



DESERT HEALTHCARE DISTRICT
Finance, Legal, Administration, & Real Estate Committee
April 10, 2024

The Finance, Legal, Administration, & Real Estate Committee of the Desert Healthcare District will be held at 5:00 PM, Wednesday, April 10, 2024, via Zoom using the following link:
<https://us02web.zoom.us/j/83743788340?pwd=VXljcEdUMWtLa3NvdHd3SGRXa0Mzd09>
Password: 108761

Members of the public can also participate by telephone, using the following dial in information:
Dial in #:(669) 900-6833 or (888) 788-0099
Webinar ID: 837 4378 8340
Password: 108761

I. CALL TO ORDER

II. APPROVAL OF AGENDA

III. PUBLIC COMMENT

At this time, comments from the audience may be made on items not listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Committee has a policy of limiting speakers to not more than three minutes. The Committee cannot take action on items not listed on the agenda. Public input may be offered on an agenda item when it comes up for discussion and/or action.

IV. APPROVAL OF MINUTES

- 1. F&A Meeting Minutes – March 13, 2024 – Pg. 3-6 **ACTION**

V. INTERIM CEO REPORT

- 1. None presently

VI. CHIEF ADMINISTRATION OFFICER’S REPORT – Pg. 7 Information

- 1. LPMP Leasing Update – Pg. 8

VII. FINANCIAL REPORTS - None

VIII. OTHER MATTERS

- 1. Consulting Services Agreement – Regional Government Services Human Resources Consultant – NTE \$40,000 – Pg. 9-43 **ACTION**
- 2. Consulting Services Agreement – Success for Nonprofits – Feasibility Study for Director Development – NTE \$6,000 – Pg. 44-50 **ACTION**
- 3. Small Non-Profit Grantee Audits – Coachella Valley Accounting & Auditing - \$6,500 per audit – Pg. 51-55 **ACTION**
- 4. Exempt Status from Single Audit Reporting for FY 2022-23 – Pg. 56-57 Information Information
- 5. 2023 CAM Reconciliation – Las Palmas Medical Plaza– Pg. 58-59
- 6. Security Agreement – Addendum #1 – Extension to May 31, 2025 – Pg. 60-61 **ACTION**
- 7. Consulting Services Agreement – Van Surveying, Inc. – Flooding Surveying - \$13,200 – Pg. 62-67 **ACTION**
- 8. Las Palmas Medical Plaza – Lease Renewal – DRMC -Suite 2E-107 – 5 years – Pg. 68-96 **ACTION**



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- 9. Environmental Health Summit – Pg. 97
 - a. Project Budget - \$75,000 Sponsorship Commitment from DHCD – Pg. 98-100
 - b. Westin Service Agreement – Items Included in Project Budget – Pg. 101-108
- ACTION
ACTION**

IX. ADJOURNMENT

The undersigned certifies that a copy of this agenda was posted in the front entrance to the Desert Healthcare District offices located at 1140 North Indian Canyon Drive, Palm Springs, California, and the front entrance of the Desert Healthcare District office located at the Regional Access Project Foundation, 41550 Eclectic Street, Suite G 100, Palm Desert, California at least 72 hours prior to the meeting.

If you have any disability which would require accommodation to enable you to participate in this meeting or translation services, please email Andrea S. Hayles, Special Assistant to the CEO and Board Relations Officer, at ahayles@dhcd.org or call (760) 567-0298 at least 24 hours prior to the meeting.

Andrea S. Hayles

Andrea S. Hayles, Board Relations Officer



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
March 13, 2024

Directors Present via Video Conferencing

District Staff Present via Video Conferencing

Absent

Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Chris Christensen, Interim CEO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Eric Taylor, Accounting Manager Andrea S. Hayles, Board Relations Officer	Chair/Treasurer Arthur Shorr
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AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Director De Lara called the meeting to order at 5:09 p.m. in the absence of Director Shorr. The meeting adjourned and reconvened at 5:11 p.m. due to technical difficulties.	
II. Approval of Agenda	Director De Lara asked for a motion to approve the agenda.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the agenda. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting February 14, 2024	Director De Lara motioned to approve the February 14, 2024.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the February 14, 2024, meeting minutes. Motion passed unanimously.
V. Interim CEO Report	Chris Christensen, Interim CEO, described the CEO executive search, stating that in the past, the District reimbursed candidates for their travel expenses while ensuring the most reasonable compensation – \$2,500 maximum expenses.	
VI. Chief Administration Officer Report		

DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
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<p>1. Las Palmas Medical Plaza Leasing Update</p>	<p>Mr. Christensen described the two vacant suites and the occupancy rate of 94%.</p>	
<p>VII. Financial Reports</p> <ol style="list-style-type: none"> 1. District and LPMP Financial Statements 2. Accounts Receivable Aging Summary 3. District – Deposits 4. District – Property Tax Receipts 5. LPMP Deposits 6. District – Check Register 7. Credit Card – Detail of Expenditures 8. LPMP – Check Register 9. Retirement Protection Plan Update 10. Grant Payment Schedule 	<p>Mr. Christensen reviewed the February financial statements with the committee, highlighting the CEO Discretionary Fund with an over budget of \$14k; thus, requesting additional funding. Further, Mr. Christensen reviewed the property tax revenue of \$1.3M, exceeding the budgeted amount, and the gains in the investment accounts while responding to other questions from the committee related to the Profit & Loss Budget vs. Actual and a lengthy discussion about the CEO Discretionary Fund and the CEO’s authority and criteria versus a board member request.</p> <p>Director De Lara recused and excluded herself from the motion for Check Register #3073 – NPO Centric.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the February 2024 financials – items 1-10 and forward to the Board for approval with the recusal of Director De Lara’s vote of Check Register #3073 – NPO Centric. Motion passed unanimously.</p>
<p>VIII. Other Matters</p> <ol style="list-style-type: none"> 1. Program Associate Job Description 	<p>Mr. Christensen described the Program Associate position as a higher level of support for the Chief Program Officer, Chief of Community Engagement, and Senior Program Officer to</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the Program Associate Job Description and forward to the Board for approval. Motion passed unanimously.</p>

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<p>2. Temporary Employment Agreement – Chloe Vartanian, UC Berkeley Spring 2024 Graduate – 8 weeks commencing May 13, 2024</p>	<p>assist with the strategic plan goals, request for proposals, involvement with the grantees results-based accountability, and the Foundant grant-making software.</p> <p>Mr. Christensen described the background and challenges with Health Career Connections (HCC), such as scheduling conflicts for the internship. As a result, Chloe Vartanian would enter into an 8-week internship with a temporary employment agreement. However, at the committee’s direction, staff communicated to HCC the District’s support of funding an intern at another agency, which is in progress and an agency identified.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the Temporary Employment Agreement – Chloe Vartanian, UC Berkeley Spring 2024 Graduate – 8 weeks commencing May 13, 2024 and forward to the Board for approval. Motion passed unanimously.</p>
<p>2. Property Management/Maintenance Agreement Addendum #3 – INPRO Construction, Inc. – 4% increase from \$11,485/mo. to \$11,944/mo. – Effective May 1, 2024, through April 30, 2025</p>	<p>Mr. Christensen described INPRO Construction’s work as the property manager at the Las Palmas Medical Plaza, the addendum to the agreement, and an increase of 4% through April 30, 2025. After discussion, the committee approved a 3% increase in the agreement renewal.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the Property Management/Maintenance Agreement Addendum #3 – INPRO Construction, Inc. – recommending a 3% increase from \$11,485/mo. to \$11,829/mo. – Effective May 1, 2024, through April 30, 2025, and forward to the Board for approval. Motion passed unanimously.</p>

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<p>3. Consulting Services Agreement Extension – CV Strategies – \$25,000 Increase for Professional Services</p>	<p>Mr. Christensen described the professional services of CV Strategies since October 2023, with the \$25k expended to date.</p> <p>The committee inquired about a timeframe of six months for expending another \$25k, whether the excess in hours was unanticipated, and requested a summary of the billable hours forwarded to the board and committee.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the Consulting Services Agreement Extension – CV Strategies – \$25,000 Increase for Professional Services with the inclusions of a summary of the billable hours with a timeline for the expenditures and forward to the Board for approval. Motion passed unanimously.</p>
<p>4. CEO Discretionary Fund Increase of \$15,000 (totaling \$65,000) through the end of fiscal year June 30, 2024</p>	<p>Mr. Christensen described the annual budget, \$40k expended through September, and the requested increase of \$15k until the new fiscal year totaling \$65k for the CEO Discretionary Fund.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the CEO Discretionary Fund Increase of \$15,000 (totaling \$65,000) through the end of fiscal year June 30, 2024 and forward to the Board for approval. Motion passed unanimously.</p>
<p>IX. Adjournment</p>	<p>Chair Shorr adjourned the meeting at 6:00 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>

ATTEST: _____
Leticia De Lara, Director, Board of Directors
Finance & Administration Committee Chair
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer



Chief Administration Officer's Report

April 10, 2024

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

94.1% currently occupied –

Total annual rent including CAM fees is **\$1,477,698**.

Leasing Activity:

2 suites (1W-104, & 2W-103/104) are now vacant and available for lease. Rob Wenthold, our broker, will be showing the suites to prospective tenants.

Las Palmas Medical Plaza

Unit Rental Status

As of April 1, 2024

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To							CAM		
											\$ 0.86		
1W, 104	Vacant					1,024	2.07%						
2W, 103-104	Vacant					1,878	3.81%						
Total - Vacancies						2,902	5.88%						
Total Suites - 32 - 30 Suites Occupied		\$57,492.84				49,356	94.1%	\$ 83,194.46	\$ 998,333.52	\$ 1.79	\$ 39,947.00	\$ 123,141.46	\$ 1,477,697.52
Summary - All Units													
			Occupied	46,454	94.1%								
			Vacant	2,902	5.9%								
			Pending	0	0.0%								
			Total	49,356	100%								



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Board of Directors
Subject: Consideration to Approve a Consulting Services Agreement for Regional Government Services to provide human resources assessment and services. NTE \$40,000

Staff Recommendation: Consideration to approve a consulting services agreement with Regional Government Services to provide human resources assessment and services. NTE \$40,000

Background:

- The Board recently approved an RFP for the District to engage the services of a human resources consultant to oversee the important HR functions of the District.
- The RFP produced 2 proposals. HR Advantage and Regional Government Services.
- Regional Government Services, who provides services several special districts, provides the most comprehensive and complete services in response to the RFP.
- Scope of services will include:
 - a. Assessment of the District's current HR program and recommendations for improvement. NTE \$30,000
 - b. HR consultative support directly to the CEO and General Counsel. NTE \$10,000
- Included in the packet for review and consideration of approval is the consulting services agreement and proposal.
- Staff recommends approval of the consulting services agreement with Regional Government Services.

Fiscal Impact:
NTE Exceed \$40,000

CONSULTING SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is entered into by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and Regional Government Services Authority, (“Consultant”) as follows:

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

1. District would like to retain the professional services of Consultant to provide review, development, and sustainment of human resource program services.
2. Consultant is a reputable human resource consultant, 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 all labor, materials, equipment, and incidentals necessary to fully and adequately provide the District with the professional services described in the Consultant Proposal. All Services shall be performed by Consultant to the reasonable satisfaction of the 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 and Foundation’s Representative. For purposes of this Agreement, the District and Foundation’s Representative shall be District’s Interim Chief Executive Officer Chris Christensen, 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. For the full and satisfactory performance of the Services, District shall compensate Consultant a Not To Exceed amount of \$40,000, plus customary expenses.

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

2.3 Payment. The 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 until December 31, 2024, subject to Section 1.3 above or the District's right to terminate sooner for convenience.

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 15-days written notice to Consultant of its intention to terminate the Agreement for convenience. So long as Consultant is not in default under this Agreement at the time of such termination, District shall pay Consultant for all Services incurred upto and including the date of termination. Notwithstanding any other provision of this agreement, Consultant may terminate this agreement, at any time, without cause, by giving at least 30 (thirty) days' prior written notice to the District.

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. Further, District confirms that Consultant employees are not assuming and are not expected to assume any District staff position(s).

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 ("Work Product") 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. Any use of Work Product for other projects and/or any use of uncompleted documents without specific written authorization from Consultant will be at District's sole risk and without liability or legal exposure to Consultant and District shall indemnify and hold harmless Consultant from all claims, damages, losses and expenses, including attorneys' fees arising out of or resulting therefrom.

6. INDEMNIFICATION.

Consultant agrees to indemnify and hold the District and Foundation, its governing body, officers, employees, representatives, agents, successors and assigns (collectively the District/Foundation 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 the District or the District/Foundation 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 days after mailing by certified, return receipt requested, to the following addresses:

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

To: Consultant
Regional Government Services Authority
Attention: Sophia Selivanoff, Executive Director
P.O. Box 1350
Carmel Valley, CA 93924
E: contracts@rgs.ca.gov

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 the District. Nothing in this Agreement shall obligate the District to give such consent. Any purported assignment without the 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: _____
Chris Christensen, Interim CEO

Date: _____

“Consultant”:

Regional Government Services Authority

By: _____
Sophia Selivanoff, Executive
Director

Date: _____



PROPOSAL

Desert Healthcare District & Foundation

Human Resources Support Services

February 2024





February 2, 2024

Chris Christensen, Interim Chief Executive Officer
Desert Healthcare District & Foundation
1140 N. Indian Canyon Drive
Palm Springs, CA 92262

**RE: PROPOSAL TO THE DESERT HEALTHCARE DISTRICT & FOUNDATION TO PROVIDE
REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM
SERVICES**

Dear Mr. Christensen,

Regional Government Services (RGS) is pleased to submit this proposal to the Desert Healthcare District & Foundation to provide Review, Development, and Sustainment of Human Resources Program Services. RGS is a unique, fee-supported, Joint Powers Authority specializing in public-sector administration and consulting services. RGS serves public agencies and their non-profit public benefit partners and employs experienced public-sector professionals to assist our partner agencies. Since 2002, RGS has served nearly 400 public agencies throughout the State of California.

Proposing an initial project for the Desert Healthcare District & Foundation, RGS will conduct a comprehensive Human Resources Needs Assessment to evaluate the current HR practices and processes, as well as identify gaps. This assessment involves document reviews, interviews with key personnel, and an analysis of administrative systems, covering areas such as organizational charts, policies, and HR administrative systems.

The outcome will be a comprehensive report offering recommendations to enhance regulatory compliance, administrative effectiveness, and workforce engagement. RGS commits to completing the HR needs assessment and recommendations within six months after the agreement's execution, with flexibility based on the preferences of the District and Foundation. The information gathered will inform a second optional project, detailing the scope, timeline, and cost for specific HR services or projects as per the District and Foundation's priorities.

The lead advisor and point of contract for these services is Betsy Adams. She can be reached at (650) 587-7300 ext. 43 or via badams@rgs.ca.gov. We look forward to hearing from you soon.

Sincerely,

Sophia Selivanoff, Executive Director
REGIONAL GOVERNMENT SERVICES

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

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REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

FIRM OVERVIEW

REGIONAL GOVERNMENT SERVICES

P.O. Box 135

Carmel Valley, CA 93924



Regional Government Services (RGS) is a California Joint Powers Authority (JPA) serving the needs of public agencies—cities, counties, special districts, and other governmental entities, since 2002.

RGS works collaboratively with public agencies, providing a ready source of skilled and effective administrative best practices and support for operational delivery. In addition to offering expertise in the design and delivery of core agency administration, including executive management, transparent governance, finance, and human resource administration, RGS offers consulting services in strategic planning, project management, public works, and land use policy and projects, engagement and communications, and local and regional economic development. RGS currently serves approximately one hundred public agencies.

RGS is a streamlined organization of consultants who work virtually—or within our partner agency offices on an as-needed basis. Our unique network of geographically distributed employees provides a highly flexible service delivery system that reduces overhead and expands our ability to provide high-quality services throughout the state, as well as competitive pricing.

The RGS team of nearly 200 employees possesses a wide range of technical expertise as well as extensive management and executive experience in California public agencies. RGS prides itself on delivering accurate, professional products and services, developing, and meeting appropriate project timelines, and providing clear, honest, and compassionate communications, thus promoting good relations with stakeholders at all phases of a client's project.

Our Executive Director, Sophia Selivanoff, has worked with RGS since 2009 and works closely with our leadership team to ensure outstanding delivery of all RGS services and to develop new services, business partners, and knowledge resources to support our public agency partners.

RGS is uniquely qualified to provide HR services based on our specific and substantial expertise and experience working with public agencies throughout California and the flexible and scalable services provided by our team of public sector HR professionals. RGS has a proven track record of working with local government agencies to successfully deliver effective HR management systems and administration in organizations.

