in Exhibit A (scheduled agreed to and provided by the Agency), but nothing in this Agreement shall entitle Contractor to provide or obligate the Agency to request any specific minimum or maximum number of hours or days of services. Contractor shall be free to provide services to other clients during the term of this Agreement provided this does not impair Contractor's ability to fulfill its obligations under this Agreement or create a conflict of interest with the Agency.

(c) **Skill and Ability:** All services performed by Contractor shall reflect first class workmanship and attention to detail. Contractor represents and warrants that it has the requisite skill, ability, training, licenses, and other qualifications necessary or

customarily required to perform such services in accordance with the best practices in the industry and all applicable laws and customs.

(d) **Accounting:** Upon request by the Agency, Contractor shall provide the Agency with an accurate accounting of all services performed or in progress under this Agreement.

2. Years of Engagement and Termination

Contractor's engagement with the Agency shall commence **September 1, 2019** and shall continue until **August 31, 2020** or until the services requested by the Agency are completed, but either party may terminate Contractor's engagement (a) immediately in the event of a breach of this Agreement or other just cause, or (b) at any time without a breach or just cause upon ten (10) days written notice.

3. Compensation.

(a) **Fees: \$160,724.54 (Exhibit B)**

(b) **Expenses:**

(c) **No Other Benefits:** The Agency shall not be responsible for and Contractor shall not be entitled to the payment of any other compensation or other amounts to the Contractor. Under no circumstances shall Contractor be eligible for or entitled to any of the compensation or benefits that the Agency may provide to its employees, either as required by law or pursuant to Agency policy or practice, including but not limited to bonus and incentive compensation; overtime pay or meal and rest period premiums; vacation, sick leave, holiday, or other paid time off; retirement, profit sharing or 401k; medical, dental, vision, life, disability, or other insurance; severance pay; stock options, stock grants or other equity participation; or workers compensation, unemployment insurance, or disability insurance. Contractor specifically acknowledges that its principals shall not be eligible for unemployment insurance even if this Agreement is terminated without cause.

(d) **Taxes:** The Agency shall report all compensation paid to Contractor under this Agreement on Form 1099. Contractor shall be solely responsible for all taxes, penalties, or interest due with respect to all such compensation, and shall defend and indemnify the Agency for any such taxes, penalties or interest.

(e) **Termination.** Upon termination of this Agreement for any reason, the Agency's only obligation shall be to pay the compensation and expenses owing under this Agreement for authorized services actually rendered by Contractor prior to the date of termination.

4. Independent Contractor Status.

(a) In performing any and all services to the Agency, Contractor shall function strictly as an independent contractor and shall not be deemed an employee, partner, joint venture, agent, or principal of the Agency. Contractor shall have no authority to bind Agency, enter into contracts, or authorize expenditures without the prior written authorization of the Agency. Contractor shall be solely responsible for providing any benefits as required by law, contract, or policy to any employees of the Contractors. The Agency is only responsible for compensating for benefits as outlined in Exhibit B.

(b) Contractor shall be solely responsible for all obligations imposed by law or contract as the employer of any personnel to whom Contractor delegates the performance of services under this Agreement, including but not limited to compliance with all state and federal laws concerning payroll and recordkeeping, wage and hour, employee benefits, safety and health, equal employment opportunity and unlawful harassment or discrimination, or termination of employment. Contractor shall defend and indemnify the Agency and its officers, directors, employees, and agents from any claim or liability asserted against the Agency by any personnel of Contractor arising from or relating to the performance of services under this Agreement.

(c) To the extent Contractor and its personnel interact with employees of the Agency or perform services at the Agency or its customers' locations, Contractor and its personnel shall comply with all rules and policies of the Agency that apply generally to all business visitors, concerning safety and health, equal employment, unlawful harassment, substance abuse and personal conduct.

5. Confidential Information.

(a) At all times during and after the term of this Agreement, Contractor shall hold in strictest confidence any information which is not legally available to the public as public information as the Agency is a public agency.

(b) Additionally, as a public agency, all Contractor information, data, communications, contracts, fees provided to the Agency under this Agreement are available to the public and not classified as confidential.

6. Compliance with Law:

Contractor shall comply with all applicable laws and regulations in performing services under this Agreement, including but not limited to those concerning food safety, ethical marketing practices, and consumer protection.

7. Indemnity:

Contractor shall defend and indemnify the Agency and its officer, directors, employees, agents, successors, and assigns from all claim and liabilities (including attorneys' fees and costs) that arise from or are related to any breach of this Agreement by Contractor or any negligent or wrongful act or omission of Contractor and its personnel, including but not limited to claims for death or personal injury involving the Contractor's use or operation of any motor vehicle or equipment.

8. Insurance:

At all times during and for a reasonable period of time after the term of this Agreement, Contractor shall procure and maintain adequate general liability insurance covering all aspects of the services rendered under this Agreement, including but not limited to adequate automotive liability insurance covering any use or operation of any motor vehicle. Contractor shall be solely responsible for procuring and maintaining any insurance required or customarily provided to Contractor's employees, including but not limited to group medical, life, disability, accidental death and dismemberment, workers compensation and unemployment insurance.

9. Returning Agency Documents and Transition of Business:

Upon termination of this Agreement for any reason, or upon request by the Agency at any time, Contractor shall return unconditionally to the Agency all documents and files (including originals and copies, whether on paper or electronic), equipment supplies, and all other property of any kind that belongs to the Agency or came into Contractor's possession in the course of performing services under this Agreement. Upon request, Contractor shall also present a written accounting of all services performed and business transacted under this Agreement. Contractor shall cooperate in good faith with the Agency to assure an orderly transition of business under this Agreement following termination.

10. Miscellaneous.

(a) **Notices.** Any notice required under this Agreement may be personally delivered or sent by facsimile, pdf, email or first-class mail to the following addresses:

(i) If to the Agency:

*Desert Healthcare District
1140 North Indian Canyon Drive
Palm Springs, CA 92262
Attn: Chris Christensen, Interim CEO*

(ii) If to the Contractor:

*Desert Recreation District
45-305 Oasis Street
Indio, CA 92201
Attn: Maureen Archuleta, Comm Svcs Sprvsr*

(b) **No Waiver.** If any party fails to object to a breach of this Agreement, that party shall not be precluded from objecting to any future breach.

(c) **Governing Law.** This Agreement has been made and entered into in the State of California and shall be construed in accordance with the laws of the State of California.

(d) **Severability.** If any provision of this Agreement is declared void for any reason, all other provisions shall remain in effect.

(e) **Captions.** The various captions of this Agreement are for reference only and shall not be considered or referred to in resolving questions or interpretation of this Agreement.

(f) **Attorneys' Fees.** If any legal action is necessary to enforce or interpret this Agreement, the prevailing party shall recover its costs and attorneys' fees.

(g) **Assignment.** Contractor may not assign his rights, obligations or duties under this Agreement without the express written consent of the Agency. This Agreement shall inure to the benefit of and be binding upon any successor or assign of the Agency.

