



To achieve optimal health at all stages of life for all District residents

DESERT HEALTHCARE DISTRICT

Finance, Legal, Administration, & Real Estate Committee Meeting

February 11, 2025

3:00 P.M.

**Desert Healthcare District & Foundation
Stergios Building - 2nd Floor - Boardroom
1140 N. Indian Canyon Drive
Palm Springs, CA 92262**

The Finance, Legal, Administration, & Real Estate Committee of the Desert Healthcare District will be held at 3:00 PM, Tuesday, February 11, 2025, via Zoom using the following link:

<https://us02web.zoom.us/j/83743788340?pwd=VXljcEdUMWtLa3NvdHd3SGRXa0Mzd09>

Password: 108761

Members of the public can also participate by telephone, using the following dial in information:

Dial in #:(669) 900-6833 or (888) 788-0099

Webinar ID: 837 4378 8340

Password: 108761

REVISED AGENDA

- A. Call to Order**
- B. Approval of the Agenda**
- C. Meeting Minutes**

1. [F&A Meeting Minutes – December 11, 2024](#) 

4 - 8

D. Public Comments

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.

E. Chief Executive Officer's Report

F. [Chief Administration Officer's Report](#)  9 - 10

1. LPMP Leasing Update

G. [Financial Reports](#)  **Actions** 11 - 33

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

H. Other Matters

1. [2025 Healthy Desert, Healthy You: Environmental Health Summit – September 11, 2025 and September 12, 2025](#)  34 - 54

a. [Summit Draft Agenda and Schedule of Activities](#) 

b. [Sponsorship Levels](#) 

c. [Summit Budget](#)  Action

d. [Hocker Productions – Contract Agreement](#)  Action

e. [Group Sales Agreement – The Westin Rancho Mirage](#)  Action

2. [Existing Policy Revisions – Actions](#)  55 - 66

- a. [Policy #FIN-02 – Authorized Check Signers](#) 
- b. [Policy #FIN-06 – Financial Reserve Policy](#) 
- 3. Proposed New Sponsorships Policy – Action 67 - 68
 - a. [Policy #OP-17 - Sponsorships](#) 
- 4. [Las Palmas Medical Plaza 5-Year Lease – Desert Regional Medical Center – Suite 3E-101-102](#)  Action 69 - 99
- 5. [Inclusion of a FY24-25 new budget line item for sponsorships – NTE \\$75,000 – Action](#)  100
- 6. Request for Proposals (RFP) process discussion and direction for Legal Counsel, Audit, and Investment Firms
- 7. [Pink Journey Foundation – Services Contract to participate in five \(5\) mobile mammography clinic events – NTE \\$50,000](#)  Action 101 - 108

I. Committee Member Comments

J. 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 72 hours prior to the meeting.

Andrea S. Hayles



**DESERT HEALTHCARE DISTRICT
F&A Committee Meeting
MEETING MINUTES**

Tuesday, January 14, 2025, 3:00 PM

| Directors Present | District Staff Present | Absent |
|--|---|---------------|
| Daniel Logsdon, MD, Chair Leticia De Lara, Director Arthur Shorr, Director | Chris Christensen, CPA, Chief Executive Officer Eric Taylor, CPA, Chief Administration Officer Donna Craig, Chief Program Officer Alejandro Espinoza, MPH, Chief of Community Engagement Andrea S. Hayles, MBA, Board Relations Officer | |

A. Call to Order

Chair Logsdon called the meeting to order at 3:04 p.m. Director Shorr joined the meeting shortly after approval of the agenda.

B. Approval of the Agenda

Director Logsdon moved to approve the agenda.

Moved by: Daniel Logsdon, MD

Seconded by: Leticia De Lara

Yes Leticia De Lara and Daniel Logsdon, MD

Carried 2-0

C. Meeting Minutes – Action

Director Logsdon asked for a motion to approve the December 11, 2024, meeting minutes.

[December 11, 2024](#) 

Moved by: Arthur Shorr

Seconded by: Leticia De Lara

Yes Arthur Shorr, Leticia De Lara, and Daniel Logsdon, MD

Carried 3-0

D. Public Comments

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.

E. Chief Executive Officer's Report

Chris Christensen, CEO, will present a preliminary budget in February to the committee for the 2025 Healthy Desert Healthy You Environmental Health Summit.

F. [Chief Administration Officer's Report](#) 

1. [LPMP Leasing Update](#) 

Eric Taylor, CAO, described the 100% occupancy rate at Las Palmas Medical Plaza and outlined the monthly and yearly revenue.

G. Financial Reports - Action

Eric Taylor, CAO, provided an overview of the individual line items of the year to date variance. Mr. Taylor also discussed the profit and loss, specifically the net income for the next six months, the balance sheet in comparison to the prior year, property tax receipts, and answered questions from the committee.

Donna Craig, Chief Program Officer, provided a brief overview of the grants payment schedule.

Chair Logsdon asked for a motion to approve the December 2024 financial reports.

