



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

The Finance, Legal, Administration, & Real Estate Committee of the Desert Healthcare District will be held at 5:00 PM, Wednesday, July 10, 2024, via Zoom using the following link:

<https://us02web.zoom.us/j/83743788340?pwd=VXIjcEdUMWtLa3NvdHd3SGRXa0Mzd09>
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 – June 12, 2024 – Pg. 3-8

ACTION

V. CHIEF EXECUTIVE OFFICER'S REPORT

1. CAO New Hire Update

Information

VI. CHIEF ADMINISTRATION OFFICER'S REPORT – Pg. 9

1. LPMP Leasing Update – Pg. 10

Information

VII. FINANCIAL REPORTS

1. District and LPMP Financial Statements – Pg. 11-22
2. Accounts Receivable Aging Summary – Pg. 23
3. District - Deposits – Pg. 24
4. District - Property tax receipts – Pg. 25
5. LPMP – Deposits – Pg. 26-27
6. District – Check Register – Pg. 28-29
7. Credit Card – Detail of Expenditures – Pg. 30
8. LPMP – Check Register – Pg. 31
9. CEO Discretionary Fund – Pg. 32
10. Retirement Protection Plan Update – Pg. 33
11. Grant Payment Schedule – Pg. 34

ACTION

VIII. OTHER MATTERS

1. Las Palmas Medical Plaza – Lease – FCPP – Suite 1W-201 – 5 years – Pg. 35-65
2. Las Palmas Medical Plaza – Lease Termination – Suite 1W-201 – Pg. 66

**ACTION
ACTION**



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Finance, Legal, Administration, & Real Estate Committee
July 10, 2024

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
June 12, 2024

Directors Present via Video Conferencing	District Staff Present via Video Conferencing	Absent
Chair/Treasurer Arthur Shorr Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Chris Christensen, CPA, Interim CEO Donna Craig, Chief Program Officer Alejandro Espinoza, MPH, Chief of Community Engagement Eric Taylor, CPA, Accounting Manager Andrea S. Hayles, MBA, Board Relations Officer	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Shorr called the meeting to order at 5:00 p.m.	
II. Approval of Agenda	Chair Shorr 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 May 15, 2024	Chair Shorr motioned to approve the May 15, 2024, meeting minutes.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the May 15, 2024, meeting minutes. Motion passed unanimously.
V. Chief Executive Officer’s Report 1. Annual Preliminary Audit	Chris Christensen, CEO, provided an update on the completion of the audit fieldwork, with the first week in August reserved for the fiscal year-end review and a final report to the committee in October. Mr. Christensen described the process of a fairness opinion for transparency purposes with VMG Health of \$80k to present to the Board, which will assess the value of the lease payments to ensure the	

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	independent fairness of the lease transaction.	
<p>VI. Chief Administration Officer's Report</p> <p>1. LPMP Lease Update</p>	Mr. Christensen described the 94.1% vacancy rate and one vacant suite remaining following the approval of an additional lease agreement with DPMG Health.	
<p>VIII. Financial Reports – May 2024</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. CEO Discretionary Fund 10. Retirement Protection Plan Update 11. Grant Payment Schedule 	<p>Chair Shorr reviewed the financials with the committee, and Mr. Christensen highlighted that the income is trending upward for the property taxes, incurring an access budget of \$1.4M in revenue, including the gains on investments. Mr. Christensen also described the \$3M grant budget net income from July 2023 through May 2024 and a request to consider rolling forward the \$305,939 from the grant program for the fiscal year-end 2023-2024 at the June Board meeting.</p> <p>The committee requested the inclusion of additional details on the Details for Credit Card Expenditures associated with meetings that include staff.</p> <p>The committee also inquired about the calculation error for the May Retirement Protection Plan (RPP), which</p>	<p>Moved and seconded by Director Shorr and Director De Lara to approve the May 2024 financial reports and forward to the Board for approval.</p> <p>Motion passed unanimously.</p>

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	<p>pertains to the description on the data file that tracks participants, and a correction for the participant number in May, which didn't capture all the line-item data in the RPP.</p>	
<p>IX. Other Matters</p> <p>1. Diligent Community – Enterprise Governance Software Platform – NTE \$16,300</p> <p>2. 20th Anniversary Dinner – Donna Craig, Chief Program Officer</p> <p>3. Las Palmas Medical Plaza – Lease – DPMG Health – Suite 2W-103-104 – 5 years</p>	<p>Mr. Christensen described additional public transparency and internal efficiency of the board and committee meeting agendas and packets while providing an overview of the Diligent Community software platform to streamline the current process.</p> <p>The committee discussed the comparisons to other platforms, inquiring about the website, training for the Board, and the voting component.</p> <p>Mr. Christensen described the importance of recognizing staff, Donna Craig, the Chief Program Officer's role with the organization over the past 20 years, and a dinner to acknowledge her years of service to the District.</p> <p>Mr. Christensen described the five-year lease of \$1.75 sq. ft. with DPMG Health for behavioral health services at the Las Palmas Medical Plaza, including a tenant improvement allowance of \$15 sq. ft.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the Diligent Community – Enterprise Governance Software Platform – NTE \$16,300 and forward to the Board for approval. Motion passed unanimously.</p> <p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the Las Palmas Medical Plaza – Lease – DPMG Health – Suite 2W-103-104 – 5 years and forward to the Board for approval. Motion passed unanimously.</p>



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IX. Adjournment	Chair Shorr adjourned the meeting at 6:00 p.m.	<i>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</i>
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ATTEST: _____
Arthur Shorr, Chair/Treasurer, Board of Directors
Finance & Administration Committee Chair
Desert Healthcare District Board of Directors

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

DRAFT

From: [Brad Anderson](#)
To: [Andrea Hayles](#)
Subject: Public Comment(s) - DHCD Finance, Legal, Administration, & Real Estate Committee June 12, 2024 (5:PM)
Date: Tuesday, June 11, 2024 11:00:19 PM

June 11, 2024

Desert Healthcare District (DHCD)
1140 North Indian Canyon Dr.
Palm Springs, California
Attn: Clerk of the Board

Please take notice: THIS PUBLIC MEETING IS BEING CONDUCTED REMOTELY ONLY (NO IN-PERSON ACCOMMODATIONS ARE SUPPLIED)

Re: Written letter to be entered in the Public record and made available for public Inspection for the June 12, 2024 (5:PM) DHCD Finance, Legal, Administration, & Real Estate Committee meeting- Agenda Item(s): 3. & 7.9 plus agenda Item: 8.2

Dear current DHCD Board of Directors,

Please review my written statements listed below prior to the consideration of each agenda Items as listed.

1) Agenda Item: 3. (Non-Agenda Public comment)

Desert Healthcare District (DHCD) administration and Board members have been repeatedly requested to "return" to California's long established Brown Act safeguards in regards to Public meetings of the DHCD.

DHCD have subverted public meeting best practices protocols by not allowing citizens the opportunity to attend that organizations preceived open Public committee meetings in-person at a designated location.

DHCD Board of directors have been meeting remotely for certain public meetings of that organization without gathering in one location or having arrangement for the Public to monitor and or participate in-person with those online only DHCD precived open Public meetings.

Please take notice: No State of Emergency exist that would allow DHCD to legally subvert in-person public meeting locations for the general public to view or participate in the the people's business (DHCD public committee meetings).

2) Agenda Item: 7.9 (CEO Discretionary spending)

As this organization should be aware, at a prior DHCD Board of directors meeting - public testimony was given in regards to the prior DHCD - CEO used of his Issued DHCD credit card. The public testimony commented on the CEO (Mr. Barzaga) five hundred dollar (\$500.) Donation to Planned Parenthood while he was traveling on DHCD business.

It's reasonable to consider that the CEO Discretionary fund detailed report listed with this agenda Item is suspect of excessive and questionable activities. Five Thousand dollars (\$5000.) of the CEO Discretionary fund was issued to Planned Parenthood (Cocktail reception

- Dated September 23, 2023).

It's reasonable to consider that DHCD - CEO was able to allocate regional taxpayer's resources (tax collected dollars) on selected organizations (Planned Parenthood) without accountability for said actions.

3) Agenda Item: 8.2 (Twenty (20th) year employee celebration event)

Established employees should be recognized by their employer when appropriate and in a reasonable matter.

Tax collected dollars shouldn't be used to show graduated to a employee from an entity (DHCD) that has a responsibility to safeguard DHCD resources (Stewardship of tax collected dollars).

If a private party is desired - please consider financing that event with private dollars and not diverting DHCD resources (Tax collect dollars) from Valley Resident's.

Sincerely,

Brad Anderson | 37043 Ferber Dr. Rancho Mirage, CA. 92270



Cc:



Chief Administration Officer's Report

July 10, 2024

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

97.9% currently occupied –

Total annual rent including CAM fees is **\$1,550,444**.