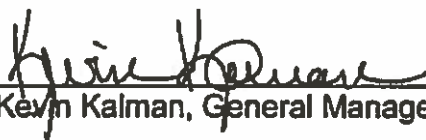
Signature Page:

Agency:

By:  _____
Its: Chris Christensen, Interim CEO

Date: 7/24/19

Contractor:

By:  _____
Its: Kevin Kalman, General Manager

Date: 8/16/19

EXHIBIT A
SERVICES

Period beginning approximately September 1, 2019 through August 31, 2020

1. Prior to the commencement of the program in September 2019, the Desert Recreation District will ensure the Ready, Set, Swim program staff including the Aquatics Specialist, Pool Manager, Lifeguards, and Swimming Instructors are properly trained on the American Red Cross: Learn to Swim curriculum and monitor all current certifications and/or licenses associated with the program to prevent certification lapses and ensure all staff maintain an active certification/license.
2. The Desert Recreation District will provide adequate staffing for all Ready, Set, Swim activities. Staffing should include 1- Aquatic Specialist; 1- Pool Manager; 4-Lifeguards/Swimming Instructors at the swimming facility supervising all program related activities.
3. Each activity day the Desert Recreation District staff will provide logistical support to the Boys and Girls Club of Palm Springs and/or the Desert Hot Springs Wellness Center staff with the supervision of the participating children during the transition from the swimming facility to the designated area for the nutrition education classes and/or activity area. This includes program staff arriving 30-minutes before the start of the program and leaving 30-minutes after the conclusion of the program.
4. Desert Recreation District staff will conduct a daily "walk-through" of the swimming facility to ensure all program areas are safe for use including monitoring water ph-levels, water temperature, and locker rooms. Any discrepancies should be reported to the Desert Healthcare District- Program Coordinator, who will notify the Boys and Girls Club of Palm Springs or City of Desert Hot Springs for immediate action.
5. Cancellation of swimming classes will be allowed ONLY if there is inclement weather, the water temperature is outside the American Red Cross recommended 83°-89° or water ph-levels are below or above the recommended 7.4 to 7.6. If swimming classes are canceled, Desert Recreation District staff should have alternative planned activities which will be held in the activity rooms within the Boys and Girls Club of Palm Springs or Desert Hot Springs Wellness Center.

6. At the start (lesson #1) and end (lesson #8) of each swimming cohort the Desert Recreation District staff will conduct a swimming skills test on all participating children using the American Red Cross: Swim to Learn- skills checklist to measure the participating children swimming skills from pre to post-test.
7. From pre-to-post test a minimum of 80% of the participating children in each swimming cohort would have demonstrated an increase of at least four swimming skills.
8. Desert Recreation District staff will participate in a nutrition education training and provide nutrition education classes to the participants.
9. All skills checklists and attendance lists will be submitted by the Aquatics Specialist to the Desert Healthcare District-Program Coordinator no later than 2 business days after the completion of each swimming cohort.
10. The Desert Recreation District will assist in the expansion of the RSS program into the Desert Sands and Coachella Valley Unified School Districts, including on-line registration, outreach, and marketing.
11. Using grant funds from this contract, Desert Recreation District will provide a total of 1000 swimming classes scholarships to 3rd graders in the DSUSD and CVUSD to use during the summer months of 2020.
12. All invoicing for services/purchases provided under this grant will require supporting documentation (time sheets, mileage logs, receipts, etc....) for reimbursement and/or payment.

**EXHIBIT B
SUMMARY OF COSTS**

Desert Recreation District Ready, Set, Swim Budget: 2019/2020						
	Palm Springs Schools	Cathedral City Schools	Desert Hot Springs Schools	Totals	Hourly Rate	Expense Total
Number of Schools	4	5	5	14		
Activity Days (8 per school)	32	40	40	112		
1- Aquatic Specialist (3hrs/day)	117	117	120	354	27.23	\$ 9,639.42
1- Pool Manager (4hrs/day)	225	226.25	237.5	688.8	21.5	\$ 14,808.13
2-Recreation Leader for DHS	0	0	400	400	16.37	\$ 6,548.00
4- Lifeguards/Swim Instructors (4hrs/day)	798	798	840	2436	20	\$ 48,720.00
Program Logistics						
<ol style="list-style-type: none"> Classes not to exceed 48 students to support our 1/6 staff to student ratio. One swim crew that will perform the program in the fall through early spring in PS. and the later part of the school year will be in DHS <ul style="list-style-type: none"> * This will help with staffing challenges (DRD) and weather conditions. The hours have been based on swim schedule and PSUSD calendar, hourly rate has been updated. <ul style="list-style-type: none"> a. This includes 1 hour transportation in total per person each day - b. This included the 30 min buffer both before and after class as per this years program. Projected start date will be Monday September 09, 2019 and will go to the end of May. RHUS will still perform the nutrition classes in Palm Springs and our team will do 4 nutrition classes in DHS. (DRD extrastaff included above) 1000 scholarships for swim lessons will be issued to third grade students enrolled at CVUSD & DSUSD . Student will be able to select 						
					Staffing Total	\$ 79,715.55
					30% Benefits	\$ 23,914.66
					Sub Total	\$ 103,630.21
					Staff Uniforms	\$ 667.18
					Cell Phone	\$ 240.00
					Mileage	\$ 2,800.00
					Materials & Supplies	\$ 250.00
					Lifeguard Course	\$ 1,500.00
					Program Exp Sub Total	\$ 5,457.18
					30% Indirect Cost	\$ 1,637.15
					Sub Total	\$ 7,094.33
					500 CVUSD Scholarships	\$ 25,000.00
					500 DSUSD Scholarships	\$ 25,000.00
					Sub Total	\$ 50,000.00
Facilities Fees will be paid directly via the DHCD.						
Boys and Girls club Fees will be paid by DHCD						
					Total	\$ 160,724.54

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is made and entered into by **DESERT HEALTHCARE FOUNDATION**, a California healthcare district organized and operating pursuant to Health & Safety Code section 3200 et seq. (the "Agency") and **BOYS AND GIRLS CLUB OF PALM SPRINGS** ("Contractor")

RECITALS

- A. The Agency is engaged in the business of providing funding for programs/projects that advance health and wellness to District/Foundation residents.

- B. The Contractor provides recreational services to more than 5,000 children residing in the Palm Springs area. In addition, the Contractor creates and delivers quality programs, services and classes; and, facilitates leisure opportunities through partnerships that encourage residents to engage in healthy lifestyles and wellness activities.

- C. The Agency desires to utilize Contractor's services for specific projects on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Engagement and Scope of Services. (Exhibit A)

(a) **Engagement:** The Agency hereby retains the services of Contractor and Contractor hereby agrees to provide the services described in Exhibit A, and such other services as requested in writing from time to time by an authorized representative of the Agency, in accordance with the terms and conditions of this Agreement.

(b) **Extent of Services:** Contractor shall be available to render services as described in Exhibit A or as requested by the Agency. The Agency expects the initial assignment described in Exhibit A (scheduled agreed to and provided by the Agency), but nothing in this Agreement shall entitle Contractor to provide or obligate the Agency to request any specific minimum or maximum number of hours or days of services. Contractor shall be free to provide services to other clients during the term of this Agreement provided this does not impair Contractor's ability to fulfill its obligations under this Agreement or create a conflict of interest with the Agency.

(c) **Skill and Ability:** All services performed by Contractor shall reflect first class workmanship and attention to detail. Contractor represents and warrants that it has the requisite skill, ability, training, licenses, and other qualifications necessary or

customarily required to perform such services in accordance with the best practices in the industry and all applicable laws and customs.

(d) **Accounting:** Upon request by the Agency, Contractor shall provide the Agency with an accurate accounting of all services performed or in progress under this Agreement.

2. Years of Engagement and Termination

Contractor's engagement with the Agency shall commence on **September 1, 2019** and shall continue until **March 31, 2020** or until the services requested by the Agency are completed, but either party may terminate Contractor's engagement (a) immediately in the event of a breach of this Agreement or other just cause, or (b) at any time without a breach or just cause upon ten (10) days written notice.