The primary contact person for services under this proposal is:

Betsy Adams, Interim Human Resources Services Director, Project Supervisor/Client Liaison

Tel: (650) 587-7300 ext.43 Email: badams@rgs.ca.gov

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

PROJECT TEAM

RGS staff prides itself on its ability to provide clear, honest, and effective communications, all of which help to promote good relations with stakeholders throughout our process. As appropriate, additional RGS Advisors will be brought onto the team for specific tasks. Resumes for the proposed project team are provided in Appendix C of this proposal. RGS does not utilize subcontractors.

If selected, Betsy Adams, Interim Human Resources Services Director, will serve as the project supervisor/client liaison to ensure the team has the resources needed for the project and that the project is on target to meet deadlines. Ms. Adams has more than 25 years of municipal experience at department director and executive levels and brings the ability to oversee the success of large, complex projects.

Two Senior Advisors will serve as Co-Project Managers and will be the project's primary point of contact. These Senior Advisors will work directly with the City's team's points of contact on policy review and creation. Additionally, they will coordinate all the work done by the RGS team.

Cherie Johnson will serve as one of the Project Managers. Ms. Johnson has over 25 years of HR experience in the public and private sectors, including municipal experience. Throughout her career, Ms. Johnson has served in professional leadership roles and has extensive experience developing and implementing policies.

Charley Howard will serve as one of the Co-Project Managers. Mr. Howard has over 35 years of public agency HR experience, including municipal experience. Mr. Howard understands all aspects of HR and the interaction within HR and the overall agency to create an effective partnership. Mr. Howard is a strong communicator with extensive experience developing and implementing policies and procedures.

Advisor Susanne St. Clair will serve as Project Advisor. Ms. St. Clair has over 34 years of HR experience in the public, non-profit, and private sectors and holds a Juris Doctorate. She has extensive experience in revising and developing personnel policies and personnel manuals, including many for special districts.

Advisor Judy LaPorte will also serve as Project Advisor. Ms. LaPorte has over twenty years of senior-level management experience in public sector agencies. Before joining RGS, Ms. LaPorte served in senior management positions in county, city, and special district government and has experience as an executive recruiter for public agencies.

Technical Specialist Matthew Jadrich will provide technical support to the RGS project team. His primary role is to finalize the layout of the policy review and creation report.

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

SCOPE OF SERVICES

The District is seeking: A) a one-time review of its current human resource system and programs, with recommendations for improvement. During this review project, a second service to be provided is B) HR consultative support directly to the CEO and General Counsel. Additionally, the District notes a number of potential and ongoing services and projects that are possible or desired results of the review. RGS is prepared to engage in a second project phase, C, that of developing and implementing prioritized recommendations. Pricing of this phase can only be determined after the assessment is complete, and recommendations are prioritized and adopted by the District.

This set of services requires the engagement of a knowledgeable and experienced team deeply versed in the unique facets of both public sector and non-profit HR practices in California. The RGS team brings just this expertise--in HR laws, processes, and systems—to both public agencies and public benefit non-profits to ensure effective HR administration, and compliance with state, federal, and local law. Proposed services to facilitate the District and Foundation’s accomplishment of these objectives include:

A. REVIEW OF THE DISTRICT’S CURRENT HR PROGRAM AND RECOMMENDATIONS FOR IMPROVEMENT

RGS takes a holistic approach to HR assessments since each agency is unique in its work culture, services, and community. In the case of a public agency sharing staff with a 501(c)3 organization, employer of record clarity will also be an important factor, as there are different requirements for these different types of organizations. RGS will consider these factors when analyzing and making recommendations. RGS will be available to help plan, facilitate, and participate in a communication plan or employee meetings to communicate the timeline, and process, and to answer questions. A summary of agencies where RGS has provided HR assessments and other similar assessments is provided in Appendix A of this proposal.

For the Desert Healthcare District & Foundation, RGS proposes an evaluative review of the HR practices and processes listed in the RFP to ensure compliance with mandated employment regulations and achieve an effective human resources administrative system to support a competent workforce and engaging work culture. It is anticipated that items from the list of specific services identified in the District and Foundation’s RFP will be addressed in the analysis and recommendations from the HR assessment.

To conduct this assessment, a team of RGS HR Advisors will review written policies and procedures and other relevant documents and records to evaluate the District and Foundation’s alignment with a range of requirements and best practices and to acquire an understanding of

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

the competence and functionality of Districts and Foundation's human resources management structure and systems. In addition, RGS will interview key staff, either individually or in small groups, to develop an understanding of the communication channels, working relationships, and cultural dynamics that affect the delivery of District and Foundation's HR services.

Key elements, which may be included in this review, are listed below. The final scope, order, and timing will be determined by District and Foundation's priorities and availability of staff.

1. Review of Existing Administrative and Key HR Policy Documents

- Organizational chart
- Job descriptions/Areas of responsibility
- Budget and salary schedules
- Contracts with third-party administrators, and consultants

2. Review of Key HR Policy Documents

- Personnel ordinance(s) or other locally established legal foundations of HR systems
- Personnel rules and/or employee handbook
- HR administrative policies and procedures
- Payroll manuals and benefit administration policies
- Memoranda of understanding with employee groups/compensation resolutions
- Governance policies, mission and vision statements, and strategic plans

3. Interviews

- Agency chief executive
- Key administrative managers/department heads
- Key HR transactional staff
- Other staff, as requested by the District and Foundation.

4. Review of HR Administrative Systems

In addition to document review, the data about the following administrative practices and systems may be evaluated through a combination of interviews and reviews of operational documentation:

- Records Creation and Retention
- On-line systems – access and functionality
- Paper files – locations, access, and duplication
- Assignment of administrative responsibilities and staffing allocations
- Employment risk management practices
- Recruitment and hiring practices
- Succession planning and retention strategies

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

- Employment practices and procedures
 - Performance management and accountability
 - Leave management
 - Salary and Benefits Administration
 - Retirement, terminations, and resignations
- Organizational ethics, workplace behavior, and employee perceptions
- Formal and informal communications systems
- Operational accountability

5. Analysis

RGS will analyze and offer recommendations regarding:

1. Existing organizational services
2. Unmet organizational needs
3. Opportunities for positive change, developing resource partnerships, and the right-sized and sustainable HR program

The key outcome of this evaluative review will be a written report presenting a “big picture” assessment of existing HR management practices and systems for the District and Foundation’s review, including recommendations or alternatives for developing or improving HR practices to increase regulatory compliance and administrative effectiveness, attraction and engagement of a skilled workforce, and cultural support of both.

As agreed with the District and Foundation, RGS will conduct the HR needs assessment and develop the set of recommendations within six (6) months after the execution of an agreement for these services. If the District and Foundation prefer a different schedule, RGS will be happy to discuss alternatives. The proposed 6-month schedule follows:

HR Needs Assessment Schedule	Tentative Dates	Responsible Party
1. Virtual kick-off meeting with District & Foundation’s points of contact to discuss project	Week 1	District/RGS
2. Request and receive all pertinent District materials	Weeks 2-5	District/RGS
3. Review of materials received	Weeks 6-9	RGS
4. Interviews with District staff via video conference and onsite (may include onsite review of HR documents & systems)	Weeks 10-14	District/RGS
5. Review and analysis of information and develop recommendations	Weeks 15-19	RGS
6. Prepare draft HR assessment for District to review	Weeks 20-22	RGS

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

HR Needs Assessment Schedule	Tentative Dates	Responsible Party
7. RGS submits draft HR assessment report to District for review	Week 23	RGS
8. District returns draft HR assessment report to RGS with suggested edits	Week 25	District
9. RGS submits final HR assessment report to District	Week 26	RGS

COST ESTIMATE FOR PROPOSED HR ASSESSMENT PROJECT

At RGS, we bill only actual hours attributable to the project at the bill rates provided below. Work is performed as agreed and subsequently billed each month based on actual hours worked. RGS Advisors are skilled at prioritizing projects and working within the budget of partner agencies.

The total project for the HR needs assessment would not exceed \$30,000. Mileage, if applicable, will be calculated/invoiced using the current IRS rate. The fee is based on the schedule identified in the scope of services and includes the following work:

- General meetings with District & Foundation's points of contact, including kickoff meeting, emails, and phone contacts
- Project related internal meetings, emails & phone calls of RGS Advisors
- Review of all pertinent District & Foundation documents and systems
- Interviews with District & Foundation staff (remote and possibly in person)
- Review/analysis of information & develop recommendations
- Prepare draft HR assessment & recommendations for District & Foundation review
- Finalize/submit HR assessment & recommendations to District & Foundation

Information from this HR needs assessment would then be used for a second phase to develop the scope, timeline, and cost for specific HR services and/or projects determined by the District and Foundation, including the specified services listed in the RFP.

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

B. HR CONSULTATIVE ADVICE SERVICES

In addition to the HR assessment, RGS can provide the District and Foundation with optional on-call HR services during the duration of the HR assessment, which is anticipated to be six (6) months, for a not-to-exceed estimate of \$10,000. A summary of the range of consultative HR services RGS provides is listed in Appendix B. On-call consultative advice and associated deliverables would be performed as agreed and subsequently billed each month based on actual hours worked.

Human Resources Assessment	Estimated Costs
A. HR assessment and recommendations	\$30,000
B. Optional on call human resources consulting for duration of HR assessment	\$10,000
Total Estimated Cost (Not to Exceed)	\$40,000

C. OPTIONAL: IMPLEMENTATION OF HR IMPROVEMENT RECOMMENDATIONS

Information from this HR needs assessment should be used for a second project, scope, and cost TBD, to develop the workplan and implementation timeline for specific HR tools, services and/or programs as prioritized by the District and Foundation, including the specified services listed in the RFP. RGS is prepared to provide price estimates and engage in implementation projects as desired.

RGS BILL RATES

Work is performed as agreed, and subsequently billed each month based on hours actually worked. RGS bill rates are as follows:

Title	Hourly Rate
Strategic Services Consultant	\$176
Senior Advisor	\$150
Advisor	\$128
Technical Specialist	\$114
Administrative Specialist	\$102

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

REFERENCES AND RELATED EXPERIENCE

RGS consultants have conducted more than 30 organizational assessments for public agencies, all of which have focused on organizational objectives and the structure, staffing, and systems necessary to accomplish those objectives. A complete list of those agencies can be found in Appendix A of this proposal.

In addition to HR assessments, RGS provides a wide variety of HR services to public agencies, including special districts, throughout California. Information on special district references along with a list of special districts for which RGS currently provides HR services follows.

SPECIAL DISTRICT REFERENCES

Citrus Heights Water District

RGS provides ongoing as-needed human resources services to the District in addition to special projects. RGS has conducted a 45-year staffing project assessment and a department-specific assessment with short- and long-term recommendations. RGS also provides as-needed financial services in support of special projects. RGS has worked with the District to develop a performance management system and form. Additionally, RGS provides performance evaluation assistance including working with the Board of Directors to complete the General Manager's annual performance evaluation.

Hilary Straus
General Manager
hsstraus@chwd.org
Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610
(916) 735-7715

West County Wastewater

RGS provides ongoing as-needed human resources services to the District in addition to special projects.

Justin Lovell
Director of Administrative Services
jlovell@wcvwd.org
(510) 222-6700
West County Water
2910 Hilltop Drive
Richmond, CA 94806

Contra Costa Transportation Authority

RGS provides ongoing as-needed human resources services to the District in addition to special projects.

Tarienne Grover, MMC, EMPA
Director, Administrative Services/Clerk of the Board
tgrover@ccta.net
(925) 256-4722
Contra Costa Transportation Authority
2999 Oak Road, Suite 100
Walnut Creek, CA 94597

REVIEW, DEVELOPMENT, AND SUSTAINMENT OF HUMAN RESOURCE PROGRAM SERVICES

Patricia A. Howard
District Manager
dm@bbkucd.org
(925) 625-2279
Byron-Brentwood-Knightensen
Union Cemetery District
PO Box 551
Brentwood, CA 94513

Byron-Brentwood-Knightensen Union Cemetery District

RGS provides ongoing as-needed human resources services to the District in addition to special projects.

Chad Davisson
General Manager
davisson@isd.us.com
Ironhouse Sanitation District
450 Walnut Meadows Drive
Oakley, CA 94561
(925) 625-2279

Ironhouse Sanitation District

RGS provides ongoing as-needed human resources services to the District in addition to special projects. RGS provides employee relations support, disability management, performance management, and classification and compensation studies.

CURRENT SPECIAL DISTRICT CLIENTS FOR HUMAN RESOURCES SERVICES

RGS currently provides on-call HR support to the following special districts unless otherwise noted.

- Alliance of Pest Control Districts
- Bryon-Brentwood-Knightensen Union Cemetery District
- Castro Valley Sanitation District
- Citrus Heights Water District
- Contra Costa Transit Authority
- Feather River Air Quality Management District
- Humboldt Bay Municipal Water District (Compensation Study only)
- Ironhouse Sanitary District
- Madera County Mosquito & Vector Control District
- Marina Coast Water District
- Marina Municipal Water District
- Marin Wildfire Prevention Authority (Recruitment only)
- Marin Sonoma Mosquito & Vector Control District
- Monterey Peninsula Water Management District
- Nevada County Consolidated Fire District
- Regional Water Authority
- San Miguel Community Services District (Classification Study only)
- Santa Ynez River Water Conservation District, ID No. 1 (Recruitment only)
- Solano County Water Agency
- Tri-Valley–San Joaquin Valley Regional Rail Authority
- West County Wastewater
- West Valley Sanitation District

APPENDIX A – RGS ASSESSMENTS EXPERIENCE

RGS ASSESSMENTS EXPERIENCE

Since 2012, RGS consultants have conducted more than 30 organizational assessments for public agencies, all of which have focused on organizational objectives and the structure, staffing, and systems necessary to accomplish those objectives. The following studies are illustrative of several of the strengths of RGS’ Advisors—a deep understanding of organizational and human behavior; an ability to identify key strategic issues linked to organizational mission success; and the development of a practical set of sequenced actions that can be completed to move organizations toward improved and effective outcomes, both operationally and culturally. RGS Advisors and the client organization adapt strategies and persist in finding meaningful data and discovering valuable solutions together.

RGS’ role in each of the assessments has been to develop and lead the assessment process, identify strengths and gaps, and develop short- and long-term recommendations. During the process, RGS partnered with the organization, met, and provided updates as needed, and ensured the organization understood the process. Additionally, as requested, RGS presented the organization study to the organization’s governing body.

Human Resources Assessments	Other Assessments
1. City of Yountville (2023)	1. Sacramento Area Sewer District (2024) – Finance Staffing
2. City of Compton (2020, HR Audit)	2. Sacramento Area Sewer District (2023) – HR Staffing
3. City of Del Rey Oaks (2020)	3. City of South Lake Tahoe (2023) – Parks & Recreation Operations & Staffing
4. Gold Ridge Fire Protection District (2019)	4. Citrus Heights Water District (2021) – Water Efficiency Division
5. Access Services (2018)	5. Citrus Heights Water District (2020) – Long-Range Staffing
6. City of San Anselmo (2018)	6. Las Gallinas Valley Sanitary District (2020) – Core Functions Analysis
7. City of South Lake Tahoe (2018)	7. City of Concord (2018) – Finance with Reorg & Reclasse Components
8. West County Wastewater District (2018)	8. City of South Lake Tahoe (2020) – Community Development Operations & Staffing
9. City of Dublin (2017, HR Audit)	9. City of South Lake Tahoe (2019) – Public Works Operations & Staffing
10. City of San Jacinto (2017)	10. City of Ukiah (2018) – Payroll Functions
11. City of Sebastopol (2017)	11. Town of Belvedere (2017) – Finance
12. Sonoma County Library Authority (2017, Hiring Functions Only)	
13. City of Arvin (2016)	
14. City of Fairfield (2016)	
15. City of Mill Valley (2016)	
16. City of Patterson (2016)	
17. Central Fire Authority of Sonoma County (2015)	

RGS ASSESSMENTS EXPERIENCE

Human Resources Assessments	Other Assessments
18. San Mateo County Harbor District (2015)	12. Golden Hills Community Services District (2017) – HR and Finance Operations
19. City of Artesia (2014)	13. Solano County Water Agency (2017) – HR & Finance
20. Ross Valley Sanitary District (2014)	14. Placer Mosquito and Vector Control District (2015) – HR and Finance Operations
21. Sacramento Area Council of Governments (2013)	15. City of St. Helena (2014) – All Departments
22. City of Marina (2012)	

APPENDIX B – RGS HUMAN RESOURCES CONSULTING SERVICES

RGS HUMAN RESOURCES CONSULTING SERVICES

RGS can assist the Desert Healthcare District and Foundation's current and future HR needs in the following areas:

- **Employee Relations Administration:** Review, interpret, and apply various provisions of policies, procedures, employment agreements, and compensation resolutions; provide related education and information to employees and supervisors; write clarifying language and obtain agreement to same when needed. RGS can advise managers on the resolution of complaints and disputes, conduct research, prepare documents to support effective problem-solving and facilitate formal and informal communications between employees and/or management to achieve agreements that result in a productive and positive workplace.
- **Personnel Policy and Procedures Development:** Update or develop new policies and procedures consistent with current legal standards and organizational objectives; and develop implementation and training plans for required changes.
- **Benefit Design and Services:** RGS will review, and process pay changes and benefits forms, provide related education and information to employees and supervisors, and address problems with benefit providers and systems. RGS can also work with third-party providers for COBRA benefits.
- **Recruitments:** The RGS Recruitment Team offers comprehensive recruitment, selection, and pre-employment services for public-sector jobs. RGS uses a thorough search and screening approach, based on the best practices of merit selection, and an objective assessment of job-related qualifications and competencies. We collaborate with our partner agencies to achieve a selection of high-quality employees in a timely and cost-effective manner.
- **Classification and Compensation Study:** RGS Classification and Compensation Team conducts classification and compensation studies of all sizes, from assessing a single class or classification series to analysing agency-wide structures. We are skilled at crafting, reviewing, and analysing public sector organizational classification and compensation structures and are familiar with the technical requirements associated with the professions and services of public agencies.
- **Disability and Leave Management Services:** RGS will resolve day-to-day issues that occur in the interpretation and application of complex regulations and systems particularly in the following areas:
 - **Medical Leave Administration:** Identifying pay and benefit requirements and formulating appropriate communications, ensuring legal compliance and recordkeeping, monitoring eligibility, managing modified work issues, and following up as needed with a return to work or end-of-employment planning.