Leasing Activity:

A draft lease with First Choice Physician Partners (FCPP) for suite 1W-201 is presented in this month's packet.

One suite (1W-104) remains vacant and is available for lease through our broker, Rob Wenthold.

Las Palmas Medical Plaza

Unit Rental Status

As of July 1, 2024

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly CAM	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To									
											\$ 0.86		
1W, 104	Vacant					1,024	2.07%						
Total - Vacancies						1,024	2.07%						
Total Suites - 32 - 30 Suites Occupied		\$57,492.84				49,356	97.93%	\$ 87,641.55	\$ 1,051,698.60	\$ 1.81	\$ 41,562.08	\$ 129,203.63	\$ 1,550,443.56
Summary - All Units													
			Occupied	48,332	97.93%								
			Vacant	1,024	2.07%								
			Pending	0	0.00%								
			Total	49,356	100%								

DESERT HEALTHCARE DISTRICT
JUNE 2024 FINANCIAL STATEMENTS
INDEX
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Year to Date Variance Analysis
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Retirement Protection Plan Update
Grants Schedule

**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
TWELVE MONTHS ENDED JUNE 30, 2024**

Scope: \$25,000 Variance per Statement of Operations Summary				
Preliminary				
Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
4000 - Income	\$ 14,010,234	\$ 8,884,004	\$ 5,126,230	Higher interest income and market fluctuations (net) from FRF investments \$2,900k; higher property tax revenues \$2,226k
4500 - LPMP	\$ 1,513,287	\$ 1,400,676	\$ 112,611	Higher CAM revenue \$249k; lower rent revenue \$136k
4501 - Misc. Income	\$ 154,000	\$ 9,000	\$ 145,000	Higher misc. income \$140k from Coachella Valley Resource Conservation District for 2nd Mobile Medical Unit and \$5k from Environmental Health Summit sponsorship
5000 - Direct Expenses	\$ 1,736,572	\$ 1,876,296	\$ (139,724)	Lower education expense \$80k; lower health insurance expense \$48k; higher wage related expenses \$21k; lower board expenses \$20k; lower retirement expenses \$12k; lower misc. \$1k
6445 - LPMP Expense	\$ 1,192,517	\$ 1,249,956	\$ (57,439)	Lower depreciation expenses \$95k; higher interior building expense \$55k; higher insurance expense \$18k; higher plumbing expenses \$16k; lower security expense \$15k; lower marketing expense \$14k; higher misc. \$8k; lower signage expense \$7k; lower property taxes expense \$6k; lower lighting expense \$5k; lower deferred maintenance expense \$5k; higher landscaping expense \$4k; lower rubbish removal expense \$3k; lower medical waste expense \$3k; lower water expense \$3k; lower roof repairs expense \$2k; lower vacant unit expense \$2k; higher utilities/electricity expense \$2k
6500 - Professional Fees Expense	\$ 1,032,802	\$ 1,656,456	\$ (623,654)	Lower Professional Services expense \$483k; lower PR/Communications expense \$131k; lower legal expense \$9k; lower misc \$1k
Las Palmas Medical Plaza - Net	\$ 320,770	\$ 150,720	\$ 170,050	LPMP revenue higher \$113k; LPMP expenses lower \$57k

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2023 through June 2024

	MONTH			TOTAL		
	Jun 24	Budget	\$ Over Budget	Jul '23 - Jun 24	Budget	\$ Over Budget
Preliminary						
Income						
4000 · Income	3,124,040	1,992,667	1,131,373	14,010,234	8,884,004	5,126,230
4500 · LPMP Income	124,147	116,723	7,424	1,513,287	1,400,676	112,611
4501 · Miscellaneous Income	9,500	750	8,750	154,000	9,000	145,000
Total Income	3,257,687	2,110,140	1,147,547	15,677,522	10,293,680	5,383,842
Expense						
5000 · Direct Expenses	160,169	156,358	3,811	1,736,572	1,876,296	(139,724)
6000 · General & Administrative Exp	56,150	52,110	4,040	620,500	625,320	(4,820)
6325 · CEO Discretionary Fund	186	9,167	(8,981)	51,043	65,000	(13,957)
6445 · LPMP Expenses	94,986	104,163	(9,177)	1,192,517	1,249,956	(57,439)
6500 · Professional Fees Expense	75,373	138,038	(62,665)	1,032,802	1,656,456	(623,654)
6600 · Mobile Medical Unit	0	0	0	2,073	0	2,073
6700 · Trust Expenses	5,458	6,542	(1,084)	77,296	78,504	(1,208)
Total Expense Before Grants	392,322	466,378	(74,056)	4,712,796	5,551,558	(838,762)
9000 · Other Income <expenses>	0	0	0	(965)	0	(965)
7000 · Grants Expense	305,939	833,333	(527,394)	5,000,000	5,000,000	0
Net Income	2,559,426	810,429	1,748,997	5,963,761	(257,874)	6,221,635

Desert Healthcare District
Profit & Loss Budget vs. Actual
 July 2023 through June 2024

			MONTH			TOTAL		
			Jun 24	Budget	\$ Over Budget	Jul '23 - Jun 24	Budget	\$ Over Budget
		Preliminary						
Income								
4000 · Income								
		4010 · Property Tax Revenues	2,822,651	1,989,000	833,651	11,066,176	8,840,000	2,226,176
4200 · Interest Income								
		4220 · Interest Income (FRF)	71,760	85,000	(13,240)	1,258,730	1,020,000	238,730
		9999-1 · Unrealized gain(loss) on invest	227,629	(83,333)	310,962	1,661,328	(999,996)	2,661,324
		Total 4200 · Interest Income	299,389	1,667	297,722	2,920,058	20,004	2,900,054
		4300 · DHC Recoveries	2,000	2,000	0	24,000	24,000	0
		Total 4000 · Income	3,124,040	1,992,667	1,131,373	14,010,234	8,884,004	5,126,230
		4500 · LPMP Income	124,147	116,723	7,424	1,513,287	1,400,676	112,611
		4501 · Miscellaneous Income	9,500	750	8,750	154,000	9,000	145,000
		Total Income	3,257,687	2,110,140	1,147,547	15,677,522	10,293,680	5,383,842
Expense								
5000 · Direct Expenses								
5100 · Administration Expense								
		5110 · Wages Expense	121,164	131,159	(9,995)	1,463,548	1,573,908	(110,360)
		5111 · Allocation to LPMP - Payroll	(6,539)	(6,539)	0	(78,468)	(78,468)	0
		5112 · Vacation/Sick/Holiday Expense	19,241	15,000	4,241	176,080	180,000	(3,920)
		5114 · Allocation to Foundation	(13,166)	(33,148)	19,982	(317,848)	(397,776)	79,928
		5119 · Allocation-FED FUNDS/CVHIP-DHCF	(1,157)	(17,071)	15,914	(131,957)	(204,852)	72,895
		5120 · Payroll Tax Expense	8,429	10,578	(2,149)	109,417	126,936	(17,519)
5130 · Health Insurance Expense								
		5131 · Premiums Expense	13,848	22,456	(8,608)	229,394	269,472	(40,078)
		5135 · Reimb./Co-Payments Expense	2,969	1,950	1,019	15,505	23,400	(7,895)
		Total 5130 · Health Insurance Expense	16,817	24,406	(7,589)	244,899	292,872	(47,973)
		5140 · Workers Comp. Expense	438	585	(147)	6,453	7,020	(567)
		5145 · Retirement Plan Expense	7,624	10,486	(2,862)	113,576	125,832	(12,256)
		5160 · Education Expense	0	8,333	(8,333)	19,885	99,996	(80,111)
		Total 5100 · Administration Expense	152,851	143,789	9,062	1,605,585	1,725,468	(119,883)

Desert Healthcare District
Profit & Loss Budget vs. Actual
 July 2023 through June 2024