3. Compensation. (Exhibit B)

(a) **Fees: Not to exceed \$37,310.00**

(b) **Expenses:**

(c) **No Other Benefits:** The Agency shall not be responsible for and Contractor shall not be entitled to the payment of any other compensation or other amounts to the Contractor. Under no circumstances shall Contractor be eligible for or entitled to any of the compensation or benefits that the Agency may provide to its employees, either as required by law or pursuant to Agency policy or practice, including but not limited to bonus and incentive compensation; overtime pay or meal and rest period premiums; vacation, sick leave, holiday, or other paid time off; retirement, profit sharing or 401k; medical, dental, vision, life, disability, or other insurance; severance pay; stock options, stock grants or other equity participation; or workers compensation, unemployment insurance, or disability insurance. Contractor specifically acknowledges that its principals shall not be eligible for unemployment insurance even if this Agreement is terminated without cause.

(d) **Taxes:** The Agency shall report all compensation paid to Contractor under this Agreement on Form 1099. Contractor shall be solely responsible for all taxes, penalties, or interest due with respect to all such compensation, and shall defend and indemnify the Agency for any such taxes, penalties or interest.

(e) **Termination.** Upon termination of this Agreement for any reason, the Agency's only obligation shall be to pay the compensation and expenses owing under this Agreement for authorized services actually rendered by Contractor prior to the date of termination.

4. Independent Contractor Status.

(a) In performing any and all services to the Agency, Contractor shall function strictly as an independent contractor and shall not be deemed an employee, partner, joint venture, agent, or principal of the Agency. Contractor shall have no authority to bind Agency, enter into contracts, or authorize expenditures without the prior written authorization of the Agency. Contractor shall be solely responsible for providing any benefits as required by law, contract, or policy to any employees of the Contractors. The Agency is only responsible for compensating for benefits as outlined in Exhibit B.

(b) Contractor shall be solely responsible for all obligations imposed by law or contract as the employer of any personnel to whom Contractor delegates the performance of services under this Agreement, including but not limited to compliance with all state and federal laws concerning payroll and recordkeeping, wage and hour, employee benefits, safety and health, equal employment opportunity and unlawful harassment or discrimination, or termination of employment. Contractor shall defend and indemnify the Agency and its officers, directors, employees, and agents from any claim or liability asserted against the Agency by any personnel of Contractor arising from or relating to the performance of services under this Agreement.

(c) To the extent Contractor and its personnel interact with employees of the Agency or perform services at the Agency or its customers' locations, Contractor and its personnel shall comply with all rules and policies of the Agency that apply generally to all business visitors, concerning safety and health, equal employment, unlawful harassment, substance abuse and personal conduct.

5. Confidential Information.

(a) At all times during and after the term of this Agreement, Contractor shall hold in strictest confidence any information which is not legally available to the public as public information as the Agency is a public agency.

(b) Additionally, as a public agency, all Contractor information, data, communications, contracts, fees provided to the Agency under this Agreement are available to the public and not classified as confidential.

6. Compliance with Law:

Contractor shall comply with all applicable laws and regulations in performing services under this Agreement, including but not limited to those concerning food safety, ethical marketing practices, and consumer protection.

7. Indemnity:

Contractor shall defend and indemnify the Agency and its officer, directors, employees, agents, successors, and assigns from all claim and liabilities (including attorneys' fees and costs) that arise from or are related to any breach of this Agreement by Contractor or any negligent or wrongful act or omission of Contractor and its personnel, including but not limited to claims for death or personal injury involving the Contractor's use or operation of any motor vehicle or equipment.

8. Insurance:

At all times during and for a reasonable period of time after the term of this Agreement, Contractor shall procure and maintain adequate general liability insurance covering all aspects of the services rendered under this Agreement, including but not limited to adequate automotive liability insurance covering any use or operation of any motor vehicle. Contractor shall be solely responsible for procuring and maintaining any insurance required or customarily provided to Contractor's employees, including but not limited to group medical, life, disability, accidental death and dismemberment, workers compensation and unemployment insurance.

9. Returning Agency Documents and Transition of Business:

Upon termination of this Agreement for any reason, or upon request by the Agency at any time, Contractor shall return unconditionally to the Agency all documents and files (including originals and copies, whether on paper or electronic), equipment supplies, and all other property of any kind that belongs to the Agency or came into Contractor's possession in the course of performing services under this Agreement. Upon request, Contractor shall also present a written accounting of all services performed and business transacted under this Agreement. Contractor shall cooperate in good faith with the Agency to assure an orderly transition of business under this Agreement following termination.

10. Miscellaneous.

(a) **Notices.** Any notice required under this Agreement may be personally delivered or sent by facsimile, pdf, email or first-class mail to the following addresses:

(i) If to the Agency:

*Desert Healthcare District
1140 North Indian Canyon Drive
Palm Springs, CA 92262
Attn: Chris Christensen, Interim CEO*

(ii) If to the Contractor:

*Boys and Girls Club of Palm Springs
450 S. Sunrise
Palm Springs, CA 92262
Attn: Margaret Keung, Executive Director*

EXHIBIT A
SERVICES

Period beginning approximately September 1, 2019 through March 31, 2020

1. Boys and Girls Club of Palm Springs staff will conduct a daily "walk-through" of the swimming facility to ensure all program areas are safe and clean for use including monitoring and maintaining safe pool water ph-levels, pool water temperature, and locker rooms. Any discrepancies that may lead to the cancelation of the swimming activities shall be reported to the Desert Recreation District for the planning of alternative activities.
2. Pool temperature will be maintained at the American Red Cross recommended temperature of 83°-89° on program activity days. Water ph-levels should also be maintained at the American Red Cross recommended levels of 7.4 to 7.6 to ensure the water is safe for the swimming activities.
3. The swimming facility and classroom will be reserved for program activity days, including the classroom for nutrition classes and possible alternative activities due to the cancelation of swimming activities due to inclement weather or unsafe pool conditions.
4. Each activity day the Boys and Girls Club of Palm Springs staff will provide logistical support with the supervision of the participating children during the transition from the bus stop to the clubhouse, swimming facility and/or designated area for the nutrition education classes.
5. Boys and Girls Club of Palm Springs staff will participate in nutrition education training and provide nutrition education classes to the participants.
6. Boys and Girls Club of Palm Springs staff will do the washing and folding of towels for the participating children. Assistance from the Desert Recreation District staff will be provided, whenever possible.
7. Each participating child will receive a membership to the Boys and Girls Club, which would entitle them to all the amenities and activities offered by the Boys and Girls Club, along with all applicable rules and regulations.
8. All invoicing for services/purchases provided under this grant will require supporting documentation (time sheets, mileage logs, receipts, etc...) for reimbursement and/or payment.

EXHIBIT B

SUMMARY OF COSTS

**Boys and Girls Club of Palm Springs
Ready, Set, Swim Budget: 2019/2020**

This budget is based off the membership fees as DHD desired but with the additional staffing needs of the Club.