- **ADA Administration:** Identifying a schedule for reviewing and updating essential functions and physical demands contained in job descriptions; serving as the interactive process coordinator; and ensuring appropriate communications and records regarding agreed-upon temporary or permanent accommodations.
- **HR Recordkeeping:** Develop appropriate employment event documentation templates, and recordkeeping systems and standards as needed.
- **Payroll Review:** Review payroll processes and practices to ensure compliance with state and federal laws, and best practices in payroll administration. If needed, RGS does offer payroll services to either process payroll for an agency or work with a third-party provider.
- **Training:** Develop organizational training plans and handle the administration of training on behalf of the organization. RGS can provide legally required training (sexual harassment prevention, etc.) as well as training in performance management, supervisory roles, problem-solving, communication skills, and more as needs are identified and/or training is requested.
- **Selected Employment-Related Risk Management Functions:** RGS can oversee or assist with workers' compensation third-party (TPA) claims management, ensure compliance with HIPAA and other medical privacy laws; and manage administrative leave and fitness for duty situations. RGS may also develop, deliver, and provide training and programs for a variety of employee health, wellness, and safety issues upon request.
- **Strategic Human Resources Planning:** Assess current and long-range organizational needs and priorities and review assigned functions and roles with associated competencies to develop plans and timelines to improve organizational capacity and skills and to enhance organizational and administrative structures.
- **NEOGOV Public Sector HR Software & Management Solutions:** RGS, a NEOGOV partner, supports public entities in their implementation, optimization, maintenance, and training of NEOGOV software modules.

APPENDIX C – RESUMES



Betsy Adams

Strategic Services Consultant/ Interim Human Resources Services Director/Project Supervisor

Ms. Adams joined Regional Government Services as an Advisor in 2020 and is currently serving our partner agencies by providing large project oversight and management as a Senior Advisor. Ms. Adams's executive experience in local government is extensive, and she is a skilled administrator. During her career in local government, which has spanned over twenty-five years, she has served as City Manager, Assistant City Manager, Parks and Community Services Director, Administrative Services Director, Purchasing Manager, and Interim and Human Resources Director.

Ms. Adams has both an MBA and a bachelor's degree in Business Administration.

PROFESSIONAL EXPERIENCE

REGIONAL GOVERNMENT SERVICES

Interim Human Resources Manager/Project Supervisor

In addition to assisting our partner agencies with executive searches, Ms. Adams is available to contribute her broad range of experience in administrating City operations. Past and current assignments include projects with special districts, a municipality, and a county:

Coordinated a multifunctional team of RGS Advisors during a period of significant staff turnover and transition of a General Manager

- Human Resources – hiring and separations, disability leaves, update to benefits including adoption of a Section 125 plan
- Finance – payroll processing, annual operating budget
- Staff reports, board resolutions, coordination with district's labor attorney, work with Board subcommittees, attended board meetings and closed sessions
- Coordinating the RGS Finance Service Group team to provide grant administration and project management for two parks grants
- Providing oversight to ensure compliance
- Served as primary contact with State Parks on the District's grants
Serving as project manager overseeing the RGS Finance Service Group team for projects with a full-service city
- Preparing grant reports including CDBG Reports
- Assisting with bank reconciliations and month-end closes
- Assisting with annual budget preparation
- Updating business license information
- Coordinating the RGS team assisting with the creation of a new centralized Information Technology Department
- Working with county consultant, CIO and HR on organizational structure, job classifications, and compensation



CITY OF GRAND TERRACE

City Manager

Ms. Adams managed all department heads as well as police (contract service) and fire (fire district) with annual budgets totaling \$13 million and 62 employees. She managed redevelopment dissolution activity for the Successor Agency and Housing Authority. In addition, she replaced outdated employee benefits through provider consolidation, reducing employer cost while increasing benefits provided to employees, and oversaw development of \$1.8 million grant-funded park.

CITY OF MORENO VALLEY

Assistant City Manager

Ms. Adams was responsible for providing high-level administrative support to the City Manager and City Council, managing office staff, Financial and Administrative Services, Fire and Police Services, Human Resources, Library Services, Parks, and Community Services. She served as the Employee Relations Officer and Chief Labor Negotiator.

Interim Parks and Community Services Director

Ms. Adams was responsible for managing recreation programs providing after-school programs at forty-three sites and licensed child-care at five sites as well as 380 acres of parkland. She oversaw completion of a thirteen-acre sports park that received the California Park and Recreation Society "Award of Excellence." She managed grants successfully to fund community fitness equipment, upgrades to the senior fitness center, conference center sound and lighting equipment, and a park renovation. In addition, Ms. Adams oversaw a software implementation in conjunction with a comprehensive fee schedule update and provided executive-level support to five City Council-appointed boards and commission.

Administrative Services Director

Ms. Adams directed Animal Services, Media and Communications, Risk Management, Technology Services, Graphic Services, and Volunteer and Disaster Services. She also served as Interim Human Resources Director and as a member of both the labor negotiation team and the budget review committee.

Assistant to the City Manager

In this position, Ms. Adams was responsible for managing the Technology Services Division, Legislative Advocacy, and the Volunteer and Disaster Services Program. She served as the project manager for the implementation of updated ERP software for Finance and Human Resources, established the independent library and was a member of the Emergency Operations Center design team.





Cherie Johnson

Senior Advisor – Human Resources/Co-Project Manager

Cherie Johnson joined Regional Government Services (RGS) as a Senior Advisor in the Human Resources Service Group in 2022. Ms. Johnson has over twenty years' professional leadership experience in both public and private sector agencies. Having served in served in city, quasi-federal, and regional government operations for ten years and human resources administration, recruitment, and staff development positions for twenty years, she is well prepared to provide consulting services in a wide variety of functional areas.

Ms. Johnson has a master's degree in organizational psychology, a bachelor's degree in sports physiology, a labor relations certificate, and is a SHRM Senior Certified Professional.

PROFESSIONAL EXPERIENCE

REGIONAL GOVERNMENT SERVICES

Senior Advisor – Human Resources Manager/Project Manager

Ms. Johnson serves RGS partner agencies as a project leader in professional Human Resources services. She provides a broad range of complex Human Resources support in relation to recruitment, compliance, labor relations, policy interpretation, benefits administration, and operational efficiencies. Her risk management background is a plus as is her data-driven assessment of success.

CITY OF BANNING

Human Resources and Risk Manager

Ms. Johnson was responsible for managing a three-person HR department serving 162 employees in a full-service city. In addition, she managed risk management, investigations, and agency wide COVID response. She was responsible for achieving win-win negotiating solutions with five bargaining units.

ST. CLOUD STATE UNIVERSITY, MINNESOTA

Human Resources Business Partner

Ms. Johnson provided HR services for 250 employees in nine assigned departments or colleges with five MOUs. She managed COVID-19 leaves, early retirement offers, and campus pandemic departure and return protocols.

CITY OF COACHELLA

Human Resources Manager

Ms. Johnson was responsible for a two-person HR department serving 100 employees. As HR Manager, Ms. Johnson implemented a leadership development and learning system to increase equity and accountability, equitable performance management and disciplinary guidance, strengthened relationships with unions by using collaborative negotiation strategies, and increased supervisory employment law compliance and policy adherence. In addition, she administered risk management, investigations, safety, and enforcement.



THE HOUSING AUTHORITY OF COLUMBUS, GEORGIA
Chief Human Resources and Risk Management Officer

Ms. Johnson was responsible for HR services for 125 employees at sixteen locations. She provided full-cycle Request for Proposal (RFP) and contract management. In addition, she was the administrator of risk management and safety programs, and she co-managed thirty property managers and assistant property managers.

GREAT RIVER REGIONAL LIBRARY SYSTEM, MINNESOTA
Regional Human Resources Coordinator

Ms. Johnson managed HR services for 250 employees at thirty-two branch location across a six-county public library region. She supervised an HR/Training Generalist and co-managed twelve branch librarians. She was also responsible for risk management and safety as well as investigations, mediations, and legal resources.

MONCHERIE FOTOGRAHY, INC.
CEO

Ms. Johnson delivered high-end marketable images for \$400MM in property listings for over 500 clients. She was responsible for strategic business development, client relationship, sales, networking, and marketing.

TALAH CARE CENTER, ST. CLOUD, MINNESOTA
Human Resources Director

As HR Director, Ms. Johnson diversified the applicant pipeline, managed staff development, coordinated monthly meetings of HR/payroll professionals to leverage knowledge and best practices. She administered HR services for 230 employees and three service provider contracts.

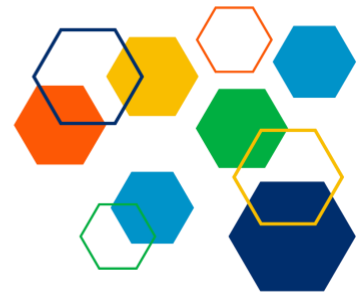
CENTRACARE / ST. CLOUD HOSPITAL, MINNESOTA
HRIS Specialist

Ms. Johnson served as an expert HRIS user and trainer. In addition, she processed bi-weekly payroll for more than 3,000 employees for five business locations.

MINNESOTA COMMUNITY AFFAIRS, INC.
Director of Operations and Co-founder

Ms. Johnson obtained funding for transformative crime prevention and multicultural initiatives in at-risk neighborhoods. She assisted community groups with conflict management and negotiation.





Charley Howard

Senior Advisor – Human Resources/Co-Project Manager

Mr. Howard joined Regional Government Services (RGS) as an Advisor in the Human Resources service group in 2016 bringing a broad range of Labor Relations and Human Resource services to RGS partner agencies such as employee relations and personnel policy updates. As a Senior Advisor, Mr. Howard has consulted with numerous partner agencies on matters of employee behavior and performance, including complex discipline and grievance processes, and has served as Chief Labor Negotiator for successor collective bargaining agreements.

Mr. Howard has over thirty-five years of experience in labor advocacy, labor relations, and human resources management in local government agencies. He is a seasoned professional in employee and labor issues. His strengths include conflict management and dispute mediation, grievance processing and defense, skillful handling of personnel matters, and productive relationship building between management and labor.

Mr. Howard has a bachelor’s degree in organizational communication.

PROFESSIONAL EXPERIENCE

REGIONAL GOVERNMENT SERVICES

Senior Advisor – Human Resources

Mr. Howard has provided a broad range of professional consulting services for RGS partner agencies such as:

Employee/Labor Relations

- Negotiated six comprehensive collective bargaining agreements, with several more pending, and numerous side letters and other agreements.
- Instituted an “Employee Liaison Forum” to improve communication between employees and management.
- Guided management’s handling of five disciplinary cases including over a dozen separations from employment.

Policies and Procedures

- Audited and completely rewrote personnel policies, and terms and conditions of employment.
City of Vacaville

Human Resources Manager

Mr. Howard was responsible for all aspects of human resources as well as employee and labor relations including:

Human Resources Operations and Management

- Managed recruitment and selection
- Administered employee benefits
- Maintained Classifications and compensation program



Charley Howard

Senior Advisor – Human Resources/ Co-Project Manager

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- Served as Chief City Investigator on personnel matters
- Implemented of citywide policies and procedures
- Managed the divisional budget

Labor Relations

- Served as Chief Negotiator – achieved multi-year successor labor agreements with six bargaining units.
- Achieved 100% success rate in grievance defense.
- Served as Special Advisor to the City during the Local 39 Strike of 2014
- Revised City’s Employer-Employee Relations Resolution
- Conducted internal investigations, drafted disciplinary actions, and co-prosecuted numerous cases.

Training and Development

- Developed and conducted training in Human Resources and Labor Relations for supervisors and managers.

EMPLOYEE REPRESENTATION SERVICES, INC.

Founding Partner/Senior Negotiator/Advocate

Mr. Howard provided senior level representation on behalf of individual and organizational public sector clients throughout California and Nevada.

- Served as Chief Negotiator for over one hundred and twenty labor agreements.
- Served as Chief Negotiator, Advocate, and Account Manager for largest client (2,400 employees including 450 Superior Court employees).
- Performed comprehensive defense of administratively accused clients.
- Trained and supervised professional staff.

PEACE OFFICERS RESEARCH ASSOCIATION OF CALIFORNIA

Labor Representative

Mr. Howard represented public law enforcement clients including State of California Unit Seven (4,500 law enforcement and regulatory members)

- Concurrently negotiated twelve labor agreements in one fiscal year.





Susanne St. Clair

Advisor – Human Resources

Ms. St. Clair joined Regional Government Services (RGS) as an Advisor in the Human Resources service group in 2015. During her tenure with RGS, she has provided a variety of Human Resources management services in partner agencies.

Prior to joining RGS, Ms. St. Clair had over thirty-four years of experience in Human Resources management and consulting. She has knowledge and experience in the following areas:

- Classification
- Compensation
- Human Resources Operations and Management
- Labor Relations
- Policies and Procedures
- Recruitment and Selection
- Training and Development

Ms. St. Clair holds a Juris Doctorate and a bachelor's degree in psychology.

PROFESSIONAL EXPERIENCE

REGIONAL GOVERNMENT SERVICES

Human Resources Advisor

As an Advisor, Ms. St. Clair has served RGS partner agencies by conducting classification and compensation studies and an HR audit as well as creating and revising personnel rules and policies and job descriptions. She has also conducted public outreach.

ST. CLAIR HR CONSULTING

President

As a consultant, Ms. St. Clair provides a wide range of Human Resources services to non-profit organizations, and small businesses such as recruitment, HR assessments, employee handbooks, training, and compensation studies.

DELTA HEALTH CARE

Human Resource Director

Ms. St. Clair designed and implemented the agency's first Human Resources Department. Her responsibilities included staffing and recruitment, training and development, salary administration, as well as safety and facilities management for several sites.

KMART APPAREL

Human Resources Director

As a Human Resources Generalist, Ms. St. Clair managed the Human Resources Department for a distribution center employing 450 union and non-union employees. With an HR staff, she was responsible for recruitment and staffing, labor relations, health and safety, and employee relations.





Judy LaPorte

Advisor – Human Resources

Judy LaPorte joined Regional Government Services as an Advisor in the Human Resources service group in 2019. Her areas of expertise include human resources, risk management, finance, information technology, management, and project oversight.

Ms. LaPorte has over twenty years of senior level management experience in public sector agencies. Prior to joining RGS, Ms. LaPorte served in senior management positions in county, city, and special district government and has experience as an executive recruiter for public agencies.

Ms. LaPorte has a bachelor's degree in business administration.

PROFESSIONAL EXPERIENCE

REGIONAL GOVERNMENT SERVICES

Project Advisor

As an Advisor, Ms. LaPorte has led organizational development projects for partner agencies. Specific assignments have included:

- Organizational assessments
- Reorganization analysis
- Classification and compensation studies
- Created detailed reports from data analysis
- Recruitments
- Performed complex Human Resources services

DEBORAH GLASSER LABOR RELATIONS, LLC.

Labor Relations Specialist

Ms. LaPorte served as Chief Negotiator for a northern California client resulting in settlement of two contracts, on time and within the agency's budget. She met with the agency's Board on a regular basis in closed session.

COUNTY OF PLACER

Assistant Director of Human Resources

Overseeing a staff of fifty, Ms. LaPorte was responsible for assisting in the overall direction and management of the Human Resources Department including managing the administrative and fiscal operations, benefits, HR Information System, participating in labor negotiations, and providing professional assistance to management on personnel matters.

COUNTY OF PLACER – SHERIFF'S OFFICE

Administrative Services Manager

Ms. LaPorte was responsible for managing the fiscal and human resource function for this the Sheriff's Office of 500 employees with an annual budget of \$110 million.