		MONTH			TOTAL		
		Jun 24	Budget	\$ Over Budget	Jul '23 - Jun 24	Budget	\$ Over Budget
	Preliminary						
	5200 · Board Expenses						
	5210 · Healthcare Benefits Expense	1,466	4,188	(2,722)	49,556	50,256	(700)
	5230 · Meeting Expense	1,297	3,708	(2,411)	28,327	44,496	(16,169)
	5235 · Director Stipend Expense	3,704	3,465	239	41,603	41,580	23
	5240 · Catering Expense	851	1,000	(149)	8,175	12,000	(3,825)
	5250 · Mileage Reimbursement Expense	0	208	(208)	3,326	2,496	830
	Total 5200 · Board Expenses	7,318	12,569	(5,251)	130,987	150,828	(19,841)
	Total 5000 · Direct Expenses	160,169	156,358	3,811	1,736,572	1,876,296	(139,724)
	6000 · General & Administrative Exp						
	6110 · Payroll fees Expense	222	208	14	2,325	2,496	(171)
	6120 · Bank and Investment Fees Exp	5,442	5,200	242	66,429	62,400	4,029
	6125 · Depreciation Expense	2,372	2,000	372	25,135	24,000	1,135
	6126 · Depreciation-Solar Parking lot	15,072	15,072	0	180,864	180,864	0
	6127 · Depreciation - Autos	6,409	3,287	3,122	60,572	39,444	21,128
	6130 · Dues and Membership Expense	11,730	5,385	6,345	50,340	64,620	(14,280)
	6200 · Insurance Expense	4,133	4,950	(817)	50,220	59,400	(9,180)
	6300 · Minor Equipment Expense	0	42	(42)	0	504	(504)
	6305 · Auto Allowance & Mileage Exp	554	500	54	2,555	6,000	(3,445)
	6306 · Staff- Auto Mileage reimb	589	625	(36)	5,530	7,500	(1,970)
	6309 · Personnel Expense	0	375	(375)	471	4,500	(4,029)
	6310 · Miscellaneous Expense	0	42	(42)	0	504	(504)
	6311 · Cell Phone Expense	1,394	900	494	9,298	10,800	(1,502)
	6312 · Wellness Park Expenses	0	83	(83)	1,035	996	39
	6315 · Security Monitoring Expense	0	50	(50)	611	600	11
	6340 · Postage Expense	200	333	(133)	2,103	3,996	(1,893)
	6350 · Copier Rental/Fees Expense	377	500	(123)	4,639	6,000	(1,361)
	6351 · Travel Expense	819	2,500	(1,681)	37,493	30,000	7,493
	6352 · Meals & Entertainment Exp	131	2,417	(2,286)	11,761	29,004	(17,243)
	6355 · Computer Services Expense	2,683	3,083	(400)	57,643	36,996	20,647
	6360 · Supplies Expense	1,185	1,833	(648)	19,053	21,996	(2,943)
	6380 · LAFCO Assessment Expense	180	208	(28)	2,160	2,496	(336)
	6400 · East Valley Office	2,658	2,517	141	30,263	30,204	59
	Total 6000 · General & Administrative Exp	56,150	52,110	4,040	620,500	625,320	(4,820)

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2023 through June 2024

		MONTH			TOTAL		
		Jun 24	Budget	\$ Over Budget	Jul '23 - Jun 24	Budget	\$ Over Budget
	Preliminary						
6325	· CEO Discretionary Fund	186	9,167	(8,981)	51,043	65,000	(13,957)
6445	· LPMP Expenses	94,986	104,163	(9,177)	1,192,517	1,249,956	(57,439)
6500	· Professional Fees Expense						
	6516 · Professional Services Expense	39,799	103,038	(63,239)	753,864	1,236,456	(482,592)
	6520 · Annual Audit Fee Expense	1,441	1,458	(17)	17,292	17,496	(204)
	6530 · PR/Communications/Website	21,633	20,542	1,091	115,032	246,504	(131,472)
	6560 · Legal Expense	12,500	13,000	(500)	146,614	156,000	(9,386)
	Total 6500 · Professional Fees Expense	75,373	138,038	(62,665)	1,032,802	1,656,456	(623,654)
6600	· Mobile Medical Unit						
	6605 · Mobile Medical Unit Expense	0	0	0	2,073	0	2,073
6700	· Trust Expenses						
	6720 · Pension Plans Expense						
	6721 · Legal Expense	0	167	(167)	0	2,004	(2,004)
	6725 · RPP Pension Expense	5,000	5,000	0	60,000	60,000	0
	6728 · Pension Audit Fee Expense	458	1,375	(917)	17,296	16,500	796
	Total 6700 · Trust Expenses	5,458	6,542	(1,084)	77,296	78,504	(1,208)
	Total Expense Before Grants	392,322	466,378	(74,056)	4,712,796	5,551,558	(838,762)
9000	· Other Income <expenses>	0	0	0	(965)	0	(965)
7000	· Grants Expense						
	7010 · Major Grant Awards Expense	305,939	833,333	(527,394)	5,000,000	5,000,000	0
	Net Income	2,559,426	810,429	1,748,997	5,963,761	(257,874)	6,221,635

Las Palmas Medical Plaza
Profit & Loss Budget vs. Actual
July 2023 through June 2024

	Preliminary	MONTH			TOTAL		
		Jun 24	Budget	\$ Over Budget	Jul '23 - Jun 24	Budget	\$ Over Budget
Income							
	4500 · LPMP Income						
	4505 · Rental Income	84,355	93,600	(9,245)	987,639	1,123,200	(135,561)
	4510 · CAM Income	39,792	23,040	16,752	525,548	276,480	249,068
	4513 · Misc. Income	0	83	(83)	100	996	(896)
	Total 4500 · LPMP Income	124,147	116,723	7,424	1,513,287	1,400,676	112,611
Expense							
	6445 · LPMP Expenses						
	6420 · Insurance Expense	5,568	4,050	1,518	66,816	48,600	18,216
	6425 · Building - Depreciation Expense	28,437	27,441	996	327,719	329,292	(1,573)
	6426 · Tenant Improvements -Dep Exp	(678)	17,917	(18,595)	121,360	215,004	(93,644)
	6427 · HVAC Maintenance Expense	446	1,333	(887)	15,307	15,996	(689)
	6428 · Roof Repairs Expense	0	208	(208)	0	2,496	(2,496)
	6431 · Building -Interior Expense	3,615	625	2,990	62,925	7,500	55,425
	6432 · Plumbing -Interior Expense	12,448	833	11,615	28,333	9,996	18,337
	6433 · Plumbing -Exterior Expense	0	208	(208)	435	2,496	(2,061)
	6434 · Allocation Internal Prop. Mgmt	6,539	6,539	0	78,468	78,468	0
	6435 · Bank Charges	28	42	(14)	340	504	(164)
	6437 · Utilities -Vacant Units Expense	19	183	(164)	352	2,196	(1,844)
	6439 · Deferred Maintenance Repairs Ex	0	1,833	(1,833)	16,820	21,996	(5,176)
	6440 · Professional Fees Expense	12,175	11,485	690	138,510	137,820	690
	6441 · Legal Expense	0	83	(83)	0	996	(996)
	6458 · Elevators - R & M Expense	281	1,083	(802)	12,101	12,996	(895)
	6460 · Exterminating Service Expense	275	1,000	(725)	12,150	12,000	150
	6463 · Landscaping Expense	4,875	917	3,958	14,708	11,004	3,704
	6467 · Lighting Expense	0	417	(417)	0	5,004	(5,004)
	6468 · General Maintenance Expense	0	83	(83)	0	996	(996)
	6471 · Marketing-Advertising	0	1,250	(1,250)	842	15,000	(14,158)
	6475 · Property Taxes Expense	4,054	6,650	(2,596)	73,883	79,800	(5,917)
	6476 · Signage Expense	0	625	(625)	401	7,500	(7,099)
	6480 · Rubbish Removal Medical Waste E	1,332	1,500	(168)	14,858	18,000	(3,142)
	6481 · Rubbish Removal Expense	2,234	2,900	(666)	31,585	34,800	(3,215)
	6482 · Utilities/Electricity/Exterior	753	625	128	9,722	7,500	2,222
	6484 · Utilities - Water (Exterior)	630	833	(203)	7,426	9,996	(2,570)
	6485 · Security Expenses	11,955	13,333	(1,378)	145,260	159,996	(14,736)
	6490 · Miscellaneous Expense	0	167	(167)	12,196	2,004	10,192
	Total 6445 · LPMP Expenses	94,986	104,163	(9,177)	1,192,517	1,249,956	(57,439)
	Net Income	29,161	12,560	16,601	320,770	150,720	170,050

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of June 30, 2024

	Preliminary	Jun 30, 24	Jun 30, 23
ASSETS			
Current Assets			
Checking/Savings			
1000 · CHECKING CASH ACCOUNTS		4,811,481	2,734,299
1100 · INVESTMENT ACCOUNTS		66,435,096	64,831,524
Total Checking/Savings		71,246,577	67,565,823
Total Accounts Receivable		5,416	4,901
Other Current Assets			
1204.1 · Rent Receivable-Deferred COVID		11,220	40,114
1270 · Prepaid Insurance -Ongoing		133,242	120,245
1279 · Pre-Paid Fees		34,290	47,986
1295 · Property Tax Receivable		166,687	150,876
Total Other Current Assets		345,439	359,221
Total Current Assets		71,597,432	67,929,945
Fixed Assets			
1300 · FIXED ASSETS		5,308,275	5,099,130
1335-00 · ACC DEPR		(2,898,368)	(2,609,248)
1400 · LPMP Assets		6,466,356	6,924,434
Total Fixed Assets		8,876,263	9,414,316
Other Assets			
1600 · RIGHT TO USE ASSETS		216,235	216,235
1611 · RTU Accumulated Amortization		(22,178)	(22,178)
1700 · OTHER ASSETS		3,678,380	3,738,380
1800 · OTHER RECEIVABLES		3,048,911	3,048,911
Total Other Assets		6,921,348	6,981,348
TOTAL ASSETS		87,395,043	84,325,609