MEMBERSHIP

Palm Springs Membership 6 months			
# youth	# schools	\$ per membership	Total
48	4	15	3000
Cathedral City Membership 1 month			
# youth	# schools	\$ per membership	Total
48	5	5	1200
MEMBERSHIP			\$ 4,200.00

STAFFING COST *

Number of Staff	Estimated # of Hours	\$ per hour	Total
3	286	20	\$ 17,160.00
Additional hiring expense would be \$20 per background check, \$60 per drug screening and onboarding process per new employee. **			
STAFFING TOTAL			\$ 17,160.00

FACILITY RENTAL FEE

# of days	\$ per day	Total
72	125	\$ 9,000.00

Shocking of the swimming pool - \$100 per time	\$ 500.00
Towels & Laundry Soap (50 towels @ \$7 = \$350 Laundry Soap \$100)	\$ 450.00
Gas Bill (this is for 5 months of the program to offset the expense)	\$ 6,000.00
Total	\$ 37,310.00

* Based off of National BGCA guidelines for staff to child ratio
** All-inclusive of this expense



**DESERT HEALTHCARE
DISTRICT & FOUNDATION**

Date: September 24, 2019
To: Board of Directors
Subject: The HARC Coachella Valley LGBT Mental Health Needs Assessment commissioned through a grant by the District for Scott Hines Mental Health Clinic, LGBT Community Center Of the Desert

Staff Recommendation: INFORMATION ONLY

Background:

- In 2012, Desert Healthcare District approved a grant to the LGBT Community Center of the Desert to conduct a needs assessment to identify and measure unmet health needs amongst LGBT people in the region. Health Assessment Resource Center ("HARC") was the contractor who implemented a multipronged, research methodology to assess the health needs of the LGBT community and its subgroups.
- The information from the needs assessment allowed The Center to evaluate its current health and wellness programs and classes; develop and implement health and wellness programs that met the LGBT community needs identified in the research; created targeted marketing and public information campaigns; and addressed community challenges identified, such as a need for specialized low cost medical and mental health services and/or for educational programs for medical providers and others who serve LGBT individuals.
- To address the need for LGBT-specific mental health services, the Center expanded services to create The Scott Hines Mental Health Clinic.
- In 2015, Desert Healthcare District approved a 3-year grant to support the low-cost counseling clinic, including funding for a HARC follow up study that was conducted.
- The abbreviated version of the survey focused only on demographics and mental health with a purpose to assess the state of mental health needs in the LGBT community and to determine what had changed over the past six years.
- The Mental Health Needs Assessment is included in the packet for review.

Fiscal Impact: none, as the grant was completed and closed in 2019.

HARC Coachella Valley LGBT Mental Health Needs Assessment

For



Jill Gover, Ph.D., Clinic Director
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About the report

- ❑ 2013 HARC LGBT community needs assessment highlighted need for low cost LGBT specific mental health services (80%)
- ❑ To address this need, The Center expanded services to create **The Scott Hines Mental Health Clinic**
- ❑ An abbreviated version of the **survey**, focused only on demographics and mental health, was **repeated in 2019**.
- ❑ The purpose of this survey was to **assess the state of mental health needs in the community** once again, and to determine what had changed over the past six years.
- ❑ This summarizes and compares findings to prior 2013 survey.

Demographics

Category	Current Study		2013 Study	
	Frequency	Percent	Frequency	Percent
Sexual Orientation How would you describe your sexual orientation?				
Gay	371	69.7%	550	71.5%
Lesbian	92	17.3%	125	16.3%
Bisexual	38	7.1%	34	4.4%
Heterosexual or straight	15	2.8%	57	7.4%
Other	16	3.0%	3	0.4%
Total	532	100.0%	769	100.0%
Gender Orientation How would you describe your gender orientation?				
Not transgender	496	95.6%	749	97.4%
Transgender - Nonbinary	10	1.9%	8	1.0%
Transgender - Male to Female (MtF)	9	1.7%	10	1.3%
Transgender - Female to Male (FtM)	4	0.8%	2	0.3%
Total	519	100.0%	769	100.0%
Gender Identity What gender do you identify with?				
Male	387	72.6%	562	73.2%
Female	134	25.1%	193	25.1%
Not exclusively male or female	12	2.3%	10	1.3%
Intersex	0	0.0%	3	0.4%
Total	547	100.0%	768	100.0%

Demographics

- ▶ 69.7% gay
- ▶ 17.3% lesbian
- ▶ 7.1% as bisexual
- ▶ 2.8% as straight
- ▶ 3.0% as other

- ▶ 62.1% aged 55-75.
- ▶ 90.3% White/Caucasian,
- ▶ 10.7% Hispanic/Latino.

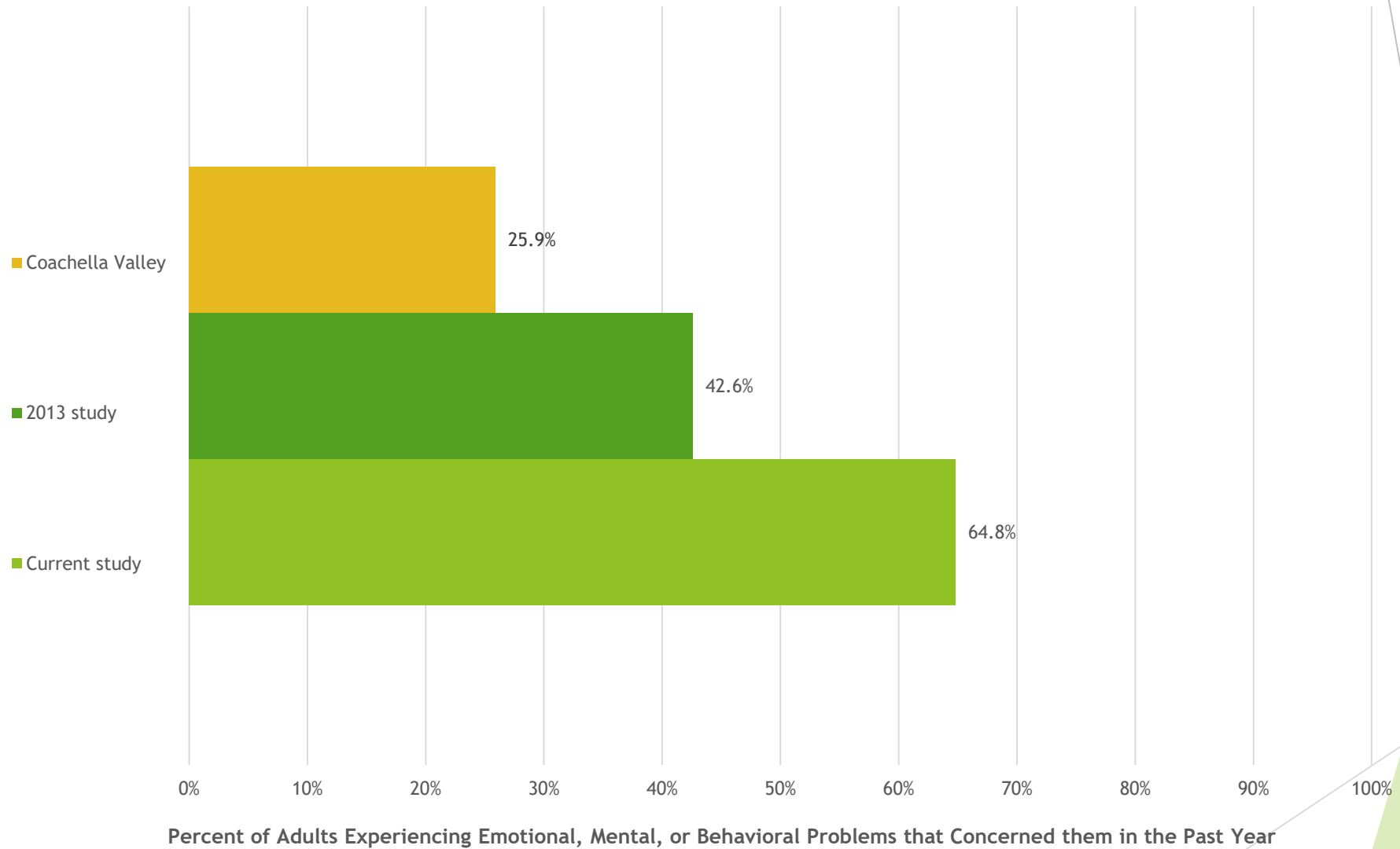
- ❖ 72.6% male,
- ❖ 25.1% female
- ❖ 4.4% transgender
- ❖ 2.3% as non-binary.