BOB MURRAY & ASSOCIATES

Vice President

Ms. LaPorte conducted executive searches for senior management positions serving cities, counties, and special districts.

CITY OF ROCKLIN

Director of Administrative Services

Ms. LaPorte was responsible for overseeing the department comprised of the Finance, Human Resources, Risk Management, Information Technology, and Fleet Services divisions.





Matthew Jadrich

Technical Specialist – Communications and Engagement

Mr. Jadrich joined RGS in 2018 as a technical specialist. Known for his skills in project management and team leadership, he brings considerable experience overseeing technical and logistical projects in various business environments. Alongside managing the technical aspects of RGS communications and outreach, Mr. Jadrich also serves as a Communications Specialist for partner agencies associated with RGS. His role highlights his effective communication skills in a collaborative setting, extending his expertise to benefit multiple organizations.

TECHNICAL PROFICIENCIES

PLATFORMS

Windows, Mac OS 10-7, Adobe Connect, Zoom, RingCentral

TOOLS

Adobe Suite, Canva, CivicPlus, Streamline, WordPress, Oracle, Microsoft Office Suite

LINKEDIN CREDENTIALS

- Marketing Analytics: Presenting Digital Marketing Data
- Content Marketing Foundations
- Content Marketing: Newsletters
- Write Marketing Copy
- Write for the Web
- Marketing During a Crisis

PROFESSIONAL EXPERIENCE

REGIONAL GOVERNMENT SERVICES

Technical Specialist – Communications and Engagement

Mr. Jadrich plays a pivotal role in bolstering communication efforts for both RGS and its partner agencies. This encompasses a diverse set of responsibilities aimed at enhancing outreach and maintaining effective communication channels. He facilitates the production of the monthly agency newsletters, ensuring timely and engaging content. Managing RGS's presence on LinkedIn, Mr. Jadrich oversees content strategy and engagement to uphold a strong online profile.



Matthew Jadrich

Technical Specialist – Communications and Engagement

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His coordination of marketing outreach initiatives involves strategic planning to promote RGS and its partner agencies, fostering positive connections with the audience. Furthermore, he provides technical hosting services for RGS Training and Development sessions, leveraging his technical expertise for seamless program delivery. In addition, Mr. Jadrich contributes to agency website tasks, encompassing updates, maintenance, and improvements to enhance its functionality. Through this comprehensive approach, Mr. Jadrich significantly contributes to the overall success and effectiveness of RGS and its affiliated agencies.

IBM/RATIONAL SOFTWARE/PURE ATRIA/PURE SOFTWARE

Supplier Base Manager

Senior Buyer/Planner

Materials Planner/Buyer

Mr. Jadrich played a crucial role in overseeing the procurement and fulfillment of product software within a rapidly growing software organization. He closely collaborated with engineering teams to facilitate efficient product releases. By overseeing print and fulfillment vendors, Mr. Jadrich ensured the smooth delivery of software products to both customers and internal stakeholders. He applied strategic planning and organizational skills to enhance the procurement workflow, fostering collaboration with vendors and internal teams. Mr. Jadrich's meticulous attention to detail and comprehensive understanding of the software procurement lifecycle contributed significantly to the seamless acquisition and fulfillment of product software. In turn, this support enhanced the organization's operational efficiency and customer satisfaction.





DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Finance, Legal, Administration, & Real Estate Committee Meeting
Subject: Consulting Services Agreement with Success for Nonprofits to complete a Feasibility Study Proposal for Desert Healthcare District

Recommendation: to recommend approval of a consulting services agreement with Success For Nonprofits to conduct a feasibility study for Desert Healthcare District to evaluate the viability of hiring a full-time Director of Development – NTE \$6,000

Background:

- The Desert Healthcare District board of directors approved its five-year strategic plan in October 2021 with seven goals and accompanying strategies.
- Goal #1 is to *Proactively increase the financial resources DHCD/F can apply to support community health needs. Low Priority*
- All of the relevant six strategies were developed to meet this goal.
- Included in the strategies is strategy 1.6: *Evaluate the potential to conduct community-based fund raising (Foundations, individuals, corporations) – Hire a development director – explore planned giving programs.*
- Recently, staff was directed to pursue hiring of a full-time Director of Development to meet the strategies of Goal #1. The Feasibility Study Proposal, presented by Success For Nonprofits, will evaluate the viability of hiring said Director of Development and include recommendations and other analysis as appropriate. A key activity will review past history regarding DHCD’s fundraising activities and proposed future needs.
- Staff recommends approval of the Consulting Services Agreement with Success for Nonprofits.

Fiscal Impact:

- NTE \$6,000 to be allocated from the FY 2023/2024 grant budget.

CONSULTING SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is entered into by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and Success for Nonprofits, (“Consultant”) as follows:

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

1. District would like to retain the professional services of Consultant to conduct a feasibility study to evaluate the viability of hiring a full-time Director of Development.

2. Consultant is well known in the community, 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 all labor, materials, equipment, and incidentals necessary to fully and adequately provide the District with the professional services described in the Consultant Proposal. All Services shall be performed by Consultant to the reasonable satisfaction of the 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 and Foundation’s Representative. For purposes of this Agreement, the District and Foundation’s Representative shall be District’s Interim Chief Executive Officer Chris Christensen, 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. For the full and satisfactory performance of the Services, District shall compensate Consultant a Not To Exceed amount of \$6,000, plus customary expenses.

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

2.3 Payment. The 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 until June 30, 2024, subject to Section 1.3 above or the District's right to terminate sooner for convenience.

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. So long as Consultant is not in default under this Agreement at the time of such termination, District shall pay Consultant for all Services incurred upto 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 and Foundation, its governing body, officers, employees, representatives, agents, successors and assigns (collectively the District/Foundation 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 the District or the District/Foundation 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 days after mailing by certified, return receipt requested, to the following addresses:

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

To: Consultant
Success for Nonprofits
Attention: Stephanie Minor
79374 Calle Palmeto
La Quinta, CA 92253

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 the District. Nothing in this Agreement shall obligate the District to give such consent. Any purported assignment without the 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

“Consultant”:

Success for Nonprofits

By: _____
Chris Christensen, Interim CEO

By: _____
Stephanie Minor, CEO

Date: _____

Date: _____



Feasibility Study Proposal for Desert Health Care District

Deliverable

Conduct a feasibility study for Desert Health Care District (DHCD) to evaluate the viability of hiring a full-time Director of Development. Issue a final report, including recommendations, potential options for implementation, job description duties, best practices, and other analysis as appropriate.

Key Activities

- Review past history regarding DHCD's fundraising activities and proposed future needs.
- Research data from similar organizations locally, as well as selected similar organizations in California and across the country regarding development positions, fundraising efforts, and best practices.
- Interview DHCD's staff leadership and board members to determine priorities, opportunities, and challenges regarding hiring a full-time development position and DHCD's fundraising needs and capacity.
- Synthesize, analyze, and organize the documentation, research, and interviews into a written report with an evaluation from the analysis, including consultant recommendations. Key recommendations may include implementation procedures, potential duties of such a position, how that position meets or does not meet the organization's needs and opportunities, and possible impacts of implementation.

Timeline

- Research and review of information – May 2024
- Interviews with staff leadership and board members (during staff, committee, and board meeting sessions or one-on-one as appropriate) – May to Mid-June 2024
- Conduct follow-up interviews, as necessary – June 2024
- Present analysis and recommendations in a Feasibility Study Plan – By end of June 2024

Consultants Conducting Study

Stephanie Minor:

Stephanie Minor is the founder and CEO of Success for Nonprofits, where she advances nonprofit organizations through capacity building and technical assistance. Stephanie is an award-winning veteran fundraising professional, nonprofit executive, and strategic development coach whose proven fundraising strategies have won big grants and gifts for important and impactful nonprofit causes. She was awarded the 2023 "Outstanding Fundraising Professional" by the Association of Fundraising Professionals (AFP) Desert Communities Chapter. As a seasoned, spirited, and optimistic executive consultant, Stephanie guides nonprofits on how to create and

execute winning strategies through the power of strategic campaigns and effective storytelling. Previously, Stephanie was the Director of NPO Centric, the director of development of Martha's Village and Kitchen, and founder of Premiere Designs, LLC, a marketing and social media firm. She has a BA degree in English from Cal State San Bernardino.

Gregory Charleston:

Greg Charleston has more than 30 years' experience working with nonprofits, including as a nonprofit executive, management consultant, educator, and communications professional. Greg has led numerous workshops at NPO Centric in Grant Writing, Marketing, and Board and Leadership Development, as well as coached organizations in strategic planning, grant writing, and development. He was President and CEO of a \$5 million nonprofit in Indiana, and has served on numerous boards, national committees, and grant review panels across the U.S. Greg was named a "Distinguished Hoosier" by a former Indiana Governor and was honored by the Mayor of Indianapolis for his community involvement and city leadership. A summa cum laude graduate of Butler University, Greg has a MA degree in English and BA degrees in English and Journalism.

Cost

30 hours x \$200/hour = \$6,000 total

Cost includes the work of both consultants to conduct interviews and research, synthesize data, analyze, and write report recommendations.



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Finance & Administration Committee
Subject: Consideration to approve an audit fee proposal with Coachella Valley Accounting & Auditing and to establish a budget of up to \$50,000 per year to provide financial audits for small non-profits without audited financial statements.

Staff Recommendation: Consideration to approve an audit fee proposal from Coachella Valley Accounting & Auditing and to establish a budget of up to \$50,000 per year for small grants to provide audit services to small non-profit organizations.

Background:

- The District/Foundation requires audited financial statements to award grants to non-profit organizations.
- Some organizations (annual revenue of \$500,000 or less) may be financially unable to provide audited financial statements. Under certain circumstances defined by the ability of the organization and if the organization is able to provide a service to meet the mission of the District/Foundation, Staff recommends providing a small grant to allow the organization to complete the financial audit.
- In 2020, the Board approved establishing a budget of up to \$50,000 per year to provide audit services to small non-profit organizations with the following requirements:
 - ✓ Organization must not have previously completed a financial statement audit.
 - ✓ Organization size is less than \$500,000 of revenue each of three consecutive years.
 - ✓ The District will pay 100% of the audit fees in the 1st year.
 - ✓ 66% of the audit fees in the 2nd year.
 - ✓ 33% of the audit fees in the 3rd year.
- Staff has reached out to CPA firms to provide the audit service, with Coachella Valley Accounting & Auditing providing a proposal to complete the audits for the District.
- Most audits would be completed for \$6,500 per audit.
- Staff recommends approving the Coachella Valley Accounting & Auditing proposal for small organization's audit fees of \$6,500 per audit.

Fiscal Impact:

NTE \$50,000 to be utilized from the annual Grant Budget.

Proposal for Professional Services

Submitted by: Andrea Oliveri, CPA
Coachella Valley Accounting & Auditing
PO BOX 6030
La Quinta, CA 92248
(442) 325-0089

March 19, 2024



ACCOUNTING & AUDITING

P.O. BOX 6030 • La Quinta • CA • 92248
Telephone (442) 325-0089 • Fax (442) 273-2233
www.cvaccountingandauditing.com

March 19, 2024

Board of Directors and Members
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, CA 92262

Dear Board of Directors and Members:

We, at Coachella Valley Accounting & Auditing, are pleased to have this opportunity to present this proposal to perform the financial statement audit services to not-for-profit, Desert Healthcare District grant recipients. We assure you of our sincere commitment to provide a full range of the highest quality of professional services.

FIRM OVERVIEW

Coachella Valley Accounting & Auditing (CV A&A) began operations in February 2022 to provide clients with the highest-level quality work and customer service when engaged to perform audits, reviews, and compilations. Focusing on services for not-for-profits, country clubs, and homeowners associations.

In response to the changing environment and in an effort to maintain and attract excellent staff, CV A&A partners and staff are working remotely when they are not on-site at the clients. Our staff provides excellent customer service to all our clients which fosters an improved working relationship and overall client experience. While the firm is a remote office environment, all staff are located within the Coachella Valley.

CV A&A is currently an 8 person CPA firm that consists of the following team:

Andrea Oliveri, CPA, MSA – Partner
Shannon Maidment, CPA – Partner
Coryn La Rue, CPA, MSA
Mary Richarte, MBA – Staff Accountant
Mara Lopez, CPA, MSA – (Part-time)
Veronica Vega-Barajas, CPA, MSA – (Part-time)
Kayla Royal, Senior Staff Accountant – (Part-time)
Ashley Jones – Administrative Assistant

Effective February 2022, Andrea and Shannon entered into an amicable agreement with Lund & Guttry to transition the auditing and review practice to their newly established firm. Additionally, the firm is contracting with an experienced CPA and current partner at Lund & Guttry, Gary Dack, to assist with client transition. Our trained personnel will be able to provide the services that the Organization requires.

TEAM QUALIFICATIONS

A brief background of partners experience and qualifications are as follows:

Andrea Oliveri, CPA, MSA

- Position - Partner
- Education - M.S. Accounting, California State University – San Bernardino (Palm Desert Campus) – 2014
- Background - 10 years in public accounting – focus on auditing
- Experience - Works 100% exclusively on audits year-round primarily for, not-for-profits, country clubs and homeowner associations within the Coachella Valley.

Shannon Maidment, CPA

- Position - Partner
- Education - B.S. Accounting, California State University – San Bernardino (Palm Desert Campus) – 2009
- Background - 15 years in public accounting – focus on auditing
- Experience - Works 100% exclusively on audits year-round primarily for, country clubs, homeowner associations, and not-for-profits within the Coachella Valley.

AUDIT APPROACH

CV A&A will staff the audit with one in charge auditor and the audit partner will assist and supervise the engagement. We will provide a list of requested schedules to be prepared for us prior to our start date.

The firm has equipped its audit staff with portable laptop computers, portable scanners and printers to maintain efficiency and to decrease paper usage by securely storing files on the encrypted computers. The laptop computers give the auditors access to various useful programs for analysis and documentation along with direct communication by email from anyone within the organization. We utilize an electronic work paper system allowing us to stay organized while reducing paper usage. The firm also maintains electronic subscriptions to the latest accounting literature and standards. We maintain IT consultants to ensure we are doing everything we can to secure all client data.

FEES

Our fees for audit services for the years ending December 31, 2023 through September 30, 2024, are estimated at a minimum of \$6,500 for each not-for-profit organization (grantee). While we believe the minimum fee will be sufficient for most small non-profits, we may need to reassess the fees if the grantee requiring our services needs adjustments for cash to accrual work, have significant debt activities or unusual transactions, etc. Upon initial review of their internal financial information, if a higher fee is needed, we can provide Desert Healthcare District and the prospective non-profit with the reasons for the increased fee and the committee may evaluate the proposed fee at that time.

We will bill our standard hourly rates for all other additional work resulting from accounting problems or unsupported transactions. We are always available throughout the year to provide advice and guidance on any issues as needed. We do not charge for quick questions or phone calls unless research is required in excess of approximately one hour. Fees for additional professional services will be based on our standard hourly rates, ranging from \$100 - \$320 depending on level of experience.

We will provide monthly billings for our services after we begin the work. Payment is due 30 days after the invoice date. We will submit billings to Desert Healthcare District for payment on behalf of the not-for-profit organization (grantee).

Our annual fee increases typically range from 3% - 5%.

CLIENT REFERENCES

We provide services to approximately 80 clients annually, 50 of which are not-for profit organizations. Additionally, we perform approximately 6, A-133 audits annually. A brief list of selected not-for-profit clients that we currently provide audit services for are as follows:

Coachella Valley Rescue Mission – *Darla Burkett* – (760) 347-3512 ext. 222

Animal Samaritans – *Tom Snyder* – (760) 601-3756

Martha’s Village & Kitchen – *Sam Hollenbeck* – (760) 347-4741 ext. 143

Jewish Family Services

Big Brothers Big Sisters

Friends of the Desert Mountains

Mizell Center

Coachella Valley Repertory

Regional Access Project Foundation

Habitat for Humanity

Ranch Recovery Center

Guide Dogs of the Desert

Desert ARC

California Conference for Women

Alianza Coachella Valley

Coachella Valley Accounting & Auditing and all our personnel are independent of Desert Healthcare District. Prior to engaging with every client, we evaluate independence with all organizations requesting our services and the engagement letter will be with management at each organization with the understanding that Desert Healthcare District will be reimbursing or directly paying CV A&A for the audit services.

If you would like CV A&A to proceed with an audit referral or have any questions, please contact me. Once a client has been referred, we will review their internal financial information and notify you regarding the fee. If approved to move forward, we will provide them with an engagement letter.



Sincerely,

Andrea Oliveri, CPA

Partner

COACHELLA VALLEY ACCOUNTING & AUDITING



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Finance & Administration Committee
Subject: Exemption Status from Single Audit Report for Fiscal Year 2022-23 Letter

Staff Recommendation: Information.