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of June 30, 2024

	Preliminary	Jun 30, 24	Jun 30, 23
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 - Accounts Payable		154,988	39,537
2001 - LPMP Accounts Payable		33,086	65,904
Total Accounts Payable		188,074	105,441
Other Current Liabilities			
2003 - Prepaid Rents		14,741	27,391
2006 - Unearned income		2,000	2,000
2101 - *Payroll Liabilities		28,636	32,125
2131 - Grant Awards Payable		3,723,520	6,469,394
2133 - Accrued Accounts Payable		77,234	273,001
2141 - Accrued Vacation Time		90,160	97,596
2188 - Current Portion - LTD		0	3,701
2190 - Investment Fees Payable		9,833	15,131
Total Other Current Liabilities		3,946,124	6,920,339
Total Current Liabilities		4,134,198	7,025,780
Long Term Liabilities			
2171 - RPP-Deferred Inflows-Resources		564,584	564,584
2172 - Lease - Deferred Inflows		2,982,703	2,982,703
2281 - Grants Payable - Long-term		2,475,000	2,475,000
2285 - Lease Payable		196,798	196,798
2290 - LPMP Security Deposits		57,493	60,247
Total Long Term Liabilities		6,276,578	6,279,332
Total Liabilities		10,410,776	13,305,112
Equity			
3900 - *Retained Earnings		71,020,500	67,781,511
Net Income		5,963,761	3,238,989
Total Equity		76,984,261	71,020,500
TOTAL LIABILITIES & EQUITY		87,395,043	84,325,609

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of June 30, 2024

		Preliminary	Jun 30, 24	Jun 30, 23
ASSETS				
Current Assets				
Checking/Savings				
1000 - CHECKING CASH ACCOUNTS				
	1012 - Union Bank Operating - 9356		0	2,485,692
	1016 - US Bank Operating - 5018		3,848,917	0
	1017 - US Bank Operating - 7455		848,899	0
	1044 - Las Palmas Medical Plaza - 1241		113,165	0
	1046 - Las Palmas Medical Plaza		0	248,107
	1047 - Petty Cash		500	500
	Total 1000 - CHECKING CASH ACCOUNTS		4,811,481	2,734,299
1100 - INVESTMENT ACCOUNTS				
	1130 - Facility Replacement Fund		67,098,206	67,326,609
	1135 - Unrealized Gain(Loss) FRF		(663,110)	(2,495,085)
	Total 1100 - INVESTMENT ACCOUNTS		66,435,096	64,831,524
	Total Checking/Savings		71,246,577	67,565,823
	Total Accounts Receivable		5,416	4,901
Other Current Assets				
	1204.1 - Rent Receivable-Deferred COVID		11,220	40,114
	1270 - Prepaid Insurance -Ongoing		133,242	120,245
	1279 - Pre-Paid Fees		34,290	47,986
	1295 - Property Tax Receivable		166,687	150,876
	Total Other Current Assets		345,439	359,221
	Total Current Assets		71,597,432	67,929,945
Fixed Assets				
1300 - FIXED ASSETS				
	1310 - Computer Equipment		112,027	96,917
	1320 - Furniture and Fixtures		64,580	55,099
	1321 - Mobile Medical Unit		381,768	197,214
	1322 - Tenant Improvement - RAP #G100		32,794	32,794
	1325 - Offsite Improvements		300,849	300,849
	1331 - DRMC - Parking lot		4,416,257	4,416,257
	Total 1300 - FIXED ASSETS		5,308,275	5,099,130

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of June 30, 2024

	Preliminary	Jun 30, 24	Jun 30, 23
1335-00 - ACC DEPR			
	1335 - Accumulated Depreciation	(258,636)	(233,503)
	1337 - Accum Deprec- Solar Parking Lot	(2,321,260)	(2,140,396)
	1338 - Accum Deprec - LPMP Parking Lot	(234,890)	(212,341)
	1339 - Accum Deprec - Autos	(83,582)	(23,008)
	Total 1335-00 - ACC DEPR	(2,898,368)	(2,609,248)
1400 - LPMP Assets			
	1401 - Building	8,705,680	8,705,680
	1402 - Land	2,165,300	2,165,300
	1403 - Tenant Improvements -New	2,322,346	2,309,146
	1404 - Tenant Improvements - CIP	0	129,550
	1406 - Building Improvements		
	1406.1 - LPMP-Replace Parking Lot	676,484	676,484
	1406.2 - Building Improvements-CIP	52,426	602,684
	1406 - Building Improvements - Other	2,776,742	2,153,527
	Total 1406 - Building Improvements	3,505,652	3,432,695
	1407 - Building Equipment Improvements	456,113	444,268
	1409 - Accumulated Depreciation		
	1410 - Accum. Depreciation	(8,450,486)	(8,145,317)
	1412 - T I Accumulated Dep.-New	(2,238,249)	(2,116,888)
	Total 1409 - Accumulated Depreciation	(10,688,735)	(10,262,205)
	Total 1400 - LPMP Assets	6,466,356	6,924,434
	Total Fixed Assets	8,876,263	9,414,316
Other Assets			
	1600 - RIGHT TO USE ASSETS		
	1610 - Right to Use Asset	216,235	216,235
	1611 - RTU Accumulated Amortization	(22,178)	(22,178)
	1700 - OTHER ASSETS		
	1731 - Wellness Park	1,693,800	1,693,800
	1740 - RPP-Deferred Outflows-Resources	587,440	587,440
	1742 - RPP - Net Pension Asset	1,397,140	1,457,140
	Total 1700 - OTHER ASSETS	3,678,380	3,738,380
	1800 - OTHER RECEIVABLES		
	1810 - Lease Receivable	3,048,911	3,048,911
	Total Other Assets	6,921,348	6,981,348
	TOTAL ASSETS	87,395,043	84,325,609

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of June 30, 2024

	Preliminary	Jun 30, 24	Jun 30, 23
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
	2000 · Accounts Payable	154,988	39,537
	2001 · LPMP Accounts Payable	33,086	65,904
	Total Accounts Payable	188,074	105,441
Other Current Liabilities			
	2003 · Prepaid Rents	14,741	27,391
	2006 · Unearned income	2,000	2,000
	2101 · *Payroll Liabilities	28,636	32,125
	2131 · Grant Awards Payable	3,723,520	6,469,394
	2133 · Accrued Accounts Payable	77,234	273,001
	2141 · Accrued Vacation Time	90,160	97,596
	2188 · Current Portion - LTD	0	3,701
	2190 · Investment Fees Payable	9,833	15,131
	Total Other Current Liabilities	3,946,124	6,920,339
	Total Current Liabilities	4,134,198	7,025,780
Long Term Liabilities			
	2171 · RPP-Deferred Inflows-Resources	564,584	564,584
	2172 · Lease - Deferred Inflows	2,982,703	2,982,703
	2281 · Grants Payable - Long-term	2,475,000	2,475,000
	2285 · Lease Payable	196,798	196,798
	2290 · LPMP Security Deposits	57,493	60,247
	Total Long Term Liabilities	6,276,578	6,279,332
	Total Liabilities	10,410,776	13,305,112
Equity			
	3900 · *Retained Earnings	71,020,500	67,781,511
	Net Income	5,963,761	3,238,989
	Total Equity	76,984,261	71,020,500
	TOTAL LIABILITIES & EQUITY	87,395,043	84,325,609

Desert Healthcare District
A/R Aging Summary
As of June 30, 2024

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	COMMENT
IEHP	5,000	0	0	0	0	5,000	Environmental Summit Sponsorship
Laboratory Corporation of America	0	132	120	0	0	252	Slow Pay
Pathway Pharmaceuticals, Inc.	0	0	0	64	0	64	Slow Pay (paid in July)
Peter Jamieson, M.D.	0	0	100	0	0	100	Slow Pay
TOTAL	5,000	132	220	64	0	5,416	

Desert Healthcare District
Deposit Detail
June 2024

Type	Date	Name	Amount
Deposit	06/04/2024		2,000
		T-Mobile - Cell Tower Lease	(2,000)
TOTAL			(2,000)
Deposit	06/07/2024		2,650,026
		Riverside County Treasurer - Property Tax	(2,650,026)
TOTAL			(2,650,026)
Deposit	06/11/2024		5,938
		Riverside County Treasurer - Property Tax	(5,938)
TOTAL			(5,938)
Deposit	06/26/2024		4,500
Payment	06/26/2024	PICA - Land Lease Payment	(4,500)
TOTAL			(4,500)
Deposit	06/28/2024		2,000
		T-Mobile - Cell Tower Lease	(2,000)
TOTAL			(2,000)
Deposit	06/28/2024		65,659
Payment	06/28/2024	Desert Healthcare Foundation - Intercompany Payable	(65,659)
TOTAL			(65,659)
		TOTAL	2,730,123