- ▶ 67.5% four-year college degree and 62.8% w/ household income of more than \$50,000 a year.

- ▶ 56.9% from Palm Springs and Cathedral City (15.1%)

the demographics of the current sample (N=519) were nearly identical to the demographics of the 2013 survey (N=769). Comparisons can be made between the two with confidence, as it is unlikely to be due to a demographic shift.

Figure 4. Emotional, Mental, Behavioral Problems in past 12 Months



Note: Current study $n = 571$; 2013 study $n = 768$; Coachella Valley data are from HARC, Inc. (2017).

Mental Health

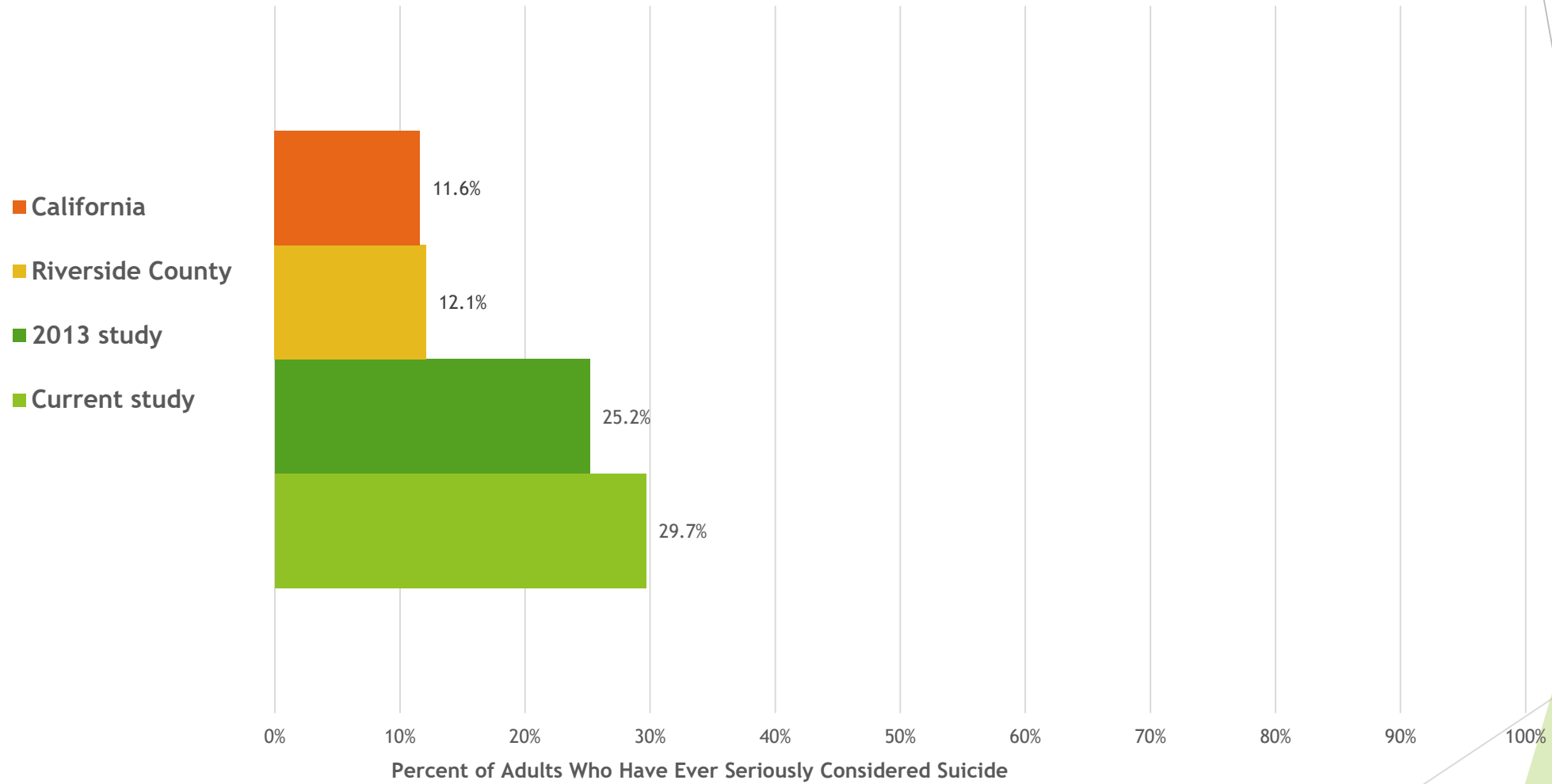
Emotional, Mental, Behavioral Problems

- ▶ 64.8% reported having an emotional, mental, or behavioral problem within the past 12 months vs. general population 25%
- ▶ Significant increase from 2013 survey (42.6%)
- ▶ Emotional, mental, and behavioral problems remain a major issue in the CV LGBT community

Barriers to Seeking Help

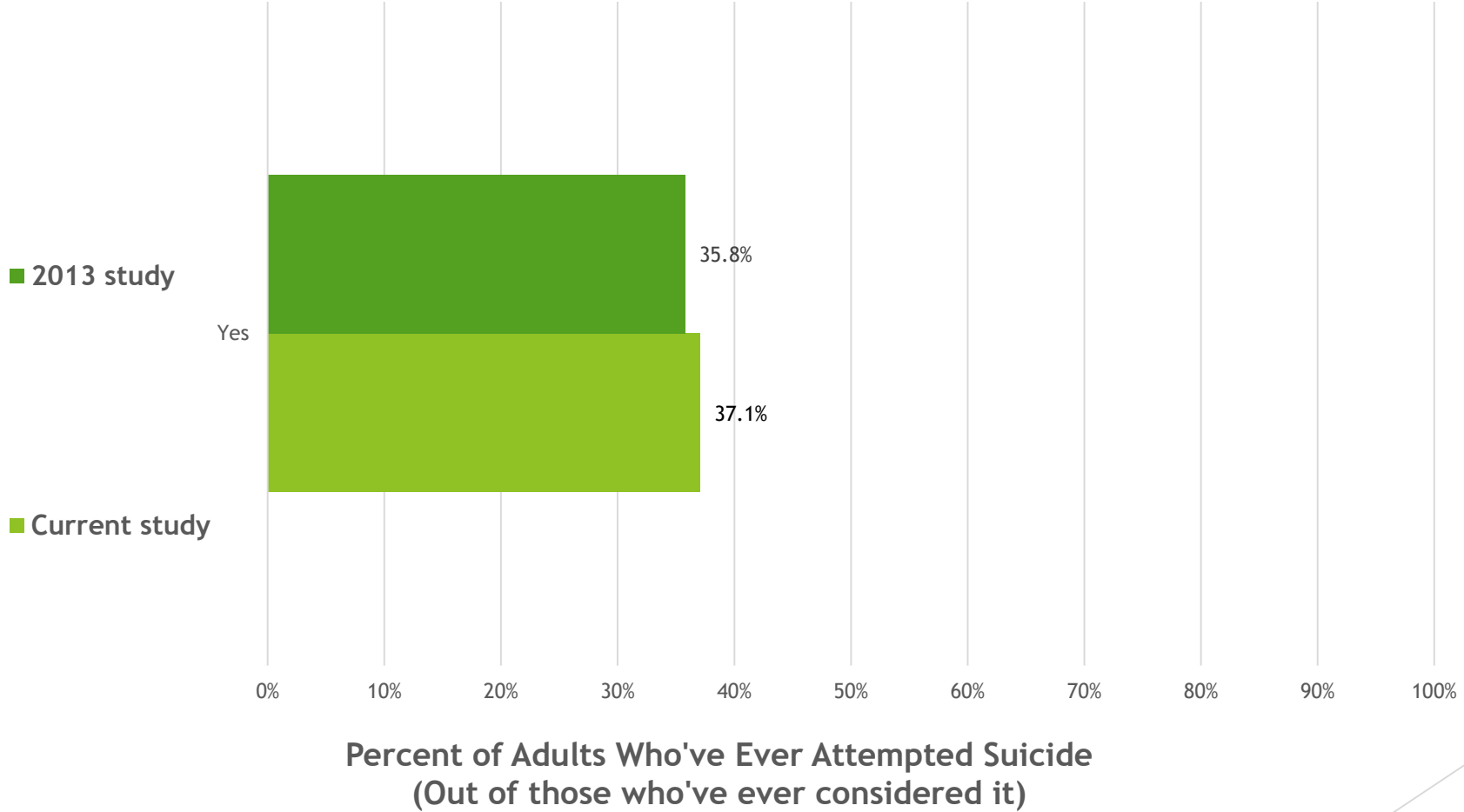
- ▶ “too expensive” (31.3%)
- ▶ didn’t know where to go” (26.5%).
- ▶ Lack of insurance” as a barrier decreased from 2013 to 2019 (result of Affordable Care Act?)
- ▶ fear of negative repercussions or mental health stigma increased substantially between 2013 to 2019. (result of current political climate?)