Background:

- Since 2020, the District/Foundation have been subject to completing an annual Single Audit due to the receipt of federal funds.
- The following are requirements for a single audit:
 - ✓ If District/Foundation is a “Sub-Recipient” vs “Contractor”.
 - ✓ Annual expenditure of federal funds exceeds \$750,000.
- If the recipient is a Contractor, the funds are not subject to the Single Audit.
- The Foundation received funds as a Contractor for the COVID Disparities, SCAQMD, and RODA, so are not subject to the Single Audit.
- For the fiscal year 2022-23, the Foundation expended \$615,000 of Sub-Recipient funds, which is less than the \$750,000 threshold.
- Therefore, a single audit is not required for FY 2022-23.
- The attached letter is submitted to the State Controller’s Office to notify of the exemption.

Fiscal Impact:

None



March 29, 2024

State Controller's Office
Division of Audits
Financial Audits/Bureau/Single Audits Unit
PO Box 942850
Sacramento, CA 94250-5874

RE: Exempt Status from Single Audit Report for Fiscal Year 2022-23

Dear Single Audit Staff,

The Desert Healthcare District and Foundation hereby notifies the State Controller's Office that the District and Foundation are not subject to the **2 CFR 200.501 Single Audit** requirements for the fiscal year ending June 30, 2023 because the District and Foundation did not expend \$750,000 or more in federal awards during this reporting period.

Please call me with any questions.

Thank you,

Chris Christensen, CPA
Interim CEO/Chief Administration Officer
Desert Healthcare District/Foundation
P: 760.323.6365
M: 760.567-0051

DHCD.ORG

1140 N. INDIAN CANYON DRIVE PALM SPRINGS, CA 92262
6825

PHONE: (760) 323-6113

FAX: (760) 323-



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Finance & Administration Committee
Subject: Las Palmas Medical Plaza Common Area Maintenance (CAM) charges

Staff Recommendation: Informational Item

Background:

- The District incurs costs related to Common Area Maintenance, Insurance and Property Taxes (CAM) for the Las Palmas Medical Plaza.
- Tenants are currently billed a monthly amount of \$.80/square foot for the tenant's proportionate share.
- At the end of the calendar year, an accounting is completed for the CAM expenses.
- The District, per the lease agreement, is allowed to bill the tenants any CAM expenses in excess of the total billed for the year.
- The accounting of the CAM charges for calendar year 2023 reflected actual expenses equivalent to \$.91/sf. See schedule attached.
- Several expense items experienced significant increases in 2023 such as Security, Insurance, and Landscaping.
- Staff has assessed the 2023 excess cost of \$114,192 to the tenants based on their proportional share.
- Staff has increased the monthly billing to the tenants to \$.86/sf for calendar year 2024 and will bill any potential excess costs at the beginning of 2025.

Fiscal Impact:

A majority of the excess costs are recovered from the tenants through the annual excess billing.

LAS PALMAS MEDICAL PLAZA			
CAM CALCULATION FOR CALENDAR YEAR 2023			
Expenses are CY 2023 Expenses			
Source: Quickbooks	ACTUAL EXPENSE	CAM	Change
	Jan - Dec 23	Charges	From 2022
6445 · LPMP Expenses			
6427 · HVAC Maintenance Expense	12,949	7,790	(2,070)
6439 · Deferred Maintenance Repairs Ex	33,430	-	(10,757)
6440 · Professional Fees Expense	136,480	136,480	3,980
6458 · Elevators - R & M Expense	11,787	11,787	(1,077)
6460 · Exterminating Service Expense	7,300	7,300	(7,470)
6463 · Landscaping Expense	15,676	14,316	9,206
6476 · Signage Expense	1,858	-	(350)
6480 · Rubbish Removal Medical Waste E	14,459	14,459	(1,470)
6481 · Rubbish Removal Expense	36,277	36,277	3,085
6482 · Utilities/Electricity/Exterior	10,593	10,593	4,273
6484 · Uilties - Water (Exterior)	7,638	7,638	(2,128)
6485 · Security Expenses	158,254	158,254	49,453
6420 · Insurance Expense	59,436	59,436	14,722
6475 · Property Taxes Expense	77,554	77,554	2,786
Total Expense		541,884	62,183
Square Footage		49,356	
CAM per sq ft		\$ 0.91	
Billed CAM for 2023		427,692	
Excess Expenses for 2023		114,192	



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Finance & Administration Committee
Subject: Addendum #1 to the Security Agreement with Green Security Solutions to provide security services for Las Palmas Medical Plaza extending to May 31, 2025.

Staff recommendation:

Consideration to approve an addendum to the Security Agreement for Green Security Solutions to provide security services for Las Palmas Medical Plaza, extending to May 31, 2025.

Background:

- The Board approved a security agreement with Green Security Solutions June 1, 2023 to provide security services at the Las Palmas Medical Plaza.
- Security service upgrades have included camera recording and live viewing, in addition to a combination of on-site security personnel.
- These services provided by Green Security have substantially improved the security at the medical plaza.
- Staff recommends continuing the security service with Green Security Solutions for second year with no cost increase.
- Staff recommends approval of the draft addendum to the security agreement for the period June 1, 2024 – May 31, 2025.
- Draft Addendum #1 is attached for your review.

Fiscal Impact:

No cost increase. \$11,954.66 per month and will be included in the Las Palmas Medical Plaza FY24-25 annual budget.

NOTE: The security fees are charged to the LPMP tenants through the CAM fees.

**LAS PALMAS MEDICAL PLAZA
SECURITY AGREEMENT
ADDENDUM #1**

This Security Agreement (“Agreement”) was entered into on June 1, 2023, by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and Green Security Solutions (“Green”) as follows:

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

1. This Addendum extends and revises the termination date in Section 1 to May 31, 2025.
2. All other terms and conditions of the original agreement remain unchanged.

“District”:

Desert Healthcare District

“Consultant”:

Green Security Solutions

By: _____
Chris Christensen
Interim CEO

By: _____
Cody Lowe
Owner

Date: _____

Date: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Finance & Administration Committee
Subject: Services Agreement with Van Surveying to provide survey services to design a drainage plan at the Las Palmas Medical Plaza. \$13,200

Staff recommendation:

Consideration to approve a services agreement with Van Surveying to provide survey services to design a drainage plan at the Las Palmas Medical Plaza. \$13,200.

Background:

- Whenever Palm Springs receives moderate to heavy rain, some first-floor suites at the Las Palmas Medical Plaza receive water intrusion.
- During drought years, this is not an issue.
- However, with the previous 2 years and the significant rain, the medical plaza has experienced recurring water intrusion issues.
- Each episode causes disruption to tenant's business and repairs that can cost the District upwards to \$20,000.
- Staff would like to pursue a long-term solution to this issue.
- Staff is working with Chris Mills, a long-time architect and designer for the medical plaza, to facilitate a design plan and ultimate completion of grading that would resolve the drainage issue.
- Included for review is a services agreement with Van Surveying, Inc. who is a reputable engineering firm in the District.
- Staff recommends approval of the services agreement with Van Surveying, Inc. at a cost of \$13,200.

Fiscal Impact:

Capitalized costs of \$13,200.



VAN SURVEYING, INC.

LAND SURVEYING-MAPPING-CONSTRUCTION STAKING

PO BOX 2250, RANCHO MIRAGE, CA 92270

Phone (760)323-1047 Cell (760)250-4465 email vansurveying@gmail.com

AUTHORIZATION FOR SERVICE

CLIENT: c/o Chris Mills	JOB NUMBER:
COMPANY: Las Palmas Medical Plaza	DATE REQUESTED: 9/07/23
ADDRESS: 555 E. Tachevah Drive	REQUESTED BY: Chris
Palm Springs, CA 92264	PHONE: 760.408.7767
EMAIL:	CELL:
BILL TO:	PO NUMBER:
	TIME & MATERIALS:
	CONTRACT AMOUNT: 1) \$8400 2) \$4800
PROJECT LOCATION:	
Address Above	
SCOPE OF SERVICES TO BE PROVIDED:	
1)Design Survey consisting of locating buildings, knee walls, concrete pads, visible utilities, large vegetation, curb/paving, shooting spot elevations and preparing design drawing to be used by others.	
2)Construction Staking	
REMARKS:	
We Request a \$3400 deposit prior to beginning said work with balance due upon completion.	
VAN SURVEYING, INC.:	AUTHORIZED BY:
PREPARED BY: Steven J. Van, P.L.S.	TITLE:
Reg. #6500, Exp. 6/30/25	FIRM:
DATE: 9/11/23	DATE:

PLEASE NOTE: Payment for Professional Services rendered shall be due UPON PRESENTATION OF INVOICE. Except as otherwise provided by written agreement, a charge of one and one half percent (1.5%) per month will be added 30 days from the date of invoice. Should legal action become necessary to enforce the terms of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs. TERMS AND CONDITIONS AS OUTLINED IN THE ATTACHED PROVISIONS OF AGREEMENT SHALL APPLY.

PROVISIONS OF AGREEMENT

1. **Las Palmas Medical Plaza** (Client) and **Van Surveying, Inc.** (Consultant) bind themselves, their partners, successors, executors', administrators, and assigns to all of the terms, conditions, and Scope of Work of this agreement.
2. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if and between the Parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing.
3. For any work performed which is outside the original Scope of Work of this agreement, when directed by Client's duly authorized representative or agent in writing, the Consultant will be entitled to compensation on a time and materials basis.
4. In the event any provision of this agreement shall be held to be invalid and unenforceable, the other provisions of this agreement shall be valid and binding on the parties hereto.
5. The Consultant is not responsible for delay, nor shall Consultant be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, or acts of God; or the failure of Client to furnish timely information or to approve or disapprove Consultant's work promptly; or delay or faulty performance by Client, other contractors, or governmental agencies; or any other delays beyond Consultant's reasonable control.
6. Consultant shall not be liable for damages resulting from the actions or inactions of governmental agencies including but not limited to permit processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, and building permits; and Consultant shall only act as an advisor in all governmental relations.
7. In the event that, pursuant to this agreement, any governmental agency changes its ordinances, policies, procedures, or requirements after the date of this agreement, any additional work incurred due to these changes shall be treated as extra work and billed on an hourly basis.
8. All original papers and documents, and copies thereof, produced as a result of this contract, except documents which are required to be filed with public agencies, shall remain the property of the Consultant and may be used by Consultant without the consent of Client. Copies shall be provided to the Client and/or his authorized agent upon request.
9. In the event that any changes are made in the plans and specifications by the Client or persons other than the Consultant, which affect the Consultant's work, and all liability arising out of such changes is waived as against the Consultant and the Client assumes full responsibility for such changes unless Client has given Consultant prior notice and has received from consultant a written consent for such changes.
10. Plans prepared by the Consultant commonly show the location of existing underground utilities in an approximate way only. Client agrees that in accordance with generally accepted construction practices, the construction contractor shall determine the exact location of all existing utilities before commencing work and shall be fully responsible for any and all damages occasioned by this failure to locate and preserve said utilities.

Client _____ Consultant _____
Van Surveying, Inc.

11. All fees and other charges will be billed monthly and shall be due at the time of billing unless otherwise specified in agreement. A mechanics lien may be filed for any invoice remaining unpaid after thirty (30) days from date of invoice.
12. Client hereby agrees that the balance as stated on the billing from the Consultant to Client is correct, conclusive, and binding on the Client unless Client within ten (10) days from the date of the making of the billing notifies Consultant in writing of the particular time that is alleged to be incorrect.
13. A late payment finance charge will be computed at the periodic rate of 1.5% per month, which is an annual percentage rate of 18% (or a minimum of \$10.00) and will be applied to any unpaid balance commencing 30 days after the date of the original invoice.
14. Unless otherwise specified in this Agreement, Consultant shall be entitled to payment of all outstanding invoices (or 85% of total design fee, if fixed price contract) prior to submittal of drawings to review agencies for plan checking. Consultant reserves the right to withhold release of plans until such payments are received.
15. Payment is not contingent on any loan of any type in existence or any loan to be funded in the future. Client represents that it has adequate funds for the payment of Consultant's fees, and the validity of this agreement is not dependent upon Client obtaining financing.
16. It is the practice of this office, when providing services to closely held corporations, partnerships, or limited liability companies, to require the major shareholders, partners or members to assume responsibility for payment of our fees in the event the entity does not have sufficient resources. Your signature on this agreement constitutes your personal guarantee.
17. Staking Services will be provided at no less than a 4-hour minimum for each jobsite trip. If called to perform Contract Services on tasks requiring less time, the difference in time will be treated as extra services and billed hourly.
18. In the event that any staking is destroyed by an act of God or parties other than Consultant, the cost of re-staking shall be paid for by Client as extra work and billed hourly.
19. Client agrees that in performing an ALTA/NSPS Land Title Survey in accordance with this agreement, Consultant is required to sign a statement on the survey documents. In the event that Consultant is asked to sign any statement differing from the statement as shown in the current standards, Client hereby agrees to indemnify and hold Consultant harmless from any and all liability arising from or resulting from the signing of such different statement.
20. Client acknowledges and agrees that if Consultant provides Surveying Services, which require the filing of a Record of Survey in accordance with Business and Professions Code Section 8762, all costs of preparation, examination and filing of such Record of Survey will be paid for by Client as extra services.
21. Contract fees presented in this Agreement shall be for scope of services specified. Assistance provided Client after plans are completed such as responding to contractor inquiries, assisting with bidding process, explaining and/or interpreting design documents, coordinating with utility companies, providing cost estimates other than as described under Basic Services and providing construction support services other than normal construction staking services, shall be billed as Additional Services in accordance with prevailing hourly fee schedule.

Client _____ Consultant _____
Van Surveying, Inc.

22. Consultant fully intends to use state of the art communications devices as possible, i.e., e-mail, document transfer by computer, cellular telephones, and facsimile transfers. The use of such devices under current technology may place your confidences and privileges at risk. The effectiveness involved in use of these devices outweighs the risk of accidental disclosure. Your signature on this agreement constitutes your consent to the use of these devices.
23. The Client shall pay the costs of checking and inspection fees, zoning and annexation application fees, assessment fees, soils engineering fees, soils testing fees, aerial topography fees, and all other fees, permits, bond premiums, title company charges, blueprints and reproductions, and all other charges not specifically covered by the terms of this agreement. Any such charges prepaid by consultant shall be invoiced to Client at 1.2 times actual cost.
24. Consultant has the right to complete all Services agreed to be rendered pursuant to this contract. In the event this Agreement is terminated before the completion of all Services, unless Consultant is responsible for the early termination, Client agrees to pay Consultant the full contract price and that any such termination shall automatically release Consultant from any and all liability for Services performed.
25. In the event Client fails to pay Consultant within thirty (30) days after invoices are rendered, Client agrees that Consultant shall have the right to consider said default a total breach of this agreement and, upon written notice, the duties, obligations, and responsibilities of the Consultant under this agreement are terminated. In such event, Client shall then promptly pay the Consultant for all the fees, charges, and services provided by consultant.
26. The Client shall have the right to terminate this agreement without cause, upon ten (10) working days advance written notice to the Consultant.
27. The Consultant may terminate this agreement upon ten (10) working days advance written notice to the Client without cause.
28. In the event this agreement is terminated by any party for any reason, the Consultant shall be paid by the Client for all services provided on the time and material basis of work completed and not previously paid for, on the date notice of termination is given. Should dispute arise between the parties as to the work completed by the Consultant the Client shall have the right to audit the cost records and time records of the Consultant to the extent that they relate to the services provided hereunder.
29. Deposits, retainers and/or advance fees shall be deemed earned upon receipt and credited against final payment.
30. This agreement shall include an automatic escalation of 5% of the unbilled amount effective each one-year anniversary from the date of this agreement.
31. If a breach of this agreement occurs and any party to this Agreement is required to initiate or defend or is made a party to any action or proceeding to enforce this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fee, whether or not the matter proceeds to judgment. This paragraph shall only apply if the breaching party has been given written notice and an adequate time to correct the breach before any action or proceeding is initiated.

Client ____ Consultant ____
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32. This Agreement may be executed in any number of counterparts, any of which shall be deemed to be the original if fully executed, as shall any photocopies or facsimiles of any such counterparts.
33. The provisions of this Agreement shall be governed by the laws of the State of California.

Client Responsibilities

1. Client shall provide access to the site.
2. Client to provide current Preliminary Title Report(s) for all property involved in project.
3. Client will require any construction contractors to indemnify Consultant from any and all losses, damages, claims, expenses, including attorney's fees, and costs arising out of the contractor's work, except only losses, damages, claims, expenses including attorney's fees, and costs which are caused by the sole negligence or willful misconduct of consultant in performing its services under this agreement. Client will require that the construction contractors add Consultant as an additional insured in the comprehensive general liability auto liability, worker's compensation and builder risk insurance coverages required by Client.



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: April 10, 2024
To: Finance & Administration Committee
Subject: LPMP 5-year Lease Renewal – Tenet Healthsystem Desert – Suite 2E-107

Staff Recommendation: Consideration to approve a 5-year lease renewal with Tenet Healthsystem Desert – Suite 2E-107.