DESERT HEALTHCARE DISTRICT										
PROPERTY TAX RECEIPTS FY 2023 - 2024										
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2024										
	FY 2022-2023 Projected/Actual					FY 2023-2024 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Budget %	Budget \$	Act %	Actual Receipts	Variance
July	0.0%	\$ -	0.0%	\$ 3,676	\$ 3,676	0.0%	\$ -	0.8%	\$ 70,152	\$ 70,152
Aug	0.0%	\$ -	2.2%	\$ 175,271	\$ 175,271	0.0%	\$ -	2.0%	\$ 180,642	\$ 180,642
Sep	0.0%	\$ -	0.0%	\$ 3,382	\$ 3,382	0.0%	\$ -	0.0%	\$ -	\$ -
Oct	2.6%	\$ 208,624	0.0%	\$ -	\$ (208,624)	2.6%	\$ 229,840	2.8%	\$ 248,614	\$ 18,774
Nov	0.4%	\$ 32,096	2.5%	\$ 198,217	\$ 166,121	0.4%	\$ 35,360	0.1%	\$ 10,535	\$ (24,825)
Dec	16.9%	\$ 1,356,056	18.2%	\$ 1,458,481	\$ 102,425	16.9%	\$ 1,493,960	19.2%	\$ 1,696,170	\$ 202,210
Jan	31.9%	\$ 2,559,656	40.6%	\$ 3,259,483	\$ 699,827	31.9%	\$ 2,819,960	42.1%	\$ 3,720,800	\$ 900,840
Feb	0.0%	\$ -	0.6%	\$ 46,002	\$ 46,002	0.0%	\$ -	1.0%	\$ 85,677	\$ 85,677
Mar	0.3%	\$ 24,072	1.1%	\$ 84,592	\$ 60,520	0.3%	\$ 26,520	0.4%	\$ 31,158	\$ 4,638
Apr	5.5%	\$ 441,320	6.4%	\$ 510,192	\$ 68,872	5.5%	\$ 486,200	6.0%	\$ 529,212	\$ 43,012
May	19.9%	\$ 1,596,776	48.4%	\$ 3,883,733	\$ 2,286,957	19.9%	\$ 1,759,160	20.6%	\$ 1,821,441	\$ 62,281
June	22.5%	\$ 1,805,400	0.1%	\$ 5,841	\$ (1,799,559)	22.5%	\$ 1,989,000	30.0%	\$ 2,655,964	\$ 666,964
Total	100%	\$ 8,024,000	120.0%	\$ 9,628,870	\$ 1,604,870	100.00%	\$ 8,840,000	125.0%	\$ 11,050,366	\$ 2,210,366

**Las Palmas Medical Plaza
Deposit Detail - LPMP
June 2024**

Type	Date	Name	Amount
Deposit	06/03/2024		10,208
Payment	06/03/2024	EyeCare Services Partners Management LLC	(7,364)
Payment	06/03/2024	Desert Oasis Healthcare	(2,843)
TOTAL			(10,207)
Deposit	06/03/2024		3,417
Payment	06/03/2024	Cure Cardiovascular Consultants	(3,417)
TOTAL			(3,417)
Deposit	06/05/2024		2,297
Payment	06/05/2024	DPMG	(2,297)
TOTAL			(2,297)
Deposit	06/10/2024		16,130
Payment	06/10/2024	Ramy Awad, M.D.	(3,963)
Payment	06/10/2024	Pathway Pharmaceuticals, Inc.	(2,779)
Payment	06/10/2024	Global Premier Fertility	(4,689)
Payment	06/10/2024	Peter Jamieson, M.D.	(3,699)
Payment	06/10/2024	Peter Jamieson, M.D.	(1,000)
TOTAL			(16,130)
Deposit	06/10/2024		9,368
Payment	06/07/2024	Brad A. Wolfson, M.D.	(4,006)
Payment	06/07/2024	Cohen Musch Thomas Medical Group	(5,361)
TOTAL			(9,367)
Deposit	06/10/2024		3,451
Payment	06/10/2024	Coachella Valley Volunteers in Medicine-	(3,451)
TOTAL			(3,451)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
June 2024**

Type	Date	Name	Amount
Deposit	06/11/2024		12,195
Payment	06/11/2024	Desert Family Medical Center	(4,233)
Payment	06/10/2024	Palmtree Clinical Research	(7,962)
TOTAL			(12,195)
Deposit	06/17/2024		2,732
Payment	06/17/2024	Global Premier Fertility	(2,732)
TOTAL			(2,732)
Deposit	06/18/2024		47,712
Payment	06/18/2024	Desert Regional Medical Center	(6,318)
Payment	06/18/2024	Tenet HealthSystem Desert, Inc	(7,041)
Payment	06/18/2024	Tenet HealthSystem Desert, Inc.	(34,353)
TOTAL			(47,712)
Deposit	06/25/2024		90
Payment	06/25/2024	Quest Diagnostics Incorporated	(90)
TOTAL			(90)
Deposit	06/26/2024		5,632
		Laboratory Corporation of America	(5,632)
TOTAL			(5,632)
Deposit	06/27/2024		9,089
		Steven Gundry, M.D.	(6,246)
		Desert Oasis Healthcare	(2,843)
TOTAL			(9,089)
		TOTAL	122,321

Desert Healthcare District
Check Register
As of June 30, 2024

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1016 - US Bank Operating - 5018				
Bill Pmt -Check	06/03/2024	3275	Staples	(741)
Bill Pmt -Check	06/03/2024	3276	Steven Hollis - Consulting Services	(13,736)
Bill Pmt -Check	06/03/2024	3277	Coachella Valley Economic Partnership	(12,000)
Bill Pmt -Check	06/04/2024	3278	Evelt PerezGil - Health Premium Reimbursement	(331)
Bill Pmt -Check	06/04/2024	3279	Gannett California LocaliQ	(744)
Bill Pmt -Check	06/04/2024	3280	Health Career Connection	(9,100)
Bill Pmt -Check	06/04/2024	3281	Leticia De Lara - Stipend	(579)
Bill Pmt -Check	06/06/2024	3282	Alejandro Espinoza Santacruz - Expense Reimbursement	(12)
Bill Pmt -Check	06/06/2024	3283	CVAG - MOU Payment	(1,670,000)
Bill Pmt -Check	06/06/2024	3284	DPMG Health - Grant Payment	(46,438)
Bill Pmt -Check	06/06/2024	3285	Martha's Village & Kitchen - Grant Payment	(83,189)
Bill Pmt -Check	06/06/2024	3286	Sergio Rodriguez - Expense Reimbursement	(122)
Liability Check	06/07/2024		QuickBooks Payroll Service	(51,448)
Check	06/07/2024	Auto Pay	Calif. Public Employees' Retirement System	(14,983)
Bill Pmt -Check	06/07/2024	ACH 061124	Law Offices of Scott & Jackson	(33,188)
Bill Pmt -Check	06/10/2024	3287	Desert Healthcare Foundation - MOU Payment	(750,000)
Bill Pmt -Check	06/10/2024	3288	Meghan Kane - Expense Reimbursement	(63)
Bill Pmt -Check	06/10/2024	3289	Moss, Levy & Hartzheim LLP	(4,500)
Bill Pmt -Check	06/10/2024	3290	Ready Refresh	(55)
Bill Pmt -Check	06/10/2024	3291	State Compensation Insurance Fund	(438)
Bill Pmt -Check	06/10/2024	3292	Xerox Financial Services	(377)
Bill Pmt -Check	06/11/2024	3293	U.S. Bank	(3,449)
Bill Pmt -Check	06/12/2024	3294	LoopUp LLC	(24)
Bill Pmt -Check	06/12/2024	3295	Southern California Grantmakers	(5,067)
Check	06/14/2024		Bank Service Charge	(442)
Bill Pmt -Check	06/17/2024	3296	ACHD	(10,953)
Bill Pmt -Check	06/17/2024	3297	Alianza Coachella Valley - Grant Payment	(22,500)
Bill Pmt -Check	06/17/2024	3298	AMS Tax Service, Inc.	(500)
Bill Pmt -Check	06/17/2024	3299	Chris Christensen - Expense Reimbursement	(70)
Bill Pmt -Check	06/17/2024	3300	Doris Perez Interpreting	(500)
Bill Pmt -Check	06/17/2024	3301	Hocker Productions	(10,000)
Bill Pmt -Check	06/17/2024	3302	Magdalena Cleaning Services	(200)
Bill Pmt -Check	06/17/2024	3303	Principal Life Insurance Co.	(1,721)
Bill Pmt -Check	06/17/2024	3304	Purchase Power	(200)
Bill Pmt -Check	06/17/2024	3305	Regional Access Project Foundation	(348)
Bill Pmt -Check	06/17/2024	3306	The Westin Rancho Mirage	(6,055)
Bill Pmt -Check	06/17/2024	3307	TWC Consulting LLC	(6,833)