Figure 6. Ever Seriously Thought About Death by Suicide



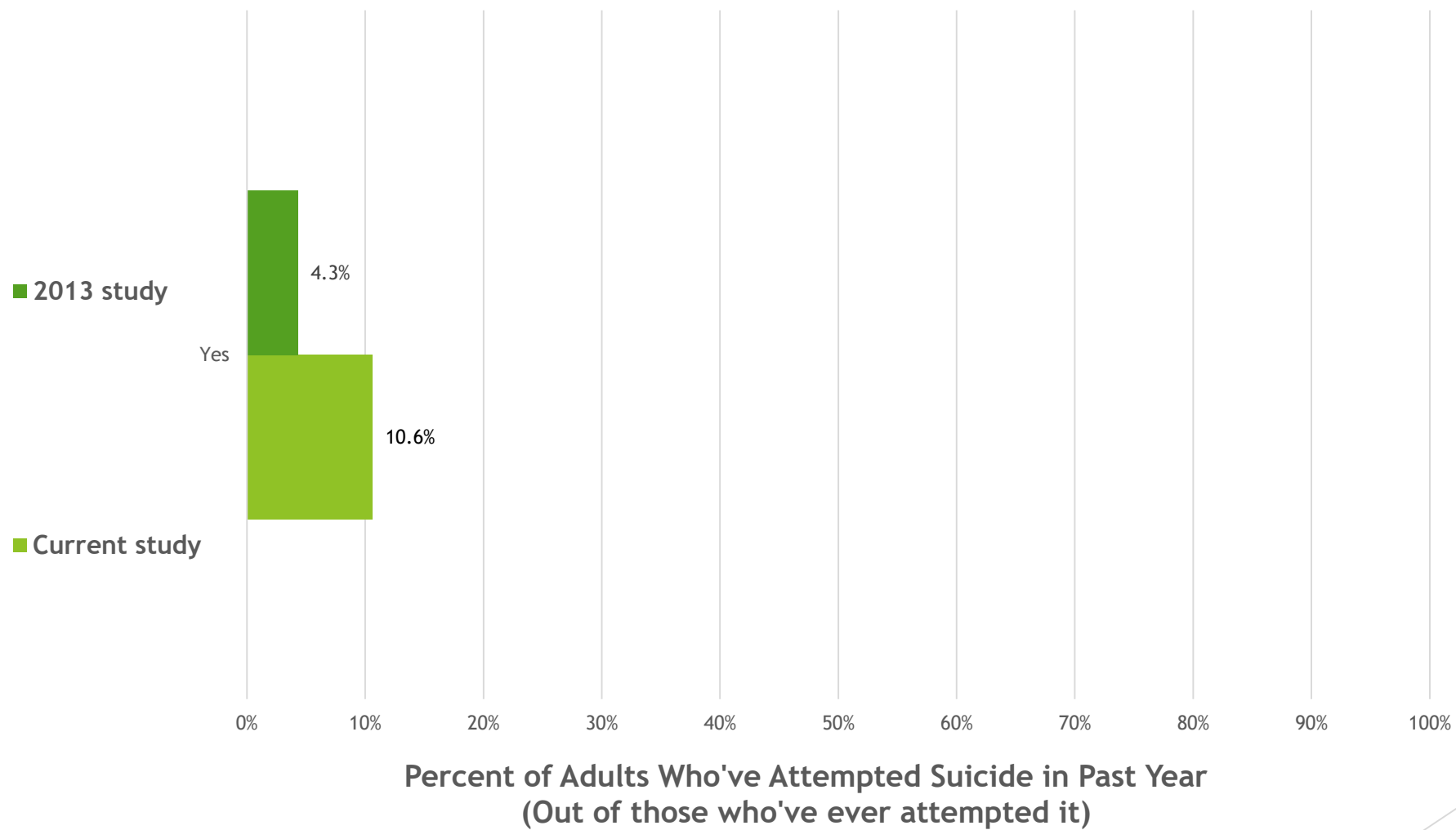
Note: Current study $n = 559$; 2013 study $n = 758$. Riverside County and California data are from the 2017 California Health Interview Survey (CHIS).