Moved by: Leticia De Lara

Seconded by: Arthur Shorr

Yes Arthur Shorr, Leticia De Lara, and Daniel Logsdon, MD

Carried 3-0

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. [Grants Payment Schedule](#) 

H. Other Matters - Actions


1. [Addendum #2 of the Consulting Services Agreement for Dale E. Barnhart, Facilities Inspector, Hospital Safety and Compliance Inspections – January 1, 2025 through December 31, 2026](#) 

Moved by: Leticia De Lara
Seconded by: Arthur Shorr

Yes Arthur Shorr, Leticia De Lara, and Daniel Logsdon, MD

Carried 3-0

Eric Taylor, CAO, provided an overview of the Desert Regional Medical Center (DRMC) inspection requirements outlined in the hospital lease. Mr. Taylor outlined Dale Barnhart's 5-year engagement with the District as the facilities inspector and his previous long-term position as the facilities director at DRMC. Mr. Taylor also described the consulting services agreement, which includes an hourly rate increase and a time extension through 2026.

2. [Consulting Services Agreement – Regional Government Services \(RGS\) for Human Resources Services – January 1, 2025 through December 31, 2025 – NTE \\$25,000](#) 

Moved by: Leticia De Lara
Seconded by: Arthur Shorr

Yes Arthur Shorr, Leticia De Lara, and Daniel Logsdon, MD

Carried 3-0

Eric Taylor, CAO, provided an overview of the District's engagement with Regional Government Services (RGS) to conduct a human resource assessment. Mr. Taylor elaborated on RGS's scope of work for implementing the recommendations outlined in the assessment.

The committee discussed the annual CEO Evaluation involving relations with staff, opportunities for staff development, and being adequately informed about the HR consultant's findings. The committee recommended that the CEO collaborate with RGS consultants to determine the best way to proceed with the assessment.

I. Adjournment

Chair Logsdon adjourned the meeting at 3:51 p.m.

Daniel Logsdon, MD, Chair/Treasurer, F&A Committee
Desert Healthcare District Board of Directors

Audio recording available on the website at <http://dhcd.org/Agendas-and-Documents>



Chief Administration Officer's Report

February 11, 2025

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

100% currently occupied –

Total annual rent including CAM fees is **\$1,549,008**.

Leasing Activity:

A renewal lease for suite 3E 101-102 will be presented during today's meeting.

Las Palmas Medical Plaza

Unit Rental Status

As of February 1, 2025

| 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 | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Total - Vacancies | | | | | | - | 0.00% | | | | | | |
| Total Suites - 32 - 32 Suites Occupied | | \$53,732.40 | | | | 49,356 | 100.00% | \$ 87,742.07 | \$ 1,052,904.84 | \$ 1.78 | \$ 41,341.92 | \$ 129,083.99 | \$ 1,549,007.88 |
| Summary - All Units | | | | | | | | | | | | | |
| | | | Occupied | 49,356 | 100.00% | | | | | | | | |
| | | | Vacant | 0 | 0.00% | | | | | | | | |
| | | | Pending | 0 | 0.00% | | | | | | | | |
| | | | Total | 49,356 | 100% | | | | | | | | |

| |
|---|
| DESERT HEALTHCARE DISTRICT |
| JANUARY 2025 FINANCIAL STATEMENTS |
| INDEX |
| |
| Year to Date Variance Analysis |
| Cumulative Profit & Loss Budget vs Actual - Summary |
| Cumulative Profit & Loss Budget vs Actual - District Including LPMP |
| Cumulative Profit & Loss Budget vs Actual - LPMP |
| Balance Sheet - Condensed View |
| Balance Sheet - Expanded View |
| Accounts Receivable Aging |
| Deposit Detail - District |
| Property Tax Receipts - YTD |
| Deposit Detail - LPMP |
| Check Register - District |
| Credit Card Expenditures |
| Check Register - LPMP |
| CEO Discretionary Fund |
| Retirement Protection Plan Update |
| Grants Schedule |