Desert Healthcare District
Check Register
As of June 30, 2024

Type	Date	Num	Name	Amount
Liability Check	06/21/2024		QuickBooks Payroll Service	(54,423)
Bill Pmt -Check	06/25/2024	3308	Alianza Nacional De Campesinas Inc - Grant Payment	(25,875)
Bill Pmt -Check	06/25/2024	3309	CoPower Employers' Benefits Alliance	(1,274)
Bill Pmt -Check	06/25/2024	3310	DPMG Health - Grant Payment	(28,604)
Bill Pmt -Check	06/25/2024	3311	Evelt PerezGil - Stipend	(695)
Bill Pmt -Check	06/25/2024	3312	Frazier Pest Control, Inc.	(33)
Bill Pmt -Check	06/25/2024	3313	Jewish Family Service of the Desert - Grant Payment	(36,000)
Bill Pmt -Check	06/25/2024	3314	Palms to Pines Printing	(168)
Bill Pmt -Check	06/25/2024	3315	Regional Government Services Authority	(638)
Bill Pmt -Check	06/25/2024	3316	Spectrum (Time Warner)	(445)
Bill Pmt -Check	06/25/2024	3317	Voices for Children - Grant Payment	(36,474)
Bill Pmt -Check	06/25/2024	3318	Coachella Valley Volunteers in Medicine - Grant Payment	(107,640)
Bill Pmt -Check	06/25/2024	3319	Arthur Shorr - Stipend	(1,736)
Bill Pmt -Check	06/25/2024	3320	Zendle, Les - Stipend	(116)
Bill Pmt -Check	06/25/2024	3321	Deveau Burr Group, LLC	(9,750)
Bill Pmt -Check	06/27/2024	3322	Evelt PerezGil - Health Premium Reimbursement	(331)
TOTAL				(3,065,108)

Desert Healthcare District
Details for Credit Card Expenditures
Credit card purchases - May 2024 - Paid June 2024

Number of credit cards held by District personnel -1

Credit Card Limit - \$20,000 - Chris

Credit Card Holders:

Chris Christensen - Interim CEO/Chief Administration Officer

Routine types of charges:

Office supplies, dues for membership, computer supplies, meals, travel including airlines and hotels, catering, supplies for BOD meetings, CEO Discretionary for small grant & gift items

Statement		Expense					
Year	Month Charged	Total Charges	Type	Amount	Purpose	Description	
		\$ -					
Chris' Statement:							
2024	May	\$ 3,449.28	District				
			GL	Dollar		Description	
			6530	\$ 16.99		The Desert Sun - marketing subscription	
			5240	\$ 18.76		Doordash - food for May 14, 2024 Special BOD meeting (cancelled)	
			6351	\$ 193.99		Southwest - airfare for CSDA Legislative Days - May 20-22, 2024 - Sacramento, CA - Director Barraza	
			6355	\$ 254.94		Zoom webinar/audio conference expense	
			5240	\$ 136.94		Doordash - food for May 14, 2024 Special BOD meeting (cancelled)	
			5240	\$ 282.03		EzCater - food for May 16, 2024 Environmental Health Summit Committee meeting	
			6530	\$ 152.42		GoDaddy - Domain registrations for Environmental Health Summit website	
			6530	\$ 39.43		fiverr - logo design services for Environmental Health Summit	
			6351	\$ 625.12		Hyatt Regency - hotel for CSDA Legislative Days - May 20-22, 2024 - Sacramento, CA - Director Barraza	
			5230	\$ 1,297.25		UCR Palm Desert - facility use fee for May 28, 2024 BOD meeting	
			5240	\$ 311.53		EzCater - food for May 28, 2024 BOD meeting	
			6530	\$ 119.88		GoDaddy - 1 year hosting for Environmental Health Summit website	
				\$ 3,449.28			

**Las Palmas Medical Plaza
Check Register - LPMP
As of June 30, 2024**

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1044 - Las Palmas Medical Plaza - 1241				
		10913-VOID	Voided Check for Tenant ACH Payment Update	0
Bill Pmt -Check	06/04/2024	10914	Desert Water Agency	(633)
Bill Pmt -Check	06/10/2024	10915	Palm Springs Disposal Services Inc	(2,234)
Bill Pmt -Check	06/11/2024	10916	Green Security Solutions	(11,955)
Bill Pmt -Check	06/11/2024	10917-VOID	INPRO Construction Inc.	0
Bill Pmt -Check	06/11/2024	10918	Roto-Rooter Plumbers	(12,448)
Check	06/11/2024		Bank Service Charge	(505)
Bill Pmt -Check	06/12/2024	10919	Frazier Pest Control, Inc.	(275)
Bill Pmt -Check	06/12/2024	10920	Van Surveying, Inc.	(3,400)
Bill Pmt -Check	06/18/2024	10921	INPRO Construction Inc.	(11,830)
Bill Pmt -Check	06/18/2024	10922	Stericycle, Inc.	(1,332)
Bill Pmt -Check	06/25/2024	10923	Aijaz Hashmi, MD - Tenant Improvement Reimbursement	(265)
Bill Pmt -Check	06/25/2024	10924	Desert Air Conditioning Inc.	(10,560)
Bill Pmt -Check	06/25/2024	10925	Frontier Communications	(281)
Bill Pmt -Check	06/25/2024	10926	Southern California Edison	(707)
TOTAL				(56,425)

Desert Healthcare District
CEO Discretionary Fund Detail
July 2023 through June 2024
Preliminary

Date	Name	Memo	Amount
6325 - CEO Discretionary Fund			
07/01/2023	California Forward	Knowledge level sponsorship for 2023 Economic Summit	5,000
08/04/2023	U.S. Bank	Planned Parenthood contribution to 60th Anniversary Cocktail Reception - September 23, 2023	5,000
08/11/2023	Blood Bank of San Bernardino	2023 Thanks4Giving Gala Table Sponsorship - Saturday November 11, 2023	3,500
08/15/2023	Coachella Valley Volunteers in Medicine	2023 VIMY Awards - Bronze Sponsorship	5,000
08/17/2023	UC Riverside Foundation	UCR SOM 2023 Gala and Education Building II Grand Opening - Silver Sponsorship	10,000
08/30/2023	Regional Access Project Foundation	Desert Fast Pitch 2023 Sponsorship	5,000
09/06/2023	Cathedral City Senior Center	Table Sponsor at November 13, 2023 Gala	5,000
10/10/2023	Alianza Nacional De Campesinas Inc.	Storm assistance to help Alianza Nacional de Campesinas purchase and distribute food & water after Tropical Storm Hillary	3,698
01/04/2024	U.S. Bank	OneFuture - The Future Is Ours - February 28, 2024 - Empowering Students Sponsor	2,575
01/31/2024	Alejandro Espinoza Santacruz - Expense Reimbursement	Purchased items for refugee children	1,604
02/01/2024	U.S. Bank	Joslyn Center - CEO Discretionary Fund donation	1,000
02/29/2024	The Bridge To Better	Airfare reimbursement donation for individual in need	280
03/20/2024	City of Coachella	City of Coachella Women's Summit Sponsorship	1,000
04/01/2024	U.S. Bank	SAGE & Friends Bronze Sponsor for Palm Springs event on March 24, 2024	500
04/18/2024	JFK Memorial Foundation	Ophelia Project Luncheon Sponsorship for April 25, 2024	1,200
04/18/2024	Cathedral City Senior Center	Donation for allowing the District to hold community meeting on April 2, 2024	500
06/03/2024	Desert Healthcare Foundation	Transfer Indio Florist expenses for Mother's Day clinic charged to Foundation credit card	186
TOTAL			51,043



MEMORANDUM

DATE: July 10, 2024
 TO: F&A Committee
 RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

	<u>May</u>	<u>June</u>
Active – still employed by hospital	61	61
Vested – no longer employed by hospital	46	46
Former employees receiving annuity	<u>6</u>	<u>6</u>
Total	<u>113</u>	<u>113</u>

The outstanding liability for the RPP is approximately **\$2.5M** (Actives - \$1.4M and Vested - \$1.1M). US Bank investment account balance \$4.5M. Per the June 30, 2023, Actuarial Valuation, the RPP has an Overfunded Pension Asset of approximately **\$1.45M**.

The payouts, excluding monthly annuity payments, made from the Plan for the twelve months ended June 30, 2024, totaled **\$499K**. Monthly annuity payments (6 participants) total **\$903** per month.