Background:

- Tenet Healthsystem Desert (Tenet) had a 10-year lease of suite 2E-107.
- The lease expired 12/31/23.
- While a new lease was being negotiated, the District and Tenet agreed to temporarily extend the lease to 4/30/24 at no increased cost.
- The Interim CEO and District’s legal counsel have worked extensively to negotiate and complete the lease terms with Tenet.
- The lease rate is \$1.76/sf, with annual increases of 3%.
- Tenant Improvement of \$10/sf - \$131,120
- The new draft lease agreement is included in the packet for your review.
- Staff recommends approval of the 5-year lease agreement.

Fiscal Impact:

Estimated Revenue from Rent and CAMS for life of the base lease - \$2,146,814
Estimated Cost of Tenant Improvement Allowance \$10/sf - \$131,120
Net Lease Income (base lease) - \$2,015,694

OFFICE BUILDING LEASE

Between

**DESERT HEALTHCARE DISTRICT,
DOING BUSINESS AS LAS PALMAS MEDICAL PLAZA
AS LANDLORD**

And

**TENET HEALTHSYSTEM DESERT, INC.
AS TENANT**

DATED

May 01, 2024

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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 Tenet HealthSystem Desert, Inc., hereinafter referred to as “Tenant”, and is dated May 01, 2024.

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)*: \$ Two Hundred Seventy-Six Thousand, Nine Hundred Twenty-Five and 44/100 Dollars (\$276,925.44) per year.

b. *Base Year*: N/A.

c. *Broker(s)*:
Landlord's: N/A.

Tenant's: CBRE – 14201 Dallas Parkway, Dallas, Texas 75254.

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*: May 1, 2024.

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. *Expense Stop*: NOT APPLICABLE

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- g. *Expiration Date*: April 30, 2029, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- h. *Landlord's Mailing Address*: 1140 N. Indian Canyon, Dr., Palm Springs, CA 92262.

Tenant's Mailing Address: Desert Regional Medical Center, 1150 N. Indian Canyon Drive, Palm Springs, CA 92262; with a copy to Tenet HealthSystem, 14201 Dallas Parkway, Dallas, Texas 75254 Attn: Legal Department.

- i. *Monthly Installments of Base Rent (initial)*: \$ Twenty-Three Thousand, Seventy-Seven and 12/100 Dollars (\$23,077.12) per month.
- j. *Project Operating Costs (CAMs)*: Currently Eighty-Six Cents (\$.86) per square foot per month (NNN).
- k. *Tenant Improvement Allowance (TI)*: Ten Dollars (\$10.00) per square foot or One Hundred Thirty-One Thousand, One Hundred Twenty and 00/100 Dollars (\$131,120.00).
- l. *Parking*: Tenant shall be permitted, to park 56 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 lot regulations and rules established from time to time by Landlord or Landlord's parking operator.
- m. *Premises*: That portion of the Building containing a total of approximately 13,112 square feet of Rentable Area. 9,322 sq. ft. located in Building 2ESuites 101-107, the hallway connecting to Building 1E, and Building 1E Suites 104-106; and 3,880 sq. ft. located in Building 2E Suites 201-204.
- n. *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.
- o. *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.
- p. *Security Deposit (Section 7)*: \$ Thirteen Thousand, One Hundred Twelve and 00/100 Dollars (\$13,112.00) carried over from prior lease.
- q. *State*: the State of California.
- r. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- s. *Tenant's Proportionate Share*: 26.57%. 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.
- t. *Tenant's Use Clause (Article 8)*: Medically related and general office use, together with ancillary uses consistent therewith and, subject to Landlord's reasonable approval, any other use the City may allow under the City of Palm Springs zoning.
- u. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

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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.

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4. DELIVERY OF POSSESSION.

Tenant is currently in possession of the Premises pursuant to a prior lease. This lease shall commence on the Commencement Date and supersede the prior lease.

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 an adjustment comparative to that of the Consumer Price Index, not to exceed 5% over the preceding year.

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. During any calendar year during the Term, 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 Project Operating Costs in accordance with the provisions of this Section 5.3.

(1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b), subject, however, to the Addendum attached hereto.

(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, 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 for the Common Areas; (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 tenants); (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; (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), provided that such charges are based on the full useful life of

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the capital expenditure, and provided the same are (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (II) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by third parties or tenants of the Project, but excluding items specifically set forth on the Addendum. 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.) The intent is that this lease is a triple net lease, in which Tenant pays all Project Operating Costs for the Premises, rather than a gross lease or modified gross lease with a base year. Accordingly, beginning with the first calendar year containing the Commencement Date and for each calendar year thereafter, Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the estimated total Project Operating Costs expected to be incurred by Landlord during such calendar year.
- (b.) Tenant shall, at Landlord's request, pay as additional rent, an amount equal to Tenant's Proportionate Share of the Project Operating Costs payable during such calendar year, as reasonably estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the Commencement Date based on the amount calculated in accordance with Section 2(i) for the initial calendar year and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Project Operating Costs in subsequent calendar years. It is the intention hereunder to estimate from time to time the amount of the Project Operating Costs for each calendar year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Project Operating Costs incurred for such calendar year.
- (c.) On or before April 1 of each calendar year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth the actual amount constituting Tenant's Proportionate Share of the Project Operating Costs for the preceding calendar year. If Tenant's Proportionate Share of the actual Project Operating Costs for the previous calendar 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 thirty (30) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Project Operating Costs for such preceding calendar 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 Project Operating Costs in any calendar year having less than 365 days shall be appropriately prorated. If any period during the Term includes a partial calendar year, Tenant's Proportionate Share shall be prorated to represent only the partial year in which Tenant is in possession of the Premises.
- (e.) Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's records related to all Project Operating Costs and associated accounting in accordance with the provisions set forth on the Addendum. Tenant agrees to pay the cost of such audit unless it reveals an overstatement of 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 provided for payment of Tenant's Proportionate Share 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. Landlord shall provide Tenant with no less than 10 business days' notice of any change in such payment address.

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 the 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.

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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 this Lease, including: (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 the 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 of Tenant completing the contemplated tenant improvements to the Premises as mutually agreed by Landlord and Tenant (the "Tenant Improvements"), Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of the Tenant Improvements. Landlord will pay the allowance to Tenant upon Landlord's satisfactory receipt of paid invoices (and inspection by Landlord or its Property Management company verifying that work has been satisfactorily completed). Any additional tenant improvements will be at the sole expense of the Tenant. Tenant Improvements shall conform to a high quality of design as approved by Landlord prior to commencement of work, and shall be performed by a licensed General Contractor reasonably approved by Landlord. Tenant shall submit plans and specifications for the Tenant 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, exclusive of the gross negligence or willful misconduct of any such indemnitee, and Landlord shall be named as an additional insured on the liability insurance policy of both the Tenant and the General Contractor. All work shall be performed in accordance with applicable law, including any applicable prevailing wage and competitive bid statutes governing the work undertaken by Tenant.

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 regular installment of monthly Rent is not received by Landlord, Tenant shall pay Landlord a late charge equal to five percent (5%) of such installment of Rent. 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. Notwithstanding anything to the contrary, the foregoing late fee and interest shall not apply under the tenth (10th) day following the date that such payment is due, except that with respect to any regular installment of Rent, such grace period shall not apply more than two (2) times in any twelve (12) month period.

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 prior to the 10th day following the date when due and payable under this Lease, or fails to perform any of the terms hereof following notice and an opportunity to cure, 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 uncured 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 in lieu of any other remedy Landlord may have by reason of Tenant's default or breach. However, (i) any grace period or cure prior provided for in this paragraph shall not apply more than twice in any twelve (12) month period (and after such time, Landlord may disregard such grace period or opportunity to cure and immediately exercise its rights to utilize the Security Deposit under this paragraph upon the next event allowing such action), and (ii) 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 event 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, after reduction of any losses incurred

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by Landlord, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest in such Security Deposit under this Lease, to the last assignee of Tenant.

If Landlord sells its interest in the Premises, Landlord may deliver the Security Deposit to the purchaser of Landlord's interest and thereupon, Landlord shall 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 applicable 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 such violative use of the Premises. 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 (except for any use permitted by Tenant's Use Clause), 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. Except as permitted in Tenant's Use Clause, Tenant shall not do or permit anything to be done in or about the Premises which will obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or that will injure or annoy them, or, except as permitted in Tenant's Use Clause, 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.

The Premises are separately metered for utility services, and subject to the Rules and Regulations of the Building or Project, electricity, water, telephone and heating, ventilation and air conditioning ("HVAC") as required for the comfortable use and occupancy of the Premises are available, at Tenant's expense, on a 24/7 basis. Tenant is responsible for the cost of directly metered utility service to the Premises, and Landlord is not responsible for the provision of services within the Premises, and Landlord shall not be liable for a loss of or injury to property or business in connection with or incidental to the failure of utility companies to provide such services to the Premises. Except to the extent arising as a direct result of the negligence or intentional conduct of Landlord, 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 be responsible for maintaining the HVAC system, at Landlord's sole cost and expense. However, if Tenant uses heat generating machines or equipment in the Premises which unreasonably and unusually affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the actual additional cost incurred by Landlord in connection with the provision thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Landlord shall also maintain and keep lighted, cooled and heated the common stairs, common entries and restrooms in the Building, which costs are reimbursed as Project Operating Costs. With respect to Common Areas within the Building, Landlord shall furnish elevator service, lighting replacement for 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.

Tenant is responsible for janitorial services within the Premises, at its sole cost and expense.

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; provided, however, that nothing herein shall eliminate Landlord's obligation to provide habitable Premises to Tenant, or otherwise interfere with Tenant's right to quiet enjoyment. 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.

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II. 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. Landlord represents and warrants to Tenant that to the reasonable knowledge of the Landlord, the Building is in good condition and repair, and complies (including the Common Areas) with all applicable laws, rules and regulations.
- 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 ~~interior~~ 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.) ~~Except as otherwise expressly provided in this Lease, 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 following such notice and thereafter diligently prosecute it to completion (subject to events outside the control of Tenant), 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 that Landlord invoices Tenant for such work until the date of payment, 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 reasonably 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 ~~contrary~~ statute now or hereafter in effect which would otherwise require that Landlord perform services that are the responsibility of Tenant under this Lease, or ~~that~~ afford the Tenant the right to make such 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.
- 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 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 (exclusive of normal wear and tear) or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

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12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any material additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. For purposes of this Lease, alterations and modification shall be material if they (i) exceed \$25,000 in value, (ii) involve areas not entirely within the interior of the Premises, or (iii) impact any structural components of the Building. 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, where required by law, payment of prevailing wages, competitive bidding, licensed personnel, and such work shall be diligently prosecuted to completion (subject to force majeure). Landlord may, at Landlord's option, require that any structural work be performed by a contractor approved in writing by Landlord. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, as applicable, an administrative fee of no more than fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises by Tenant, and shall keep the Premises, Building and Project free and clear of liens of any kind as a result of any failure to pay such costs. 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 (excluding those performing work that is the responsibility of Landlord hereunder).

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 arising as a result of the action of Tenant or work undertaken at the Premises. 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, for work in excess of \$100,000, 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. Notwithstanding anything to the contrary herein, 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 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 remain the property of Tenant and may be removed by Tenant at any time during or upon expiration of 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.

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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 (exclusive of the interior of the Premises); provided, however, that Tenant shall be entitled to signage marking its premises in the lobby of the Building and the exterior of the Premises (in accordance with the standard Building policy);
- c. To have pass keys to the Premises and all doors within the Premises, excluding Tenant's vaults, safes and private offices or other areas in which protected health information (PHI) is stored or maintained (which area will not be assessable to Landlord without notice and opportunity for Tenant to be present and take appropriate precautions to prevent disclosure of PHI in accordance with HIPAA Privacy Rules);
- d. At any time during the Term, and on reasonable prior notice to Tenant (of not less than 24 hours), 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; provided, however, that at no point will Landlord have access to areas containing PHI; and
- e. Subject to reasonable written notice to Tenant (of not less than 24 hours, except in the event of an urgent need or emergency), 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) consistent with this Lease, and to take all steps as may be reasonably 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 reasonably 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 to minimize interference with Tenant's business in the Premises in the course of any such entry, and further agrees that in no event shall Landlord be entitled to access areas containing PHI without providing Tenant with advance notice in which to protect the privacy and confidentiality of such material in accordance with HIPPA rules. For avoidance of doubt, where repairs are requested by Tenant, 24-hours advance notice will not be required for Landlord's entry into the Premises (however, Landlord and Tenant shall reasonably cooperate to schedule a mutually acceptable time for entry where possible).

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 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. Notwithstanding the foregoing, Tenant shall be permitted to sublease the Premises, and Landlord hereby expressly consents to such sublease, to (i) individual physicians performing services at the Premises in connection with the Permitted Use, and/or (ii) to Tenet Physician Recourses, First Choice Physician Partners or another affiliated entity responsible for the operations at the Premises; provided, however, that in either case Tenant shall not be released from its obligations under this Lease.
- 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 (other than as contemplated in (a) above), 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. With respect to any sublease or assignment to an entity that is not an affiliate of Tenant, Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, to terminate this Lease as to the portion of the Premises that is the subject of the proposed assignment or sublease. 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 verified that such subtenant or assignee does not propose a reputational risk for Landlord or the Premises and if Tenant is to be released from all or any portion of its obligations under this Lease in connection with such arrangement, Landlord must approve the financial condition of the proposed assignee or sublessee on terms and conditions at the discretion of the Landlord;
 - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;

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(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; and

(4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained.

- 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, (iii) loss by condemnation, and (iv) compliance with the requirements of this Lease (including Section 13.a.). In connection with the expiration of the Term, 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 shall provide notice to Tenant within thirty (30) days after the date of such fire or other casualty, and either Landlord or Tenant may elect, in writing to the other party, to

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terminate this Lease. If neither party provides such written notice within 10 days following Landlord's notification, Landlord shall promptly 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.

- 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 shall provide notice to Tenant within thirty (30) days after the date of such fire or other casualty, and either Landlord or Tenant may elect, in writing to the other party, to terminate this Lease. If neither party provides such written notice within 10 days following Landlord's notification, this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a.
- 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 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, except where caused by the gross negligence and willful misconduct of Landlord (in which case Landlord shall be obligated to restore or repair the same). Except as provided herein, 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 or the remaining area of the Premises or parking area is not reasonably sufficient for Tenant to continue operation of its business in accordance with all laws and internal protocols, 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. 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. 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. Tenant, however, shall not be required to indemnify or release Landlord for its own gross negligence, willful misconduct or breach of this Lease.
- 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

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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.

c.

22. TENANT'S INSURANCE.

- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and qualified to do business in the State (for avoidance of doubt, Landlord acknowledges that Tenant's current insurance program and the insurance companies providing such insurance are acceptable to Landlord). Each liability 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 certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the Commencement Date, and thereafter within thirty (30) days after any demand by Landlord therefore as necessary to evidence continuing coverage. Tenant shall furnish Landlord with renewals or "binders" of any such policy prior to the expiration thereof. Tenant agrees that if Tenant does not 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 percent (20%) 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 review, and may mutually agree to increases in, 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

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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.

25. TENANT ESTOPPEL CERTIFICATE.

Within thirty (30) 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) based on Tenant's actual present knowledge, 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 not 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 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 (provided, however, that if such covenant, condition or agreement is not capable of being remedied within such 30 day period, and Tenant is diligently pursuing the remediation or cure of such condition, such 30-day period shall be extended to allow a sufficient time period to address such condition, provided that the cure period, in the aggregate shall not exceed 60days); or
- d. If a writ of attachment or execution is levied on this Lease; 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;

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- 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; or

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.

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. Except as expressly provided for in the preceding sentence, in no event shall Tenant be liable for consequential, punitive, speculative or special type damages, and Landlord expressly waives the same.

"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.

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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 (which cost may be offset from Rent) or terminate the lease. 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.

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. 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.

31. RELOCATION OF PREMISES.

Where Landlord reasonably determines that it is necessary for the benefit of the Building, Landlord or to otherwise comply with the terms of this Lease (including in the event of a casualty event), 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, considering the improvements made in connection with 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 sixty (60) 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, and shall be undertaken at Landlord's expense. 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; however, for avoidance of doubt, this provision is not intended to modify subsection a. above, and Tenant shall not be required to accept space that is substantially smaller than the Premises contemplated under this Lease.
- f. Following relocation, 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.

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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. Landlord shall ensure that the Common Areas 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 Common Areas.

34. FORCE MAJEURE.

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 beyond any period for cure, during the continuance of such uncured default, 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. However, Tenant shall have the right to maintain all signs in the locations currently existing as of the Commencement Date.

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.