**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
SEVEN MONTHS ENDED JANUARY 31, 2025**

| Scope: \$25,000 Variance per Statement of Operations Summary | | | | |
|---|-------------------|------------------|--------------------|---|
| Account | YTD | | Over(Under) | Explanation |
| | Actual | Budget | Budget | |
| 4000 - Income | \$ 6,811,746 | \$ 5,816,519 | \$ 995,227 | Higher interest income and market fluctuations (net) from FRF investments \$1,425k; lower property tax revenues \$430k |
| 4501 - Misc. Income | \$ 76,001 | \$ 180,250 | \$ (104,249) | Lower revenue from Environmental Health Summit sponsorships \$104k |
| 5000 - Direct Expenses | \$ 1,062,150 | \$ 1,337,922 | \$ (275,772) | Lower wages expense \$165k; lower education expense \$44k; lower health insurance expense \$31k; lower board expenses \$20k; lower retirement expense \$21k; higher workers comp \$5k |
| 6000-General & Admin Expense | \$ 377,115 | \$ 411,639 | \$ (34,524) | Lower dues and membership expense \$17k; higher computer services expense \$15k; lower meals and entertainment expense \$16k; higher bank and investment fees \$7k; lower supplies expense \$7k; lower travel expense \$7k; lower misc \$10k |
| 6325-CEO Discretionary Fund | \$ 110,249 | \$ 43,452 | \$ 66,797 | Budget of \$100,000 for fiscal year is amortized over 12-month fiscal year. |
| 6445 - LPMP Expense | \$ 596,221 | \$ 791,971 | \$ (195,750) | Lower depreciation expenses \$91k; lower interior building expense \$24k; lower internal property management allocation \$17k; lower plumbing expense \$10k; lower deferred maintenance expense \$11k; lower elevators R&M expense \$2k; lower landscaping expense \$2k; lower marketing expense \$9k; lower signage expense \$2k; lower extermination expense \$7k; lower rubbish removal expense \$4k; lower security \$3k; lower lighting expense \$3k; lower misc \$10k |
| 6500 - Professional Fees Expense | \$ 765,591 | \$ 1,224,708 | \$ (459,117) | Lower professional services expense \$482k; higher legal expense \$85k; lower PR/Communications expense \$63k |
| 6700 - Trust Expenses | \$ 8,884 | \$ 42,388 | \$ (33,504) | Lower pension expense \$34k |
| 7000 - Grants Expense | \$ 616,826 | \$ 2,916,667 | \$ (2,299,841) | As of January 31, 2025, there are \$4,332,807 remaining in the fiscal year grant budget, with a total of \$31,170 in carry over and unexpended grant funds. |
| Las Palmas Medical Plaza - Net | \$ 270,219 | \$ 81,529 | \$ 188,690 | LPMP expenses lower \$196k; LPMP revenue lower \$7k |

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2024 through January 2025

| | MONTH | | | TOTAL | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Jan 25 | Budget | \$ Over Budget | Jul '24 - Jan 25 | Budget | \$ Over Budget |
| Income | | | | | | |
| 4000 · Income | 3,017,138 | 3,322,641 | (305,503) | 6,811,746 | 5,816,519 | 995,227 |
| 4500 · LPMP Income | 128,929 | 124,786 | 4,143 | 866,440 | 873,500 | (7,059) |
| 4501 · Miscellaneous Income | 0 | 750 | (750) | 76,001 | 180,250 | (104,249) |
| Total Income | 3,146,067 | 3,448,177 | (302,110) | 7,754,188 | 6,870,269 | 883,919 |
| Expense | | | | | | |
| 5000 · Direct Expenses | 210,374 | 245,811 | (35,438) | 1,062,150 | 1,337,922 | (275,772) |
| 6000 · General & Administrative Exp | 56,599 | 58,806 | (2,207) | 377,115 | 411,639 | (34,524) |
| 6325 · CEO Discretionary Fund | 12,000 | 11,310 | 690 | 110,249 | 43,452 | 66,797 |
| 6445 · LPMP Expenses | 86,643 | 113,139 | (26,496) | 596,221 | 791,971 | (195,749) |
| 6500 · Professional Fees Expense | 35,639 | 174,958 | (139,319) | 765,591 | 1,224,708 | (459,117) |
| 6600 · Mobile Medical Unit | 0 | 417 | (417) | 1,359 | 2,917 | (1,558) |
| 6700 · Trust Expenses | 488 | 6,055 | (5,568) | 8,884 | 42,388 | (33,503) |
| Total Expense Before Grants | 401,742 | 610,495 | (208,753) | 2,921,570 | 3,854,997 | (933,426) |
| 9000 · Other Income <expenses> | (200) | 0 | (200) | (3,200) | 0 | (3,200) |
| 7000 · Grants Expense | | | | | | |
| 7010 · Major Grant Awards Expense | 10,000 | 416,667 | (406,667) | 616,826 | 2,916,667 | (2,299,841) |
| Net Income | 2,734,125 | 2,421,015 | 313,110 | 4,212,592 | 98,606 | 4,113,986 |