DESERT HEALTHCARE DISTRICT							
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE							
June 30, 2024							
TWELVE MONTHS ENDING JUNE 30, 2024							
Grant ID Nos.	Name	Approved	6/30/2023	Current Yr	Total Paid Prior Yrs	Total Paid Current Yr	Open
		Grants - Prior Yrs	Bal Fwd	2023-2024	July-June	July-June	BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 3,320,000		\$ 1,670,000		\$ 1,650,000
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.	\$ 113,514	\$ 11,352		\$ 5,747		\$ 5,605
	Unexpended funds Grant #1301						\$ (5,605)
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.	\$ 102,741	\$ 10,275		\$ 10,275		\$ -
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary & Specialty Care Services for Children With Disabilities 1 Yr.	\$ 76,790	\$ 7,680		\$ 7,680		\$ -
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 60,000	\$ 6,000		\$ 6,000		\$ -
2022-1325-BOD-06-28-22	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000
2022-1327-BOD-06-28-22	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.	\$ 50,000	\$ 27,500		\$ 22,500		\$ 5,000
2022-1328-BOD-06-28-22	El Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs.	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000
2022-1331-BOD-06-28-22	Services - 2 Yrs.	\$ 50,000	\$ 27,500		\$ 22,500		\$ 5,000
2022-1324-BOD-07-26-22	Galilee Center - Our Lady of Guadalupe Shelter - 2 Yr.	\$ 100,000	\$ 55,000		\$ 45,000		\$ 10,000
2022-1332-BOD-07-26-22	Alianza CV - Expanding & Advancing Outreach Through Increasing Capacity Development - 2 Yrs.	\$ 100,000	\$ 55,000		\$ 45,000		\$ 10,000
2022-1329-BOD-09-27-22	DPMG - Mobile Medical Unit - 3 Yrs.	\$ 500,000	\$ 450,000		\$ 197,542		\$ 252,458
2022-1350-BOD-09-27-22	JFK Memorial Foundation - Behavioral Health Awareness & Education Program - 1 Yr.	\$ 57,541	\$ 5,755		\$ 5,755		\$ (0)
2022-1355-BOD-09-27-22	The Joslyn Center - The Joslyn Wellness Center - 1 Yr.	\$ 85,000	\$ 8,500		\$ 8,500		\$ 0
2022-1361-BOD-09-27-22	DAP Health - DAP Health Monkeypox Virus Response - 1 Yr.	\$ 586,727	\$ 340,664		\$ 7,659		\$ 332,995
	Unexpended funds Grant #1361						\$ (332,995)
2022-1356-BOD-10-25-22	Blood Bank of San Bernardino/Riverside Counties - Coachella Valley Therapeutic Apheresis Program - 1 Yr.	\$ 140,000	\$ 77,000		\$ 71,121		\$ 5,879
	Unexpended funds Grant #1356						\$ (5,879)
2022-1358-BOD-10-25-22	Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr.	\$ 110,000	\$ 60,500		\$ -		\$ 60,500
2022-1362-BOD-10-25-22	Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs.	\$ 160,000	\$ 124,000		\$ 108,000		\$ 16,000
2022-1326-BOD-12-20-22	TODEC - TODEC's Equity Program - 2 Yrs.	\$ 100,000	\$ 77,500		\$ 22,500		\$ 55,000
2022-1330-BOD-12-20-22	OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs.	\$ 605,000	\$ 468,874		\$ 272,249		\$ 196,625
2022-1369-BOD-12-20-22	ABC Recovery Center - Cost of Caring Fund Project - 1 Yr.	\$ 332,561	\$ 257,735		\$ 257,735		\$ -
2023-1333-BOD-01-24-23	Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women - 2 Yrs.	\$ 150,000	\$ 116,250		\$ 67,500		\$ 48,750
2023-1363-BOD-01-24-23	Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr.	\$ 60,092	\$ 33,052		\$ 27,040		\$ 6,102
2023-1372-BOD-02-28-23	Reynaldo J. Carreon MD Foundation - Dr. Carreon Scholarship Program - 1 Yr.	\$ 50,000	\$ 27,500		\$ 27,500		\$ -
2023-1391-BOD-05-23-23	Lift To Rise - Driving Regional Economic Stability Through Collective Impact - 3 Yrs.	\$ 900,000	\$ 832,500		\$ 202,500		\$ 630,000
2023-1392-BOD-05-23-23	Galilee Center - Galilee Center Extended Shelter - 1 Yr.	\$ 268,342	\$ 207,965		\$ 181,131		\$ 26,834
2023-1393-BOD-06-27-23	DAP Health - DAP Health Expands Access to Healthcare - 1 Yr.	\$ 1,025,778	\$ 1,025,778		\$ 923,200		\$ 102,578
2023-1398-BOD-06-27-23	Desert Healthcare Foundation - Core Operating Support - 1 Yr.	\$ 750,000	\$ 750,000		\$ 750,000		\$ -
2023-BOD-06-27-23	Carry over of remaining Fiscal Year 2022/2023 Funds for Mobile Medical Unit Program*	\$ 395,524	\$ 395,524		\$ 395,524		\$ -
2023-1399-Mini-07-06-23	Theresa A. Mike Scholarship Foundation - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1401-Mini-07-07-23	Word of Life Fellowship Center - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1396-Mini-07-25-23	Boys & Girls Club of Coachella Valley - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1389-BOD-07-25-23	Step Up on Second Street - Step Up's ECMILOS Programs in the Coachella Valley - 1 Yr.			\$ 64,401		\$ 28,980	\$ 35,421
2023-1394-BOD-07-25-23	CSU San Bernardino Palm Desert Campus Nursing Street Medicine Program - 1 Yr.			\$ 73,422		\$ 66,080	\$ 7,342
2023-1397-Mini-08-23-23	Well In The Desert - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1402-Mini-09-05-23	Ronnie's House for Hope - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1414-Mini-09-14-23	Desert Access and Mobility, Inc. - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1400-BOD-09-26-23	Desert Arc - Desert Arc Health Care Program - 1 Yr.			\$ 291,271		\$ 196,608	\$ 94,663
2023-1404-BOD-09-26-23	Martha's Village and Kitchen - Homeless Housing & Wrap-Around Services Expansion - 2 Yrs.			\$ 369,730		\$ 168,378	\$ 203,352
2023-1405-BOD-09-26-23	Variety Children's Charities of the Desert - Expansion of Core Programs & Services - 1Yr.			\$ 120,852		\$ 108,766	\$ 12,086
2023-1408-BOD-10-24-23	Coachella Valley Volunteers In Medicine - Ensuring Access to Healthcare - 1 Yr.			\$ 478,400		\$ 322,920	\$ 155,480
2023-1410-BOD-10-24-23	Alianza Nacional de Campesinas, Inc. - Coachella Valley Farmworkers Food Distribution - 1 Yr.			\$ 57,499		\$ 51,750	\$ 5,749
2023-1413-BOD-10-24-23	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.			\$ 81,055		\$ 72,948	\$ 8,107
2023-1412-BOD-10-24-23	DPMG - DPMG Health Community Medicine - 2 Yrs.			\$ 1,057,396		\$ 180,774	\$ 876,622
2023-MOU-BOD-11-04-23	TODEC - Outreach & Linkage to Supportive Mental Health Services - Tropical Storm Hilary - 3 Mos.			\$ 40,000		\$ 40,000	\$ -
2023-MOU-BOD-11-04-23	Chance Initiative, Inc. - Outreach & Linkage to Supportive Services - Tropical Storm Hilary - 3 Mos.			\$ 10,000		\$ 10,000	\$ -
2023-1403-BOD-12-19-23	Vision To Learn - Palm Desert & Coachella Valley VTL Program - 1 Yr.			\$ 50,000		\$ 22,500	\$ 27,500
2023-1419-BOD-12-19-23	Blood Bank of San Bernardino/Riverside Counties - LifeStream's Attracting New Donors Initiative - 1 Yr.			\$ 104,650		\$ 47,092	\$ 57,558
2023-1420-BOD-12-19-23	Braille Institute of America - Low Vision Telehealth Services - 1Yr.			\$ 36,697		\$ 16,514	\$ 20,183
2023-1421-BOD-12-19-23	Olive Crest - General Support for Counseling & Mental Health Services to Vulnerable Children & Families - 2 Yrs.			\$ 359,594		\$ 80,908	\$ 278,686
2024-1430-Mini-02-08-24	Asthma & Allergy Foundation of America St. Louis Chapter - Asthma Newly Diagnosed Kit - 1 Yr.			\$ 10,000		\$ 10,000	\$ -
2024-1429-BOD-02-27-24	Desert Cancer Foundation - Patience Assistance Program & Community Outreach - 1 Yr.			\$ 163,750		\$ 73,687	\$ 90,063
2024-1456-Mini-03-06-24	The Pink Journey - Rolling with Hope - 1 Yr.			\$ 10,000		\$ 10,000	\$ -
2024-1432-BOD-04-23-24	Variety Children's Charities of the Desert - Outreach & Future Program Expansion - 2Yrs.			\$ 102,949		\$ 23,163	\$ 79,786
2024-1437-BOD-04-23-24	Youth Leadership Institute - Community Advocates for Resilient Emotional Safety - 2 Yrs.			\$ 100,000		\$ 22,500	\$ 77,500
2024-1441-BOD-04-23-24	DAP Health - DAP Health Community Health Workers Build Community Connections - 2 Yrs.			\$ 125,000		\$ 28,125	\$ 96,875
2024-1443-BOD-04-23-24	Voices for Children - Court Appointed Special Advocate Program - 2 Yrs.			\$ 60,000		\$ 13,500	\$ 46,500
2024-1445-BOD-04-23-24	The Joslyn Center - Increasing Behavioral Health Access & Social Connectedness - 2 Yrs.			\$ 200,000		\$ 45,000	\$ 155,000
2024-1452-BOD-04-23-24	El Sol - Coachella Valley Community Assistance, Resources, & Empowerment Services - 2 Yrs.			\$ 200,000		\$ 45,000	\$ 155,000
2024-1453-BOD-04-23-24	Vision y Compromiso - Cultivando Community Connections - 2 Yrs.			\$ 199,914		\$ 44,980	\$ 154,934
2024-1455-BOD-04-23-24	Angel View - Outreach Program to Reduce Social Isolation & Loneliness - 2 Yrs.			\$ 86,250		\$ 19,406	\$ 66,844
2024-1431-Mini-04-26-24	Habitat for Humanity - Housing Insecurity Prevention Program for Low Income Coachella Valley Residents - 1 Yr.			\$ 10,000		\$ 10,000	\$ -
2024-1460-BOD-05-28-24	ABC Recovery Center - Nursing Care and Prescription Medications - 1 Yr.			\$ 150,134		\$ 67,560	\$ 82,574
2024-MOU-BOD-05-28-24	Desert Healthcare Foundation - Core Operating Support - 1 Yr.			\$ 750,000		\$ 750,000	\$ -
2024-BOD-06-25-24	Carry over of remaining Fiscal Year 2023/2024 Funds*			\$ 305,939		\$ -	\$ 305,939
TOTAL GRANTS		\$ 17,229,610	\$ 8,944,395	\$ 5,728,903	\$ 5,495,159	\$ 2,635,139	\$ 6,198,521
Amts available/remaining for Grant/Programs - FY 2023-24:							
Amount budgeted 2023-2024			\$ 5,000,000				6/30/2024
Amount granted YTD:			\$ (5,728,903)				
Financial Audits of Non-Profits: Organizational Assessments: HCC Intern - Lideres Campesinas			\$ (11,100)			2131	\$ 3,723,520
Net adj - Grants not used: FY 22-23 Carryover Mobile Medical Unit Funds: 1361; 1301; 1356			\$ 740,003			2281	\$ 2,475,000
Matching external grant contributions			\$ -			Total	\$ 6,198,521
Balance available for Grants/Programs			\$ (0)				\$ (0)