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- e. *Intentionally Omitted.*
- 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:* Each individual signing this Lease on behalf of Tenant or Landlord 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 Landlord or Tenant, as applicable, in accordance with its terms.
- 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 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:* Tenant has previously provided information to Landlord regarding Tenant's current financial condition. Notwithstanding the foregoing or any provision of the Lease to the contrary, in no event shall Tenant be required to provide sales reports or other financial reports relating to activities from or within the Premises. So long as Tenant is an affiliate of Tenet Healthcare Corporation and Tenet Healthcare Corporation remains a publicly traded corporation, Tenant shall not be required to provide financial statements to Landlord.
- 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.

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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>Tenet Healthsystem Desert, Inc.</u>
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Chris Christensen</u>	By:	_____
Signature:	_____	Signature:	_____
Title:	<u>Interim CEO</u>	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 (excluding the interior of the Premises) 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 not consented to by Landlord without notice to and at the expense of Tenant.

All approved signs or lettering on entry door and directory shall be printed, painted, affixed, or inscribed at the expense of Landlord by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard interior window covering at all exterior windows. Tenant may, if not provided by Landlord, provide privacy screens on any window in order to protect patient privacy and all PHI.

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, except as necessary to protect PHI.
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. 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 reasonably offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or unreasonably interfere 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. The Premises shall not be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable or immoral purposes. Food service within the Premises shall be limited to coffee, microwave reheating, food delivery and other typical office uses. Food items must be secured in containers for clean and healthy conditions.
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. Tenant shall have access to the Building and Premises 24-hours a day, seven days a week. However, 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 illegal 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 or to provide general directions to Tenant's Premises.
- 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

_____ District _____ Recipient

ADDENDUM

Addendum to that certain Office Building Lease dated July 01, 2023, by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Tenet HealthSystem Desert, Inc., as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

LANDLORD AND TENANT ACKNOWLEDGE AND AGREE THAT IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE ADDENDUM LANGUAGE AND THE BODY OF THE LEASE, THE ADDENDUM LANGUAGE SHALL PREVAIL.

- 1. Commencement Date: May 1, 2024
- 2. Expiration Date: April 30, 2029
- 3. Rent Schedule:

5/1/2024 – 4/30/2025	\$23,077.12
5/1/2025 – 4/30/2026	\$23,769.43*
5/1/2026 – 4/30/2027	\$24,482.52*
5/1/2027 – 4/30/2028	\$25,216.99*
5/1/2028 – 4/30/2029	\$25,973.50*

*Estimate: Increase to be greater of 3% or CPI (not to exceed 5%)
- 4. CAMs: \$.86 per square foot (NNN), subject to adjustment each calendar year as provided for in the Lease
- 5. Tenant Audit Rights. Except in the case of fraud or willful misrepresentation, any objection by Tenant to a statement of Operating Costs provided by Landlord or to any information reported in it shall be deemed waived if not raised by notice to Landlord within 1 year after delivery of the statement. After giving such notice, Tenant shall have the right to audit Landlord's books and records with regard to Operating Costs for the calendar year to which the statement relates. Such audit shall occur at the location of Landlord's accounting records, during Landlord's regular business hours and on reasonable prior notice. The audit may be conducted by Tenant's employee or a reputable certified public accountant that has experience reviewing financial operating records of office building landlords, provided that neither shall be retained on a contingency or performance bonus basis. The audit must be completed not later than 90 business days after such books and records are made available for inspection. Any audit report prepared by Tenant's auditor shall be delivered concurrently to Landlord and Tenant within the 90-day period.

Either party may dispute the results of such audit by giving notice to the other within 30 days of receipt of the full complete audit report. Landlord and Tenant shall negotiate in good faith to resolve the dispute. The audit shall be performed at Tenant's sole cost and expense, unless after resolution of all disputes it is determined that Tenant's proportionate share of any item of operating costs shown on the disputed statement of Operating Costs exceeds the correct amount by more than five percent (5%) of the amount shown on the disputed statement, in which case Landlord shall pay reasonable and verifiable costs and expenses relating to the audit.
- 6. Security Deposit: Carryover of previous deposit of Thirteen Thousand, One Hundred Twelve and 00/100 Dollars (\$13,112.00).
- 7. Exclusion from Operating Costs. The following items to be excluded from operating costs: (a) ground lease rent; (b) depreciation and amortization; (c) marketing costs (including attorneys' fees, space planners' fees, real estate brokers' commissions, marketing and advertising expenses) incurred in connection with negotiation and preparation of letters, deal memos, letters of intent, leases, subleases, assignments or other transactions with present or prospective tenants or other occupants of the Building; (d) costs or expenses resulting from the violation of this Lease by Landlord, or the violation of other tenants of the provisions of their leases (excepting, however, the cost of any reasonable insurance deductible permitted by this Lease, if such violation results in an insured loss); (e) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods or services in the Building to the extent same exceeds the costs of such services rendered by unaffiliated third parties on a competitive basis; (f) interest, principal,

points and fees on debts, or amortization on any mortgage (first or otherwise) or other debt instrument encumbering the Building or the real property on which it is situated; (g) costs arising from the negligence or fault of: other tenants; Landlord or Landlord's agents; or, any vendors, contractors or providers of materials or services selected, hired or engaged by Landlord or Landlord's agents (including, without limitation, the selection of building materials); (h) Landlord's charitable or political contributions; or (i) wages and costs of personnel that furnish services to the Building and other properties owned by Landlord or its affiliates, unless such wages and costs are equitably apportioned between the Building and such other properties. By way of example, it is understood this would exclude general repairs and services to HVAC units throughout the Las Palmas Medical Plaza.

8. **Compliance.** Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable federal, state and local law, including without limitation, the Medicare/Medicaid Anti-Kickback statute (the "Anti-Kickback Law") and Section 1877 of the Social Security Act (the "Stark Law"), as amended. Notwithstanding any unanticipated effect of any of the provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would constitute a violation of the Anti-Kickback Law or the Stark Law. Without limiting the generality of the foregoing, Landlord and Tenant expressly agree that nothing contained in this Lease shall require either party to refer any patients to the other, or to any affiliate or subsidiary of the other. If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either party to be in violation of such laws due to the existence of any provision of this Lease, then Landlord and Tenant agree to negotiate in good faith to modify the terms of this Lease to comply with applicable law.
9. **Early Termination.** Landlord, as ground lessor, and Tenet HealthSystem Desert, Inc., as ground lessee, are parties to that certain Hospital Lease Agreement dated May 30, 1997 (the "Ground Lease"). Tenant is an affiliate of Tenet HealthSystem Desert, Inc. ("Ground Lessee"), and would not have a need for the Premises or its operations, or otherwise be a tenant of Landlord, but for the existence of the Ground Lease. Accordingly, if at any time the Ground Lease terminates, for any reason other than a termination by Landlord pursuant to Section 8.4(a) of the Ground Lease following a material and uncured event of default by Ground Lessee, then Tenant shall have the immediate right to terminate this Lease upon not less than 60 days notice to Landlord. In such event, Tenant shall specify the termination date in Tenant's notice to Landlord, and upon such date Tenant shall surrender the Premises to Landlord in accordance with Section 18, this Lease shall automatically terminate (with such specified date becoming the Termination Date hereunder).

[Signature Page to Follow]

The foregoing is hereby agreed to and accepted:

Date: _____

Date: _____

Landlord: Desert Healthcare District
dba: Las Palmas Medical Plaza

Tenant: Tenet Healthsystem
Desert, Inc.

By: Chris Christensen

By: _____

Signature: _____

Signature: _____

Title: Interim CEO

Title: _____

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Summary report:	
Litera Compare for Word 11.4.0.111 Document comparison done on 3/20/2024 5:04:35 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://WORKSITE.US.DENTONS.COM/US_ACTIVE/125015014/4	
Modified DMS: iw://WORKSITE.US.DENTONS.COM/US_ACTIVE/125015014/5	
Changes:	
<u>Add</u>	132
<u>Delete</u>	113
<u>Move From</u>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<u>Table Delete</u>	1
<u>Table moves to</u>	0
<u>Table moves from</u>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	246

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Date: April 10, 2024

To: Finance, Administration, Real Estate & Legal Committee

Subject: Desert Healthcare District and Foundation plans an inaugural Coachella Valley environmental health summit for fall 2024

Consideration to approve a draft budget and venue, including venue deposit schedule, to present an inaugural Coachella Valley environmental health summit.

Background:

- In August 2023, the Desert Healthcare District and Foundation staff coordinated a meeting of community partners and Hocker Productions to plan a Coachella Valley-wide health symposium that would bring together stakeholders and educate the community on health challenges and solutions. Environmental health was quickly identified as the summit topic with the broadest interest and potential impact.
- Since the initial meeting, the Environmental Health Summit Planning Committee has regularly convened to map out the details—exploring topics, participants and attendees, venues, format, and more. The Committee decided to present a day and a half-day of summit activities on Sept. 20 and 21, 2024. Meetings continue monthly leading up to the summit, which is expected to accommodate up to 500 attendees.
- The event planning process has sparked among Planning Committee members/partners an enthusiasm for this collective approach to addressing community health issues, eliminating less-effective silos. A consensus of District and Foundation staff and community partners supports presenting the summit as an annual or periodic event with an important health focus.
- Hocker Productions has submitted a draft budget that covers the costs of producing the inaugural summit. It includes a maximum commitment of \$75,000 from the Desert Healthcare District and Foundation, with an opportunity to lessen that commitment level as event sponsorships are secured. *The draft budget follows this report.*
- District staff and the event producer visited venues in 2023 and recommended the Westin Rancho Mirage Golf Resort & Spa as the 2024 summit host, which the Planning Committee supports. The venue offers optimal space and amenities, as well as a central location, for an event of this scope. *The Westin's agreement, which follows this report, includes a schedule of deposits to secure the location.* The deposits will be applied to the venue costs.

Fiscal Impact:

A projected budget of \$256,931.42, including a \$75,000 commitment from the District and Foundation. The symposium committee anticipates several sponsorships to support coverage of the expenses.

**Desert Healthcare District & Foundation Environmental
Health Summit Line-Item Budget
Friday, September 20 and Saturday, September 21, 2024**

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	Projected Budget 2024
REVENUE	
Presenting Sponsor: \$75,000	
Desert Healthcare District	75,000.00
Amazon	
Health Sponsor: \$25,000	
Desert Care Network	50,000.00
Equity Sponsor: \$15,000	
Desert Oasis Healthcare	20,000.00
Sponsor: \$10,000	
Auen or Berger Foundation	10,000.00
DAP Health	10,000.00
City of Rancho Mirage	10,000.00
City of Palm Springs	
City of Palm Desert	
Desert Community Foundation	10,000.00
Weingart Foundation (Patricia Watkins)	10,000.00
Silver Sponsor: \$5,000	
Agua Caliente Band of Cahuilla Indians	5,000.00
Eisenhower Health	5,000.00
Grace Helen Spearman Foundation	5,000.00
IEHP -	10,000.00
Lift to Rise	5,000.00
RAP Foundation	5,000.00
Riverside County Supervisors	5,000.00
Molina Health Plan	
Scan Health	5,000.00
Kaiser Permanente	5,000.00
First Foundation Bank	5,000.00
Inland Empire Community Foundation	5,000.00
Care: \$2,500	
Burrtec	
Palm Springs Disposal (Possibly \$7,500)	5,000.00
Joslyn Center	2,500.00
Jewish Family Service of the Desert	2,500.00

Desert Healthcare District and Foundation Summit Budget
September 20 21, 2024

True Evolution	2,500.00
UCR Riverside (LuAnn)	2,500.00
First 5 Riverside	2,500.00
Diversity Sponsors: \$1,500	
TOTAL SPONSORS	272,500.00
TOTAL REVENUE	272,500.00
EXPENSES	
Speaker Fees	20,000.00
Speaker Transportation	2,500.00
Westin Mission Hills- 5 Rooms for 2 nights for Speakers (Includes Tax)	3,046.42
DJ Mod Girl - Kellee Quinn (2 days)	1,500.00
Photography -Andrew Cabral (10 hours @ \$150)	1,200.00
Videography	1,500.00
Mercado Sound Engineer and Backline Equipment (Bernie Mercado)	2,500.00
Security	1,500.00
Martin Coogan ASL	500.00
Translator	500.00
TOTAL ENTERTAINMENT AUDIO & VISUAL	34,746.42
PRINTING AND COLLATERAL	
Save-the-Date: Printing & Postage	2,000.00
Invitation: Printing & Postage	5,000.00
Staples - office supplies	300.00
Retractable Banners (8)	1,200.00
Foam Core Signs (Speakers and Breakout Sessions) (10)	600.00
Name Badges	200.00
Name Badge Making Machine	600.00
TOTAL PRINTING & COLLATERAL	9,900.00
VENUE, PRODUCTION, F&B AND DÉCOR	
Westin Mission Hills & Spa Room (Rental is waived with \$20,000 F&B)	
Friday, September 20 (500 People)	
Continental Breakfast Buffett (\$35.00 pp)	\$17,500
Buffet Lunch (\$54.00 pp)	\$27,000
Coffee, Water & Soft Drink Stations All Day (\$29.00 pp)	\$14,500

Desert Healthcare District and Foundation Summit Budget
September 20 21, 2024

Saturday, September 21 (300 People)	
Continental Breakfast Buffett (\$35.00 pp)	\$10,500
Buffet Lunch (\$54.00 pp)	\$16,200
Coffee, Water & Soft Drink Stations All Day (\$29.00 pp)	\$8,700
Subtotal	94,400.00
Total for Both Days	
Service Charge at 25% (F&B Staff Charge and F&B House Charge)	23,500.00
Taxes at 7.75%	7,285.00
Self & Valet Parking are FREE	
Westin Mission Hills- Encore Event Technologies Audio/Visual	7,500.00
Florist Christina Adams, christina.petitebee@gmail.com	1,600.00
Subtotal	39,885.00
TOTAL CATERING & EVENT RENTAL	134,285.00
MEDIA COSTS	
KESQ News Channel 3 - TV / Telemundo	2,000.00
NBC Palm Springs / Univision	2,000.00
La Informacion	1,500.00
La Prensa	1,500.00
Marker Broadcasting	1,500.00
Alpha Media	1,500.00
Social Media Engagement	2,000.00
Domains, Website Landing Page & Registration Portal	6,000.00
TOTAL MEDIA EXPENSE	18,000.00
EXECUTIVE PRODUCER CONSULTANT FEE	
Hocker Productions	40,000.00
TOTAL CONSULTANT EXPENSES	40,000.00
CONTINGENCY	20,000.00
TOTAL ALL EVENT EXPENSES	256,931.42
TOTAL ALL EVENT REVENUE (Projected)	272,500.00
Net Excess/(Deficit)	15,568.58



CATERING SALES AGREEMENT

DESCRIPTION OF GROUP AND EVENT

The following represents an agreement between The Westin Rancho Mirage Golf Resort & Spa, 71333 Dinah Shore Drive, Rancho Mirage, CA, 92270, (760) 328-5955 and Desert Healthcare District & Foundation.

ORGANIZATION: Desert Healthcare District & Foundation

CONTACT:

- Name:
- Job Title:
- Street Address:
- City, State, Postal Code:
- Country/Region:
- Phone Number:
- Fax Number:
- E-mail Address:

ONSITE CONTACT:

- Name: Jeff Hocker
- Phone Number: (760) 341-2211
- E-mail Address: jeffhocker1@gmail.com

NAME OF EVENT: Desert Healthcare District & Foundation - Community Forum

REFERENCE #: M-T1QFX03

OFFICIAL PROGRAM DATES: Friday, 09/20/2024 - Sunday, 09/22/2024

GUEST ROOM COMMITMENT/GROUP ROOM RATES

The Hotel agrees that it will provide, and Group agrees that it will be responsible for utilizing, 10 room nights in the pattern set forth below (such number and such pattern, the "Room Night Commitment"):

Date	Day	Traditional King	Total Rooms
09/20/2024	Fri	5	5
09/21/2024	Sat	5	5

Start Date	End Date	Room Type	Rate
09/20/2024	09/21/2024	Traditional King	\$269.00

Hotel's room rates are subject to applicable state and local taxes (currently 13.25%) in effect at the time of check-out.

COMMISSION

The group room rates listed above are net non-commissionable.

RESORT FEE

Room rates will be subject to a non-commissionable REDUCED daily resort fee of \$25.00 per room per night plus taxes. This fee will cover several amenities, which include:

- Premium Wi-Fi access in Guestrooms and Meeting Room Wi-Fi access (for general browsing)
- Daily Social Hour in Pinz & Pints from 4:30pm-5:30pm featuring house wine, beer and batch craft cocktails

- Two Games of Duck Pin Bowling
- Daily In Room Bottled Water
- Access to Little Links Miniature Golf Course
- Access to Westin Workout Fitness Studio
- Two-hour bike rental per stay for up to 2 guests

SPECIAL CONCESSIONS

- Reduced Resort Fee of \$25.00 (Regularly \$38.00)
- Waived Overnight Self-Parking (Regularly \$16.00)
- Courtesy Room Block
- Waived Meeting Room Rental with \$20,000.00 Food and Beverage Minimum

METHOD OF RESERVATIONS – ROOMING LIST

A room list is to be provided by the meeting planner or designate, by the cutoff date of **Tuesday, August 20, 2024** in the Hotel room list format. Reservations must be made on or before the cutoff date of **Tuesday, August 20, 2024** in order to be eligible for the group rate. Any reservations made after the Cutoff Date shall be at the Hotel's then current available rate.