Figure 8. Ever Attempted Suicide



Note: Current study $n = 166$; 2013 study $n = 198$

Figure 9. Attempted Suicide in Past Year



Note: Current study $n = 66$; 2013 study $n = 70$. Page 242 of 250

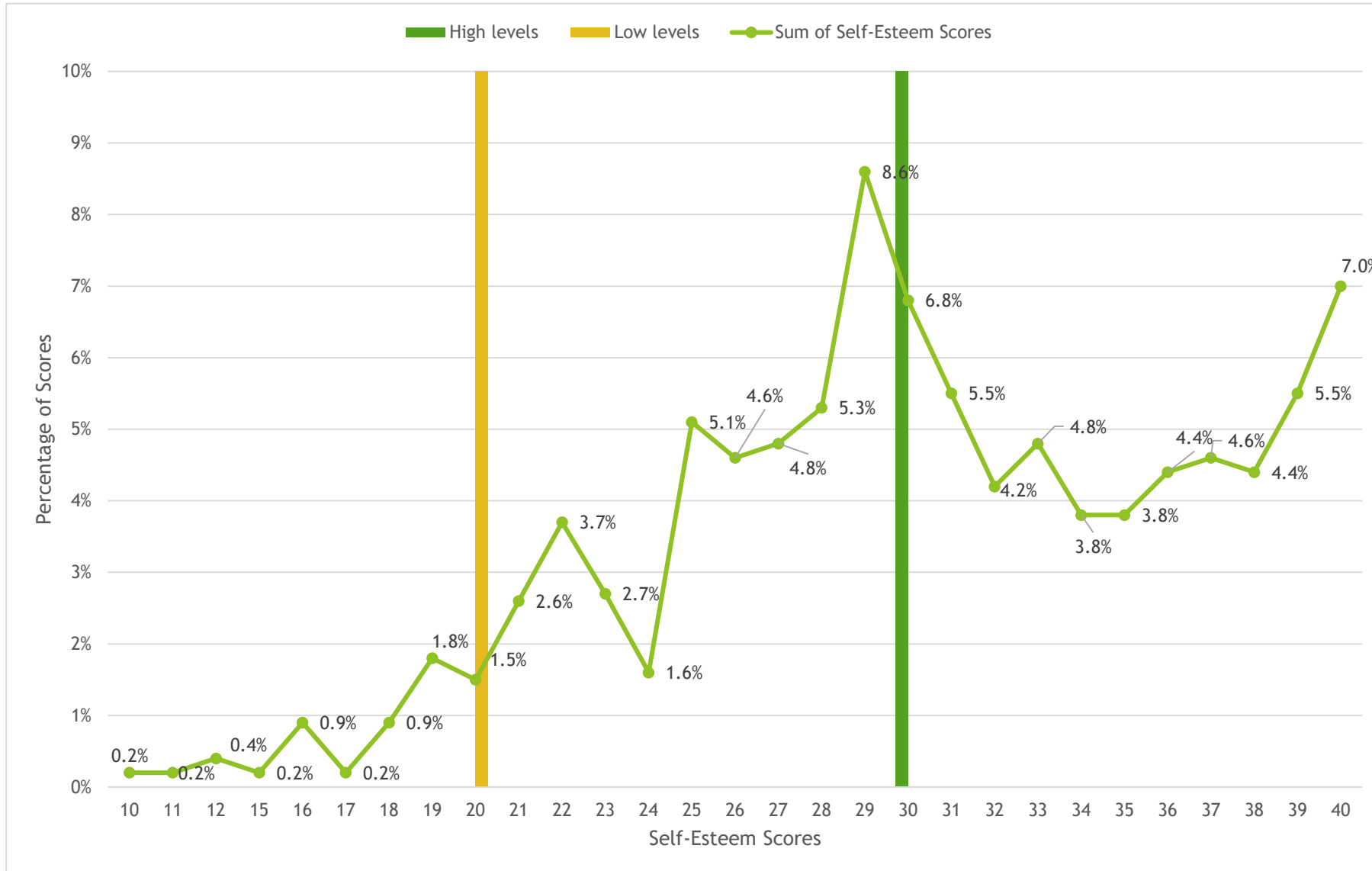
Suicide

- ▶ 29.7% reported they have seriously considered suicide at some point in their lives, a slight increase over 2013 (25.2%) and more than double general pop (12.1%)
- ▶ 46.2% seriously thought about suicide in the past year, increase over the 2013 rate (30.7%) and three times the rate of general pop.
- ▶ Over 1/3 of LGBT adults who've considered suicide have attempted and 7 participants in the current sample have attempted suicide within the past year.

Loneliness

- ▶ 20.9% high levels of loneliness on the ULS-8 scale - 1 out of 5 participants
- ▶ 44.3% had scores indicating lower levels of loneliness, indicative of positive social support and connectivity.
- ▶ The average loneliness score in the current study was 17.9, while the 2013 study average loneliness score was 15.4

Figure 11. Distribution of Self-Esteem Scores

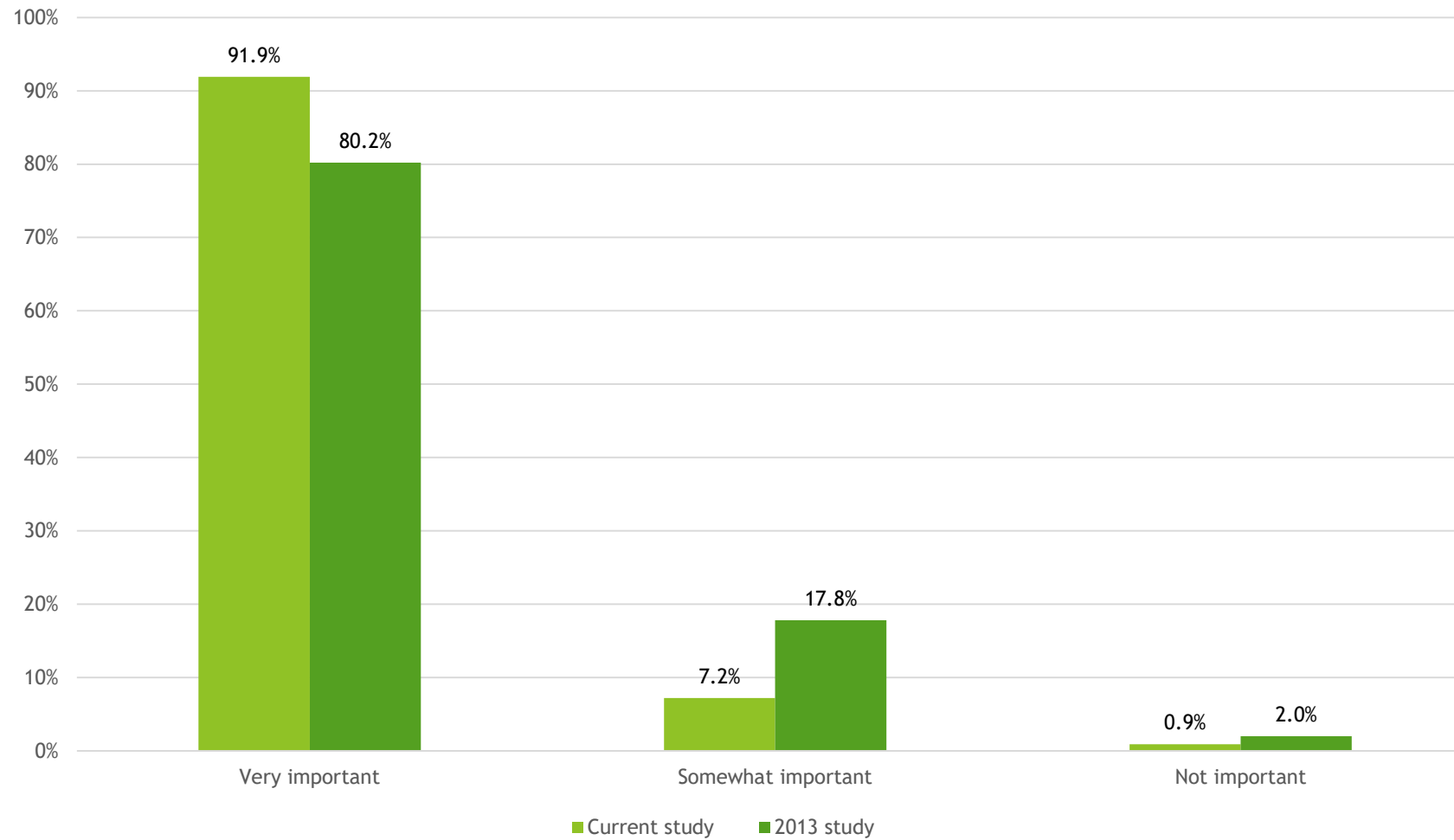


Note: $n = 546$.