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2024 through January 2025

| | MONTH | | | TOTAL | | |
|---|-----------|-----------|----------------|-----------------|-----------|----------------|
| | Jan 25 | Budget | \$ Over Budget | Jul 24 - Jan 25 | Budget | \$ Over Budget |
| Income | | | | | | |
| 4000 · Income | | | | | | |
| 4010 · Property Tax Revenues | 2,748,762 | 3,244,308 | (495,546) | 4,838,036 | 5,268,186 | (430,150) |
| 4200 · Interest Income | | | | | | |
| 4220 · Interest Income (FRF) | 148,232 | 106,667 | 41,565 | 1,090,843 | 746,667 | 344,176 |
| 9999-1 · Unrealized gain(loss) on invest | 118,144 | (30,333) | 148,477 | 868,694 | (212,333) | 1,081,028 |
| Total 4200 · Interest Income | 266,375 | 76,333 | 190,042 | 1,959,537 | 534,333 | 1,425,204 |
| 4300 · DHC Recoveries | 2,000 | 2,000 | 0 | 14,173 | 14,000 | 173 |
| Total 4000 · Income | 3,017,138 | 3,322,641 | (305,503) | 6,811,746 | 5,816,519 | 995,227 |
| 4500 · LPMP Income | 128,929 | 124,786 | 4,143 | 866,440 | 873,500 | (7,059) |
| 4501 · Miscellaneous Income | 0 | 750 | (750) | 76,001 | 180,250 | (104,249) |
| Total Income | 3,146,067 | 3,448,177 | (302,110) | 7,754,188 | 6,870,269 | 883,919 |
| Expense | | | | | | |
| 5000 · Direct Expenses | | | | | | |
| 5100 · Administration Expense | | | | | | |
| 5110 · Wages Expense | 146,438 | 188,100 | (41,662) | 761,185 | 933,943 | (172,758) |
| 5111 · Allocation to LPMP - Payroll | (3,325) | (7,139) | 3,814 | (32,585) | (49,976) | 17,391 |
| 5112 · Vacation/Sick/Holiday Expense | 41,279 | 15,000 | 26,279 | 133,424 | 105,000 | 28,424 |
| 5114 · Allocation to Foundation | (17,258) | (17,692) | 434 | (118,241) | (123,841) | 5,600 |
| 5119 · Allocation-FED FUNDS/CVHIP-DHCF | (5,891) | 0 | (5,891) | (37,575) | 0 | (37,575) |
| 5120 · Payroll Tax Expense | 16,228 | 10,333 | 5,895 | 66,050 | 72,332 | (6,282) |
| 5130 · Health Insurance Expense | | | | | | |
| 5131 · Premiums Expense | 22,206 | 23,553 | (1,347) | 139,204 | 164,869 | (25,665) |
| 5135 · Reimb./Co-Payments Expense | 665 | 1,800 | (1,135) | 7,429 | 12,600 | (5,171) |
| Total 5130 · Health Insurance Expense | 22,871 | 25,353 | (2,482) | 146,633 | 177,469 | (30,836) |
| 5140 · Workers Comp. Expense | 1,216 | 572 | 644 | 8,643 | 4,004 | 4,639 |
| 5145 · Retirement Plan Expense | 4,139 | 11,154 | (7,015) | 57,301 | 78,080 | (20,779) |
| 5160 · Education Expense | 0 | 7,417 | (7,417) | 8,024 | 51,917 | (43,893) |
| Total 5100 · Administration Expense | 205,698 | 233,098 | (27,400) | 992,858 | 1,248,927 | (256,069) |
| 5200 · Board Expenses | | | | | | |
| 5210 · Healthcare Benefits Expense | 1,358 | 4,109 | (2,751) | 23,039 | 28,762 | (5,723) |
| 5230 · Meeting Expense | 100 | 3,708 | (3,608) | 20,044 | 25,958 | (5,914) |
| 5235 · Director Stipend Expense | 2,553 | 3,646 | (1,094) | 18,643 | 25,525 | (6,882) |
| 5240 · Catering Expense | 629 | 1,000 | (371) | 6,165 | 7,000 | (835) |
| 5250 · Mileage Reimbursement Expense | 36 | 250 | (214) | 1,401 | 1,750 | (349) |
| Total 5200 · Board Expenses | 4,676 | 12,714 | (8,038) | 69,292 | 88,995 | (19,703) |
| Total 5000 · Direct Expenses | 210,374 | 245,811 | (35,438) | 1,062,150 | 1,337,922 | (275,772) |