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: July 10, 2024
To: Finance & Administration Committee
Subject: LPMP 5-year Lease Transfer/Renewal – First Choice Physician Partners – Suite 1W-201

Staff Recommendation: Consideration to approve a 5-year lease with First Choice Physician Partners (FCPP) – Suite 1W-201 and corresponding Lease Termination

Background:

- Dr. Jamieson has been a longstanding tenant of the Las Palmas Medical Plaza.
- Dr. Jamieson is currently in the process of being onboarded by First Choice Physician Partners, a division of Tenet Health.
- As part of the intended transition effective September 1, 2024, FCPP has requested to sign a 5-year lease for the suite.
- Dr. Jamieson’s existing lease expires on September 30, 2024, so the new lease would require terminating the existing lease to allow a start date of September 1, 2024.
- The lease rate is \$2.00 sq/ft with annual increases of the greater of 3% or CPI, not to exceed 5%.
- Tenant Improvement allowance is \$10 sq/ft for a total of up to \$12,100.
- The new draft lease agreement and corresponding lease termination agreement are included in the packet for your review.
- Staff recommends approval of the 5-year lease agreement and corresponding lease termination agreement.

Fiscal Impact:

Estimated Revenue from Rent and CAMS for life of the base lease - \$216,613.
Estimated Cost of Tenant Improvement Allowance \$10/sf - \$12,100.
Net Lease Income (base lease) - \$204,513.

OFFICE BUILDING LEASE

Between

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

And

**FIRST CHOICE PHYSICIAN PARTNERS
AS TENANT**

DATED

September 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 First Choice Physician Partners, hereinafter referred to as "Tenant", and is dated September 1, 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)*: \$ Twenty-Nine Thousand, Forty and 00/100 (\$29,040.00) 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*: September 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
- g. *Expiration Date*: August 31, 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: 555 E. Tachevah Dr. 1W-201, Palm Springs, CA 92262
- i. *Monthly Installments of Base Rent (initial)*: \$ Two-Thousand, Four Hundred Twenty and 00/100 Dollars (\$2,420.00) 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 Twelve Thousand, One Hundred and 00/100 Dollars (\$12,100.00).
- l. *Parking*: Tenant shall be permitted, to park 6 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking 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 1,210 square feet of Rentable Area, located in Building IW and known as suite 201.
- 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)*: \$ Two Thousand, Four Hundred Twenty and 00/100 (\$2,420.00).
- 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*: 2.45%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- 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.

3. EXHIBITS AND ADDENDA.

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

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

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

4. DELIVERY OF POSSESSION.

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 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 (11) 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.

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 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.

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 statute now or hereafter in effect which would otherwise 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.

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.

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;
 - (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 with ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees,

contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.

- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord 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, 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 breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

- 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 overage insurance policy which either may have in force at the time of the loss or damage Tenant shall upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

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

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

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 60 days); 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;
- 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.

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.

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.
- 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.

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>First Choice Physician Partners</u>
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Chris Christensen</u>	By:	<u>Philipp Ludwig</u>
Signature:	_____	Signature:	_____
Title:	<u>CEO</u>	Title:	<u>Chief Executive Officer</u>

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.

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.
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

ADDENDUM

Addendum to that certain Office Building Lease dated September 01, 2024, by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and First Choice Physician Partners as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

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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: September 1, 2024
- 2. Expiration Date: August 31, 2029
- 3. Rent Schedule:

9/1/2024 – 8/31/2025	\$2,420.00
9/1/2025 – 8/31/2026	\$2,492.60*
9/1/2026 – 8/31/2027	\$2,567.38*
9/1/2027 – 8/31/2028	\$2,644.40*
9/1/2028 – 8/31/2029	\$2,723.73*

*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:** Two Thousand, Four Hundred Twenty and 00/100 Dollars (\$2,420.00)

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).

The foregoing is hereby agreed to and accepted:

Date: _____

Date: _____

Landlord: Desert Healthcare District
dba: Las Palmas Medical Plaza

Tenant: First Choice Physician Partners

By: Chris Christensen

By: Philipp Ludwig

Signature: _____

Signature: _____

Title: CEO

Title: Chief Executive Officer

LEASE TERMINATION AGREEMENT

THIS LEASE TERMINATION AGREEMENT is made and entered into as of August 31, 2024 (the “Effective Date”), by and between **DESERT HEALTHCARE DISTRICT**, a political subdivision of the State of California (“District”), and **PETER JAMIESON, M.D.** (“Tenant”), with reference to the following facts:

A. The District and Tenant are parties to that certain Office Building Lease (Building IW Suite 201) in the Las Palmas Medical Plaza, Palm Springs, California, dated October 1, 2019 (“Lease”), with an expiration date of September 30, 2024.

B. The Tenant has requested to allow First Choice Physician Partners (“FCPP”), a division of Tenet Health, to sign a new lease for 1W Suite 201 effective as of September 1, 2024.

C. The District has determined that it would serve the best interests of Tenant and the District to enter into a Lease Termination Agreement to allow the new lease to commence as of September 1, 2024, on the following terms and conditions.

NOW, THEREFORE, in consideration of the foregoing recitals and the agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Lease Termination.** Effective August 31, 2024, the Lease is hereby terminated, subject to successful execution of a new lease agreement between the District and First Choice Physician Partners, a Division of Tenet Health.

2. **Payment.** Outstanding deferred rent and other fees payable as of lease termination date shall be payable by tenant to the District, with said payments being made no later than lease termination date.

IN WITNESS WHEREOF, the parties have executed this Lease Termination Agreement as of the Effective Date.

“District”:

DESERT HEALTHCARE DISTRICT

By: _____

Name: _____

Title: _____

“Tenant”:

PETER JAMIESON, M.D.