Self-Esteem

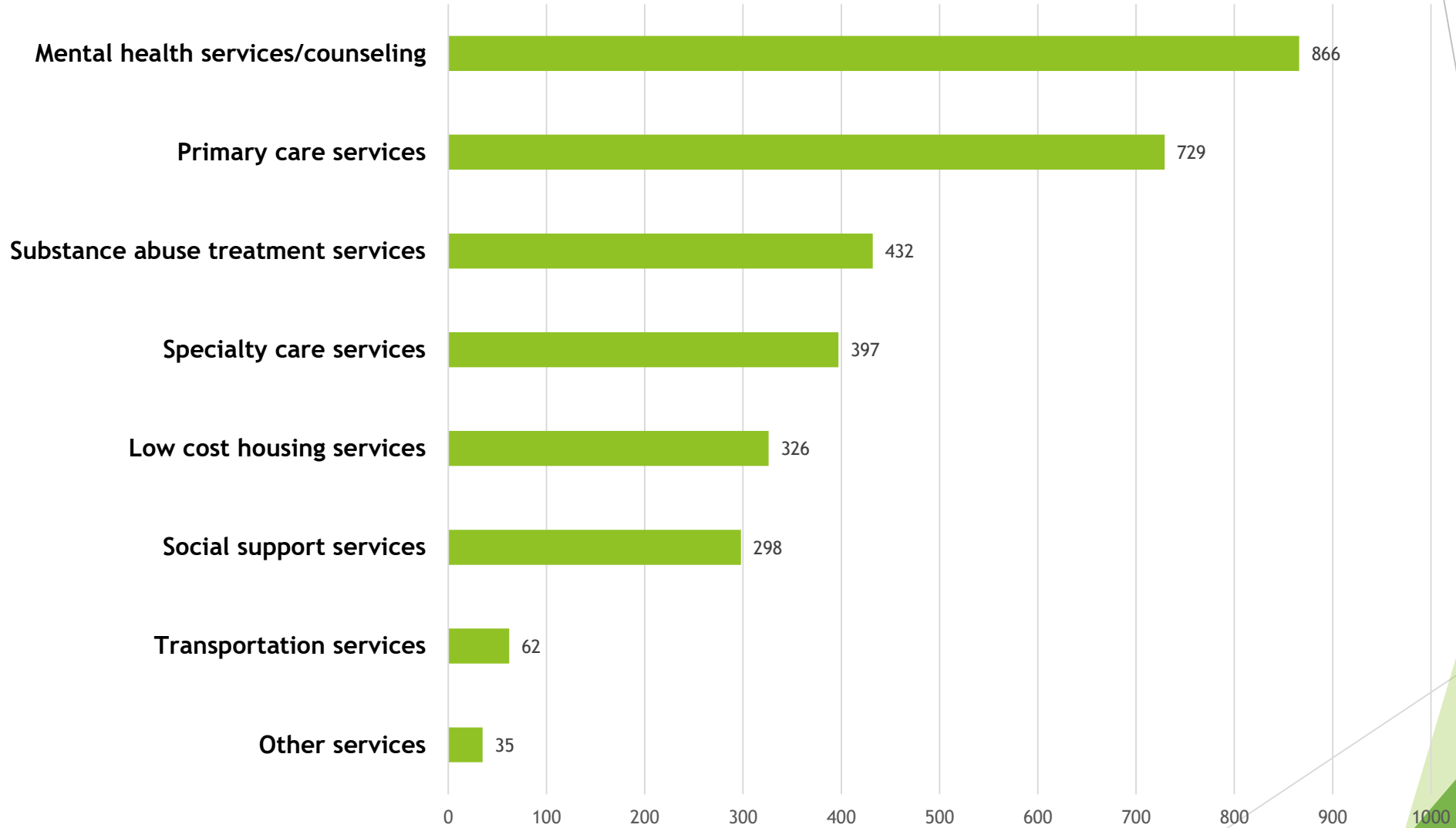
- ▶ 6.2% of participants low self-esteem on Rosenberg Self-Esteem Scale
- ▶ 54.8% had scores indicating high levels of self-esteem.
- ▶ The average self-esteem score 30.4 vs. 2013 study average 33.2

Figure 12. Importance of Low-Cost LGBT-Specific Counseling



Note: Current study $n = 529$; 2013 study $n = 706$

Figure 13. Most Needed Health Services for the LGBT Community



Importance of Low-Cost Counseling

- ▶ *“How important is it to the Coachella Valley to have low-cost counseling services specifically for the LGBT community?”*
 - ▶ **98% -very or somewhat important vs. 2013 study percentage (80.2%).**
- ▶ *“Please rank, in order of importance, the top three services you believe are the most needed for the LGBT community in the Coachella Valley.”*
 - ▶ **#1: “mental health services/counseling**
 - ▶ **#2: primary care services**
 - ▶ **#3: substance abuse treatment services**

Compared to 2013, “substance abuse treatment services” rose from the #6 need to the #3 need, indicating an emerging need.

Conclusion

- ▶ Need for mental health services has increased since 2013.
- ▶ The most-needed services:
 - ▶ **mental health services/counseling,**
 - ▶ **primary care,**
 - ▶ **substance abuse treatment**
- ▶ Major barriers to receiving mental health treatment:
 - ▶ **Expense**
 - ▶ **Stigma**
 - ▶ **Accessibility (where to go)**
- ▶ **Suicidal ideation** remains high among the LGBT community
- ▶ Future focus:
 - ▶ **provide more low-cost mental health services,**
 - ▶ **reduce stigma,**
 - ▶ **reduce suicide risk in the older LGBT community.**

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Of Counsel
JAMES R. DODSON

DATE: September 20, 2019

TO: Board of Directors
Dr. Conrado Barzaga, CEO

FROM: Jeffrey G. Scott, General Counsel

RE: Legislative Update 2019

AB 1184 (Gloria): Public Records Email Retention

AB 1184 has passed the Senate and is being sent to the Governor's desk for final action. If not vetoed by the Governor, this bill would mandate that local agencies retain all emails related to agency business for two years. While the bill does not create any additional disclosure requirements, it will increase the cost for Districts to store thousands of additional emails. A number of local agencies including cities and counties oppose the bill and have sent letters to the Governor asking him to veto the bill.

AB 1486 (Ting): Surplus Property

AB 1486 will expand the Surplus Land Act requirements for local agencies and requires local agencies when disposing of surplus land to first offer it for sale or lease for the purpose of developing low- and moderate-income housing with the first priority given to affordable housing for lower income seniors or disabled persons or households. The bill also requires each local agency, on or before December 31 of each year, to make an inventory of all lands it holds, owns, or controls, including a description of each parcel found to be in excess of its needs. ACHD initially opposed the bill but amendments were made that would allow Healthcare Districts to sell land that furthers the Healthcare District's purpose without additional requirements. The bill has passed the Senate and is headed to the Governor's desk.

SB 227 (Leyva): Nurse Patient Ratios

SB 227 would require periodic inspections of hospitals by the Department of Public Health to include review of compliance with nurse staffing ratios and reduces administrative penalties for nurse staffing ratio violations of \$15,000 for a first violation and \$30,000 for each subsequent violation. The bill will also provide a safe harbor for hospitals that prevent the hospital from being subject to administrative penalties if the hospital can demonstrate that any fluctuation in required staffing levels was unforeseeable and that prompt efforts were made to maintain required staffing levels and that in making those efforts, the hospital immediately used and exhausted its on-call list of nurses. If signed, the bill would undermine the current authority of the Department of Public Health to regulate this ratio.

The Governor has until October 13, 2019, to sign or veto bills. Those bills that are signed or not vetoed will take effect January 1, 2020, unless otherwise stated. The Legislature will reconvene on January 6, 2020, to begin the second year of a two-year session.