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2024 through January 2025

| | MONTH | | | TOTAL | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | Jan 25 | Budget | \$ Over Budget | Jul 24 - Jan 25 | Budget | \$ Over Budget |
| 6000 · General & Administrative Exp | | | | | | |
| 6110 · Payroll fees Expense | 286 | 208 | 77 | 1,647 | 1,458 | 189 |
| 6120 · Bank and Investment Fees Exp | 6,403 | 5,200 | 1,203 | 43,881 | 36,400 | 7,481 |
| 6125 · Depreciation Expense | 2,165 | 2,500 | (335) | 15,141 | 17,500 | (2,359) |
| 6126 · Depreciation-Solar Parking lot | 15,072 | 15,072 | 0 | 105,504 | 105,504 | 0 |
| 6127 · Depreciation - Autos | 6,409 | 6,409 | (0) | 44,866 | 44,866 | (0) |
| 6130 · Dues and Membership Expense | 8,782 | 5,429 | 3,353 | 21,029 | 38,004 | (16,975) |
| 6200 · Insurance Expense | 4,647 | 4,692 | (45) | 32,594 | 32,842 | (247) |
| 6300 · Minor Equipment Expense | 0 | 42 | (42) | 0 | 292 | (292) |
| 6305 · Auto Allowance & Mileage Exp | 831 | 500 | 331 | 4,431 | 3,500 | 931 |
| 6306 · Staff- Auto Mileage reimb | 387 | 625 | (238) | 3,137 | 4,375 | (1,238) |
| 6309 · Personnel Expense | 0 | 375 | (375) | 926 | 2,625 | (1,699) |
| 6310 · Miscellaneous Expense | 0 | 42 | (42) | 0 | 292 | (292) |
| 6311 · Cell Phone Expense | 954 | 1,000 | (46) | 5,634 | 7,000 | (1,366) |
| 6312 · Wellness Park Expenses | 0 | 83 | (83) | 370 | 583 | (213) |
| 6315 · Security Monitoring Expense | 108 | 50 | 58 | 353 | 350 | 3 |
| 6340 · Postage Expense | 10 | 333 | (324) | 666 | 2,333 | (1,668) |
| 6350 · Copier Rental/Fees Expense | 775 | 500 | 275 | 2,763 | 3,500 | (737) |
| 6351 · Travel Expense | 0 | 2,500 | (2,500) | 10,851 | 17,500 | (6,649) |
| 6352 · Meals & Entertainment Exp | (2) | 2,833 | (2,836) | 3,507 | 19,833 | (16,326) |
| 6355 · Computer Services Expense | 5,025 | 5,322 | (297) | 51,924 | 37,252 | 14,672 |
| 6360 · Supplies Expense | 1,924 | 2,167 | (243) | 8,554 | 15,167 | (6,613) |
| 6380 · LAFCO Assessment Expense | 171 | 208 | (38) | 1,194 | 1,458 | (264) |
| 6400 · East Valley Office | 2,654 | 2,715 | (61) | 18,143 | 19,005 | (862) |
| Total 6000 · General & Administrative Exp | 56,599 | 58,806 | (2,207) | 377,115 | 411,639 | (34,524) |
| 6325 · CEO Discretionary Fund | 12,000 | 11,310 | 690 | 110,249 | 43,452 | 66,797 |
| 6445 · LPMP Expenses | 86,643 | 113,139 | (26,496) | 596,221 | 791,971 | (195,749) |
| 6500 · Professional Fees Expense | | | | | | |
| 6516 · Professional Services Expense | 17,466 | 124,167 | (106,701) | 387,377 | 869,167 | (481,790) |
| 6520 · Annual Audit Fee Expense | 1,484 | 1,500 | (16) | 10,389 | 10,500 | (111) |
| 6530 · PR/Communications/Website | 4,189 | 34,292 | (30,103) | 177,350 | 240,042 | (62,692) |
| 6560 · Legal Expense | 12,500 | 15,000 | (2,500) | 190,476 | 105,000 | 85,476 |
| Total 6500 · Professional Fees Expense | 35,639 | 174,958 | (139,319) | 765,591 | 1,224,708 | (459,117) |
| 6600 · Mobile Medical Unit | 0 | 417 | (417) | 1,359 | 2,917 | (1,558) |
| 6700 · Trust Expenses | | | | | | |
| 6720 · Pension Plans Expense | 488 | 6,055 | (5,568) | 8,884 | 42,388 | (33,503) |
| Total Expense Before Grants | 401,742 | 610,495 | (208,753) | 2,921,570 | 3,854,997 | (933,426) |
| 9000 · Other Income <expenses> | (200) | 0 | (200) | (3,200) | 0 | (3,200) |
| 7000 · Grants Expense | | | | | | |
| 7010 · Major Grant Awards Expense | 10,000 | 416,667 | (406,667) | 616,826 | 2,916,667 | (2,299,841) |
| Net Income | 2,734,125 | 2,421,015 | 313,110 | 4,212,592 | 98,606 | 4,113,986 |

Las Palmas Medical Plaza
Profit & Loss Budget vs. Actual
July 2024 through January 2025