GUARANTEED RESERVATIONS

All reservations must be accompanied by a first night room deposit or guaranteed with a major credit card or by Desert Healthcare District & Foundation. Hotel will not hold any reservations unless secured by one of the above methods.

CUT-OFF DATE

Reservations by attendees must be received on or before **Tuesday, August 20, 2024**, (the "Cut-Off Date"). At the Cut-Off Date, Hotel will review the reservation pick up for the Event, release the unreserved rooms for general sale, and determine whether or not it can accept reservations based on a space- and rate-available basis at the Desert Healthcare District & Foundation group rate after this date.

NO ROOM TRANSFER BY GUEST

Desert Healthcare District & Foundation agrees that neither Desert Healthcare District & Foundation nor attendees of the Event nor any intermediary shall be permitted to assign any rights or obligations under this Group Sales Agreement, or to resell or otherwise transfer to persons not associated with Desert Healthcare District & Foundation reservations for guestrooms, meeting rooms or any other facilities made pursuant to this Group Sales Agreement.

BILLING ARRANGEMENTS

The following billing arrangements apply:

- Room, Resort Fee and Tax to Master
- Banquet Catering to Master Account

An advance payment of **\$6,054.86** will be required in order to hold arrangements on a definite basis. This advance payment is due upon contract signing and will be credited toward Group's Master Account.

PHISHING

Please be aware that bad actors can impersonate Hotel employees. Group should never rely solely on contact information sent in an email or respond directly to any email requesting a bank account information change. If Group receives a request from Hotel regarding bank account information, Group should contact the Hotel via verified phone number or in person to confirm the request prior to providing such information.

PAYMENT BY CREDIT CARD OR COMPANY CHECK

If Desert Healthcare District & Foundation wishes to pay any portion of its obligation by credit card or company check, the credit card information must be entered into our secure online website.

Prior to the execution of this agreement Desert Healthcare District & Foundation shall provide hotel with credit card authorization information. A Credit Card Information Request e-mail will be sent to the e-mail address provided by Desert Healthcare District & Foundation.

Desert Healthcare District & Foundation agrees that the Hotel may charge to this credit card any payment as required under this Group Sales Agreement.

ADVANCE PAYMENT

An advance payment of \$6,054.86 will be required. This advance payment is due upon contract signing and will be credited toward the Master Account.

ADVANCE PAYMENT SCHEDULE

Desert Healthcare District & Foundation agrees to pay an advance deposit as outlined in the schedule below:

TYPE	DUE DATE	AMOUNT
1 st Deposit	Upon Contract Signing	\$6,054.86
2 nd Deposit	June 5, 2024	\$6,054.86
3 rd Deposit	August 5, 2024	\$6,054.86
Final Deposit	September 10, 2024	100% Estimated Balance

The above payments will be applied to payment of the Master Account. In the event that the payments exceed the balance of the Master Account, including any liquidated damages associated with cancellation/attrition by Desert Healthcare District & Foundation, Hotel will refund the difference between the payments and the balance of the Master Account within thirty (30) days.

FUNCTION INFORMATION AGENDA/EVENT AGENDA

Based on the requirements outlined by Desert Healthcare District & Foundation, the Hotel has reserved the function space set forth on the below Function Information Agenda/Event Agenda.

Date	Day	Start Time	End Time	Function Type	Setup	# People	Rental	Function Space
09/20/2024	Fri	8:00 AM	2:00 PM	Community Forum	Theatre	500	Waived	Celebrity A-E
09/21/2024	Sat	8:00 AM	10:00 AM	Wellness Stretching	Special	100	Waived	Front Lawn
09/21/2024	Sat	8:00 AM	5:00 PM	Community Forum	Theatre	500	Waived	Celebrity A-E
09/21/2024	Sat	5:00 PM	7:00 PM	Reception	Lounge	500	Waived	Celebrity Foyer & Plazas

All meeting room, food and beverage, and related services are subject to applicable taxes (currently 7.75%) and a F&B Staff Charge (currently 11%) and F&B House Charge (currently 14%) in effect on the date(s) of the event.

DAMAGE TO FUNCTION SPACE

Desert Healthcare District & Foundation agrees to pay for any damage to the function space that occurs while Desert Healthcare District & Foundation is using it. Desert Healthcare District & Foundation will not be responsible, however, for ordinary wear and tear or for damage that it can show was caused by persons other than Desert Healthcare District & Foundation and its attendees.

FACILITY FEES

Based on Desert Healthcare District & Foundation's requirements, Hotel's function space fees would be \$15,000.00. Based upon the Room Night Commitment and the functions identified on the Function Information Agenda/Event Agenda outlined in this Agreement, the Hotel will waive these fees with \$20,000.00 Food and Beverage Minimum.

MINIMUM BANQUET FOOD AND BEVERAGE REVENUE REQUIREMENT

Desert Healthcare District & Foundation agrees to a minimum banquet food and beverage revenue of \$20,000.00, exclusive of tax and service charge (the “Minimum Banquet Food and Beverage Revenue”). Hotel has confirmed the food and beverage prices to Desert Healthcare District & Foundation.

CURRENT CATERING MINIMUM RATES

Hotel’s 2023 minimum catering prices are as follows:

Continental Breakfast:	\$35.00++ per person
Buffet Lunch:	\$54.00++ per person
Plated Dinner:	\$105.00++ per person
Buffet Dinner	\$140.00++ per person
Coffee Break:	\$29.00++ per person
Cocktail Reception (Beverages only):	\$37.00 per person per hour
Light Reception (Food only)	\$28.00++ per person

These quotations do not include any applicable tax (currently at 7.75%), and a 25% service charge. All food and beverage served in the Hotel must be purchased from the Hotel.

Resort agrees that the current minimums will not increase more than 5% year over year

CANCELLATION

In the event of a group cancellation occurring 0 to 3 business days prior to arrival, liquidated damages in the amount of one hundred percent (100%) of the Room Night Commitment and the Minimum Banquet Food and Beverage Revenue will be due, plus applicable taxes.

In the event of a group cancellation occurring 4 business days to 90 days prior to arrival, liquidated damages in the amount of forty percent (40%) of the Minimum Banquet Food and Beverage Revenue will be due, plus applicable taxes.

In the event of a group cancellation occurring 91 to 180 days prior to arrival, liquidated damages in the amount of forty percent (40%) of the Minimum Banquet Food and Beverage Revenue will be due, plus applicable taxes.

IMPOSSIBILITY

The performance of this Agreement is subject to termination without liability upon the occurrence of any circumstance beyond the control of either party – such as acts of God, war, acts of terrorism, government regulations, disaster, strikes, civil disorder, or curtailment of transportation facilities – to the extent that such circumstance makes it illegal or impossible for the Hotel to provide, or for groups in general to use, the Hotel facilities. The ability to terminate this Agreement without liability pursuant to this paragraph is conditioned upon delivery of written notice to the other party setting forth the basis for such termination as soon as reasonably practical - but in no event longer than ten (10) days - after learning of such basis.

COMPLIANCE WITH LAW

This Agreement is subject to all applicable federal, state, and local laws, including health and safety codes, alcoholic beverage control laws, disability laws, federal anti-terrorism laws and regulations, and the like. Hotel and Desert Healthcare District & Foundation agree to cooperate with each other to ensure compliance with such laws.

CHANGES, ADDITIONS, STIPULATIONS, OR LINING OUT

Any changes, additions, stipulations or deletions including corrective lining out by either Hotel or Desert Healthcare District & Foundation will not be considered agreed to or binding on the other unless such modifications have been initialed or otherwise approved in writing by the other.

DISPUTE RESOLUTION

In the event of dispute resolution, the non-prevailing party will pay the other’s costs and attorney’s fees.

LIQUOR LICENSE

Desert Healthcare District & Foundation understands that Hotel’s liquor license requires that beverages only be dispensed by Hotel employees or bartenders. Alcoholic beverage service may be denied to those guests who appear to be intoxicated or are underage.

COMPLIANCE WITH EQUAL OPPORTUNITY LAWS

This section describes Marriott’s obligations as a U.S. federal contractor. It does not apply to customers that are not part of the U.S. federal government or using funds from the U.S. federal government for this contract.

Marriott shall comply with all applicable laws, statutes, rules, ordinances, codes, orders and regulations of all federal, state, local and other governmental and regulatory authorities and of all insurance bodies applicable to the Hotel premises in performing its obligations under this Agreement.

Marriott (referred to as “contractor” in this section) shall comply with Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans’ Readjustment Assistance Act, as amended, which are administered by the United States Department of Labor (“DOL”), Office of Federal Contract Compliance Programs (“OFCCP”). The equal employment opportunity clauses of the implementing regulations, including but not limited to 41 C.F.R. §§ 60.1-4, 60-300.5(a), and 60-741.5(a), are hereby incorporated by reference, with all relevant rules, regulations and orders pertaining thereto. **This contractor and subcontractor shall abide by the requirements of 41 C.F.R. §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.**

Marriott also shall comply with Executive Order 13496 and with all relevant rules, regulations and orders pertaining thereto, to the extent applicable. The employee notice clause and all other provisions of 29 C.F.R. Part 471, Appendix A to Subpart A, are hereby incorporated by reference.

To the extent applicable, Marriott shall include the provisions of this section in every subcontract or purchase order so that such provisions shall be binding upon each contractor, subcontractor or vendor performing services or providing materials relating to this Agreement and the services provided pursuant to the terms hereof.

PRIVACY

Marriott International, Inc. (“Marriott”) is committed to complying with obligations applicable to Marriott under applicable privacy and data protection laws, including to the extent applicable EU data protection laws. Hotel shall comply with the then-current Marriott Group Global Privacy Statement (the “Privacy Statement,” currently available at <http://www.marriott.com/about/privacy.mi>) with respect to any personal data received under this Agreement.

Without limiting the foregoing obligation, Hotel has implemented measures designed to: (1) provide notice to individuals about its collection and use of their personal data, including through the Privacy Statement; (2) use such personal data only for legitimate business purposes; (3) provide means by which individuals may request to review, correct, update, suppress, restrict or delete or port their personal data, consistent with applicable law; (4) require any service providers with whom personal data is shared to protect the confidentiality and security of such data; and (5) use technical and organizational measures to protect personal data within its organization against unauthorized or unlawful access, acquisition, use, disclosure, loss, or alteration.

Desert Healthcare District & Foundation will obtain all necessary rights and permissions prior to providing any personal

data to Hotel, including all rights and permissions required for Hotel, Hotel affiliates, and service providers to use and transfer the personal data to locations both within and outside the point of collection (including to the United States) in accordance with Hotel’s privacy statement and applicable law. Notwithstanding any other provision, Hotel may use an individual’s own personal data to the extent directed by, consented to or requested by such individual.

IN-HOUSE EQUIPMENT

Hotel will provide, at no charge, a reasonable amount of meeting equipment (for example, chairs, tables, etc.). These complimentary arrangements do not include special setups or extraordinary formats that would deplete Hotel’s present in-house equipment to the point of requiring rental of an additional supply to accommodate Desert Healthcare District & Foundation’s needs. If such special setups or extraordinary formats are requested, Hotel will present Desert Healthcare District & Foundation two (2) alternatives: (1) charging Desert Healthcare District & Foundation the rental cost for additional equipment, or (2) changing the extraordinary setup to a standard format, avoiding the additional cost.

TECHNICAL SERVICES

Encore is Hotel’s preferred provider for audio/visual needs. Because the use of another provider will necessarily involve the use of some of Hotel’s and Encore’s equipment and expertise, a fee will be charged if Desert Healthcare District & Foundation selects such a provider.

UNATTENDED ITEMS/ADDITIONAL SECURITY

The Hotel cannot ensure the security of items left unattended in function rooms. Special arrangements may be made with the Hotel for securing a limited number of valuable items. If Desert Healthcare District & Foundation requires additional security with respect to such items or for any other reason, the Hotel will assist in making these arrangements. All security personnel to be utilized during the Event are subject to Hotel approval.

USE OF OUTSIDE VENDORS

If Desert Healthcare District & Foundation wishes to hire outside vendors to provide any goods or services at Hotel during the Event, Desert Healthcare District & Foundation must notify Hotel of the specific goods or services to be provided and provide sufficient advance notice to the Hotel so that the Hotel can (i) determine, in Hotel’s sole discretion, whether such vendor must provide Hotel, in form and amount reasonably satisfactory to Hotel, an indemnification agreement and proof of adequate insurance, and (ii) approve, using reasonable judgment, the selection of the outside vendor and the goods or services to be provided by such outside vendor to Desert Healthcare District & Foundation, taking into consideration: (a) whether Hotel offers such goods and services; (b) the risk level posed by certain activities; and (c) the safety and well-being of guests at Hotel.

PERFORMANCE LICENSES

Desert Healthcare District & Foundation will be solely responsible for obtaining any necessary licenses or permission to perform, broadcast, transmit, or display any copyrighted works (including without limitation, music, audio, or video recordings, art, etc.) that Desert Healthcare District & Foundation may use or request to be used at the Hotel.

MARRIOTT BONVOY EVENTS

Marriott Bonvoy Events provides Points or Miles to eligible Marriott Bonvoy Members who book and hold qualifying meetings and events at Participating Properties.

Approximately ten (10) business days after the conclusion of the Event (provided that the Event is not cancelled and Desert Healthcare District & Foundation has otherwise complied with the material terms and conditions of this Agreement), the Hotel will award Points or Miles to the Member and relevant account identified below. By inserting the airline frequent flyer account information, the recipient elects to receive Miles instead of Points.

Marriott Bonvoy Events is not available in certain circumstances, including (1) for any government employee or official booking a government event (U.S. government event or non-U.S. government event); (2) for any employee of a state-owned or state-controlled entity (“SOE”) booking an event on behalf of the SOE; or (3) for any other planner or intermediary when booking an event on behalf of a non-U.S. governmental entity or SOE. Hotels in the Asia Pacific region

are restricted from awarding Points or Miles to any intermediary booking an event on behalf of any governmental entity or SOE.

GROUP MUST CHECK **ONE** OPTION BELOW:

The Contact (as identified on page 1 of this Agreement or the Authorized Signer of this Agreement) is eligible to receive Points or Miles.

Member Name _____

Marriott Bonvoy Membership Number _____

*If Miles are desired instead of Points, please also provide:

Participating airline name _____

Participating airline frequent flyer account number _____

OR

The Contact (as identified on page 1 of this Agreement or the Authorized Signer of this Agreement) declines or is not eligible to receive Points or Miles and hereby waives the right to receive Points or Miles in connection with the Event.

The individual identified above to receive either Points or Miles may not be changed without such individual’s prior written consent. The number of Points or Miles to be awarded shall be determined pursuant to the Marriott Bonvoy Terms and Conditions (the “Terms and Conditions”), as in effect at the time of award. All Marriott Bonvoy Terms and Conditions apply. The Terms and Conditions are available on-line at <https://www.marriott.com/loyalty/terms/default.mi> and may be changed at the sole discretion of Marriott International, Inc. at any time and without notice. Capitalized terms used in this section have the meanings given to them in the Terms and Conditions.

*Electronic selection – This may be done in Microsoft Word by double-clicking on the above unfilled box, choosing a blackened box, and then clicking “Insert.” Alternatively, one can use the commands “Insert” and “Symbol,” choose the blackened box, and then click “Insert.”

ACCEPTANCE

When presented by the Hotel to Desert Healthcare District & Foundation, this document is an invitation by the Hotel to Desert Healthcare District & Foundation to make an offer. Upon signature by Desert Healthcare District & Foundation, this document will be an offer by Desert Healthcare District & Foundation. Only upon signature of this document by all parties will this document constitute a binding agreement. Unless the Hotel otherwise notifies Desert Healthcare District & Foundation at any time prior to Desert Healthcare District & Foundation’s execution of this document, the outlined format and dates will be held by the Hotel for Desert Healthcare District & Foundation on a first-option basis until **Tuesday, April 2, 2024** . If Desert Healthcare District & Foundation cannot make a commitment prior to that date, this invitation to offer will revert to a second-option basis or, at the Hotel’s option, the arrangements will be released, in which case neither party will have any further obligations.

Upon signature by both parties, Desert Healthcare District & Foundation and the Hotel shall have agreed to and executed this Agreement by their authorized representatives as of the dates indicated below.

SIGNATURES

Approved and authorized by Desert Healthcare District & Foundation:

Name: (Print) _____

M-T1QFXO3

Rachel Leary

Title: (Print) _____

Signature: _____

Date: _____

Approved and authorized by Hotel:

Name: (Print) Rachel Leary

Title: (Print) Sales Executive

Signature: _____

Date: _____