| | MONTH | | | TOTAL | | |
|---|----------------|----------------|-----------------|-----------------|----------------|------------------|
| | Jan 25 | Budget | \$ Over Budget | Jul 24 - Jan 25 | Budget | \$ Over Budget |
| Income | | | | | | |
| 4500 · LPMP Income | | | | | | |
| 4505 · Rental Income | 87,587 | 86,753 | 835 | 589,340 | 607,269 | (17,929) |
| 4510 · CAM Income | 41,342 | 37,950 | 3,392 | 277,026 | 265,648 | 11,378 |
| 4513 · Misc. Income | 0 | 83 | (83) | 75 | 583 | (508) |
| Total 4500 · LPMP Income | 128,929 | 124,786 | 4,143 | 866,440 | 873,500 | (7,059) |
| Expense | | | | | | |
| 6445 · LPMP Expenses | | | | | | |
| 6420 · Insurance Expense | 6,229 | 6,255 | (25) | 43,605 | 43,782 | (177) |
| 6425 · Building - Depreciation Expense | 28,257 | 28,668 | (411) | 197,706 | 200,677 | (2,971) |
| 6426 · Tenant Improvements -Dep Exp | 5,103 | 17,630 | (12,527) | 35,471 | 123,410 | (87,939) |
| 6427 · HVAC Maintenance Expense | 0 | 1,333 | (1,333) | 8,768 | 9,333 | (565) |
| 6428 · Roof Repairs Expense | 0 | 208 | (208) | 0 | 1,458 | (1,458) |
| 6431 · Building -Interior Expense | 0 | 4,167 | (4,167) | 5,150 | 29,167 | (24,017) |
| 6432 · Plumbing -Interior Expense | 2,077 | 1,667 | 410 | 2,822 | 11,667 | (8,845) |
| 6433 · Plumbing -Exterior Expense | 0 | 208 | (208) | 0 | 1,458 | (1,458) |
| 6434 · Allocation Internal Prop. Mgmt | 3,325 | 7,139 | (3,814) | 32,585 | 49,975 | (17,390) |
| 6435 · Bank Charges | 43 | 42 | 1 | 241 | 292 | (51) |
| 6437 · Utilities -Vacant Units Expense | 0 | 150 | (150) | 34 | 1,050 | (1,016) |
| 6439 · Deferred Maintenance Repairs Ex | 0 | 2,083 | (2,083) | 3,340 | 14,583 | (11,243) |
| 6440 · Professional Fees Expense | 11,830 | 11,830 | 0 | 82,810 | 82,810 | 0 |
| 6441 · Legal Expense | 0 | 83 | (83) | 0 | 583 | (583) |
| 6458 · Elevators - R & M Expense | 768 | 1,083 | (316) | 5,731 | 7,583 | (1,852) |
| 6460 · Exterminating Service Expense | 275 | 1,250 | (975) | 1,925 | 8,750 | (6,825) |
| 6463 · Landscaping Expense | 6,375 | 1,250 | 5,125 | 6,375 | 8,750 | (2,376) |
| 6467 · Lighting Expense | 0 | 417 | (417) | 0 | 2,917 | (2,917) |
| 6468 · General Maintenance Expense | 0 | 83 | (83) | 0 | 583 | (583) |
| 6471 · Marketing-Advertising | 0 | 1,250 | (1,250) | 0 | 8,750 | (8,750) |
| 6475 · Property Taxes Expense | 6,650 | 6,650 | 0 | 46,550 | 46,550 | 0 |
| 6476 · Signage Expense | 0 | 417 | (417) | 1,087 | 2,917 | (1,829) |
| 6480 · Rubbish Removal Medical Waste E | 760 | 1,417 | (657) | 9,591 | 9,917 | (326) |
| 6481 · Rubbish Removal Expense | 2,342 | 2,900 | (558) | 16,397 | 20,300 | (3,903) |
| 6482 · Utilities/Electricity/Exterior | 70 | 875 | (805) | 4,481 | 6,125 | (1,644) |
| 6484 · Utilities - Water (Exterior) | 465 | 750 | (285) | 6,551 | 5,250 | 1,301 |
| 6485 · Security Expenses | 11,955 | 12,500 | (545) | 84,583 | 87,500 | (2,917) |
| 6490 · Miscellaneous Expense | 120 | 833 | (714) | 420 | 5,833 | (5,414) |
| Total 6445 · LPMP Expenses | 86,643 | 113,139 | (26,496) | 596,221 | 791,971 | (195,749) |
| Net Income | 42,286 | 11,647 | 30,639 | 270,219 | 81,529 | 188,690 |

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of January 31, 2025

| | | Jan 31, 25 | Jan 31, 24 |
|-----------------------------|---|-------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| | 1000 · CHECKING CASH ACCOUNTS | 6,442,017 | 4,900,751 |
| | 1100 · INVESTMENT ACCOUNTS | 68,356,588 | 65,723,468 |
| | Total Checking/Savings | 74,798,605 | 70,624,219 |
| | Accounts Receivable | 28,149 | 198,293 |
| Other Current Assets | | | |
| | 1204.1 · Rent Receivable-Deferred COVID | 5,158 | 16,097 |
| | 1270 · Prepaid Insurance -Ongoing | 54,270 | 48,505 |
| | 1279 · Pre-Paid Fees | 23,427 | 36,997 |
| | 1565 · Retirement Plan ForfeitureAsset | 1,940 | 0 |
| | Total Other Current Assets | 84,794 | 101,599 |
| | Total Current Assets | 74,911,547 | 70,924,111 |
| Fixed Assets | | | |
| | 1300 · FIXED ASSETS | 5,319,934 | 5,292,598 |
| | 1335-00 · ACC DEPR | (3,077,033) | (2,770,168) |
| | 1400 · LPMP Assets | 6,287,163 | 6,702,095 |
| | Total Fixed Assets | 8,530,065 | 9,224,525 |
| Other Assets | | | |
| | 1600 · RIGHT TO USE ASSETS | 216,235 | 216,235 |
| | 1611 · RTU Accumulated Amortization | (44,356) | (22,178) |
| | 1700 · OTHER ASSETS | 3,784,179 | 3,703,380 |
| | 1800 · OTHER RECEIVABLES | 3,439,433 | 3,048,911 |
| | Total Other Assets | 7,395,491 | 6,946,348 |
| | TOTAL ASSETS | 90,837,104 | 87,094,984 |

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of January 31, 2025

| | | Jan 31, 25 | Jan 31, 24 |
|---------------------------------------|--|-------------------|-------------------|
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| | 2000 · Accounts Payable | 139,900 | 28,712 |
| | 2001 · LPMP Accounts Payable | 18,044 | 26,536 |
| | Total Accounts Payable | 157,943 | 55,248 |
| Other Current Liabilities | | | |
| | 2002 · LPMP Property Taxes | 9,974 | 8,432 |
| | 2003 · Prepaid Rents | 12,237 | 21,113 |
| | 2101 · *Payroll Liabilities | 0 | 3,227 |
| | 2131 · Grant Awards Payable | 3,888,194 | 6,032,638 |
| | 2133 · Accrued Accounts Payable | 86,955 | 249,550 |
| | 2141 · Accrued Vacation Time | 101,139 | 92,345 |
| | 2190 · Investment Fees Payable | 12,925 | 1,595 |
| | Total Other Current Liabilities | 4,111,423 | 6,408,900 |
| | Total Current Liabilities | 4,269,366 | 6,464,148 |
| Long Term Liabilities | | | |
| | 2171 · RPP-Deferred Inflows-Resources | 397,911 | 564,584 |
| | 2172 · Lease - Deferred Inflows | 3,268,842 | 2,982,703 |
| | 2281 · Grants Payable - Long-term | 1,138,781 | 2,475,000 |
| | 2285 · Lease Payable | 175,612 | 196,798 |
| | 2290 · LPMP Security Deposits | 53,732 | 57,493 |
| | Total Long Term Liabilities | 5,034,879 | 6,276,578 |
| | Total Liabilities | 9,304,245 | 12,740,726 |
| Equity | | | |
| | 3900 · *Retained Earnings | 77,320,267 | 71,020,500 |
| | Net Income | 4,212,592 | 3,333,759 |
| | Total Equity | 81,532,859 | 74,354,259 |
| TOTAL LIABILITIES & EQUITY | | 90,837,104 | 87,094,984 |

Desert Healthcare District
Balance Sheet Previous Comparison
As of January 31, 2025

| | | Jan 31, 25 | Jan 31, 24 |
|--|--|-------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 1000 · CHECKING CASH ACCOUNTS | | | |
| 1016 · US Bank Operating - 5018 | | 520,411 | 4,573,897 |
| 1017 · US Bank Operating - 7455 | | 5,553,645 | 0 |
| 1044 · Las Palmas Medical Plaza - 1241 | | 367,459 | 326,354 |
| 1047 · Petty Cash | | 502 | 500 |
| Total 1000 · CHECKING CASH ACCOUNTS | | 6,442,017 | 4,900,751 |
| 1100 · INVESTMENT ACCOUNTS | | | |
| 1130 · Facility Replacement Fund | | 67,975,419 | 66,574,015 |
| 1135 · Unrealized Gain(Loss) FRF | | 381,169 | (850,547) |
| Total 1100 · INVESTMENT ACCOUNTS | | 68,356,588 | 65,723,468 |
| Total Checking/Savings | | 74,798,605 | 70,624,219 |
| Accounts Receivable | | | |
| 1201 · Accounts Receivable | | | |
| 1204 · LPMP Accounts Receivable | | 0 | 10,924 |
| 1211 · A-R Foundation - Exp Allocation | | 23,149 | 187,369 |
| 1201 · Accounts Receivable - Other | | 5,000 | 0 |
| Total Accounts Receivable | | 28,149 | 198,293 |
| Other Current Assets | | | |
| 1204.1 · Rent Receivable-Deferred COVID | | 5,158 | 16,097 |
| 1270 · Prepaid Insurance -Ongoing | | 54,270 | 48,505 |
| 1279 · Pre-Paid Fees | | 23,427 | 36,997 |
| 1565 · Retirement Plan ForfeitureAsset | | 1,940 | 0 |
| Total Other Current Assets | | 84,794 | 101,599 |
| Total Current Assets | | 74,911,547 | 70,924,111 |
| Fixed Assets | | | |
| 1300 · FIXED ASSETS | | | |
| 1310 · Computer Equipment | | 124,185 | 105,830 |
| 1320 · Furniture and Fixtures | | 64,080 | 55,099 |
| 1321 · Mobile Medical Unit | | 381,768 | 381,768 |
| 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 | | 5,319,934 | 5,292,598 |

Desert Healthcare District
Balance Sheet Previous Comparison
As of January 31, 2025

| | Jan 31, 25 | Jan 31, 24 |
|--|---------------------|---------------------|
| 1335-00 · ACC DEPR | | |
| 1335 · Accumulated Depreciation | (273,777) | (247,239) |
| 1337 · Accum Deprec- Solar Parking Lot | (2,426,764) | (2,245,900) |
| 1338 · Accum Deprec - LPMP Parking Lot | (248,044) | (225,494) |
| 1339 · Accum Deprec - Autos | (128,447) | (51,535) |
| Total 1335-00 · ACC DEPR | (3,077,033) | (2,770,168) |
| 1400 · LPMP Assets | | |
| 1401 · Building | 8,705,680 | 8,705,680 |
| 1402 · Land | 2,165,300 | 2,165,300 |
| 1403 · Tenant Improvements -New | 2,319,572 | 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 | 57,426 | 20,528 |
| 1406 · Building Improvements - Other | 2,776,742 | 2,769,182 |
| Total 1406 · Building Improvements | 3,510,652 | 3,466,194 |
| 1407 · Building Equipment Improvements | 488,880 | 445,553 |
| 1409 · Accumulated Depreciation | | |
| 1410 · Accum. Depreciation | (8,631,272) | (8,318,126) |
| 1412 · T I Accumulated Dep.-New | (2,271,649) | (2,201,202) |
| Total 1409 · Accumulated Depreciation | (10,902,921) | (10,519,328) |
| Total 1400 · LPMP Assets | 6,287,163 | 6,702,095 |
| Total Fixed Assets | 8,530,065 | 9,224,525 |
| Other Assets | | |
| 1600 · RIGHT TO USE ASSETS | | |
| 1610 · Right to Use Asset | 216,235 | 216,235 |
| Total 1600 · RIGHT TO USE ASSETS | 216,235 | 216,235 |
| 1611 · RTU Accumulated Amortization | (44,356) | (22,178) |
| 1700 · OTHER ASSETS | | |
| 1731 · Wellness Park | 1,693,800 | 1,693,800 |
| 1740 · RPP-Deferred Outflows-Resources | 362,042 | 587,440 |
| 1742 · RPP - Net Pension Asset | 1,728,337 | 1,422,140 |
| Total 1700 · OTHER ASSETS | 3,784,179 | 3,703,380 |
| 1800 · OTHER RECEIVABLES | | |
| 1810 · Lease Receivable | 3,439,433 | 3,048,911 |
| Total Other Assets | 7,395,491 | 6,946,348 |
| TOTAL ASSETS | 90,837,104 | 87,094,984 |

Desert Healthcare District
Balance Sheet Previous Comparison
As of January 31, 2025

| | | Jan 31, 25 | Jan 31, 24 |
|--|--|-------------------|-------------------|
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 2000 - Accounts Payable | | 139,900 | 28,712 |
| 2001 - LPMP Accounts Payable | | 18,044 | 26,536 |
| Total Accounts Payable | | 157,943 | 55,248 |
| Other Current Liabilities | | | |
| 2002 - LPMP Property Taxes | | 9,974 | 8,432 |
| 2003 - Prepaid Rents | | 12,237 | 21,113 |
| 2101 - *Payroll Liabilities | | 0 | 3,227 |
| 2131 - Grant Awards Payable | | 3,888,194 | 6,032,638 |
| 2133 - Accrued Accounts Payable | | 86,955 | 249,550 |
| 2141 - Accrued Vacation Time | | 101,139 | 92,345 |
| 2190 - Investment Fees Payable | | 12,925 | 1,595 |
| Total Other Current Liabilities | | 4,111,423 | 6,408,900 |
| Total Current Liabilities | | 4,269,366 | 6,464,148 |
| Long Term Liabilities | | | |
| 2171 - RPP-Deferred Inflows-Resources | | 397,911 | 564,584 |
| 2172 - Lease - Deferred Inflows | | 3,268,842 | 2,982,703 |
| 2281 - Grants Payable - Long-term | | 1,138,781 | 2,475,000 |
| 2285 - Lease Payable | | 175,612 | 196,798 |
| 2290 - LPMP Security Deposits | | 53,732 | 57,493 |
| Total Long Term Liabilities | | 5,034,879 | 6,276,578 |
| Total Liabilities | | 9,304,245 | 12,740,726 |
| Equity | | | |
| 3900 - *Retained Earnings | | 77,320,267 | 71,020,500 |
| Net Income | | 4,212,592 | 3,333,759 |
| Total Equity | | 81,532,859 | 74,354,259 |
| TOTAL LIABILITIES & EQUITY | | 90,837,104 | 87,094,984 |

Desert Healthcare District
A/R Aging Summary
As of January 31, 2025

| | Current | 1 - 30 | 31 - 60 | 61 - 90 | > 90 | TOTAL | COMMENTS |
|--------------------------------------|----------------|---------------|----------------|----------------|----------------|---------------|--|
| Desert Healthcare Foundation- | 23,149 | 0 | 0 | 0 | 0 | 23,149 | Due from Foundaiton |
| South Coast AQMD | 0 | 0 | 0 | 0 | 5,000 | 5,000 | Air Quality Grant (Received in February) |
| TOTAL | 23,149 | 0 | 0 | 0 | 5,000 | 28,149 | |

Desert Healthcare District
Deposit Detail
January 2025

| Type | Date | Name | Amount |
|----------------|-------------------|--|------------------|
| Deposit | 01/02/2025 | | 2,000 |
| | | T-Mobile - Cell Tower Lease | (2,000) |
| TOTAL | | | (2,000) |
| Deposit | 01/06/2025 | | 11,939 |
| | | Principal Financial Group - Dividends 2024 | (328) |
| Payment | 01/06/2025 | PICA - PICA Land Lease payment July 2024 - December 2024 | (4,500) |
| Payment | 01/06/2025 | Variety of the Desert - Reimbursement of unused Grants | (7,111) |
| TOTAL | | | (11,939) |
| Deposit | 01/10/2025 | | 2,600,390 |
| | | Riverside County Treasurer-Property Tax Payment | (2,599,632) |
| | | Riverside County Treasurer-Property Tax Payment | (759) |
| TOTAL | | | (2,600,391) |
| Deposit | 01/15/2025 | | 55,988 |
| | | Riverside County Treasurer-Property Tax Payment | (55,988) |
| TOTAL | | | (55,988) |
| Deposit | 01/21/2025 | | 92,384 |
| | | Riverside County Treasurer-Property Tax Payment | (92,384) |
| TOTAL | | | (92,384) |
| Deposit | 01/31/2025 | | 130,579 |
| Payment | 01/31/2025 | Desert Healthcare Foundation- Intercompany Payable | (130,579) |
| TOTAL | | | (130,579) |
| | | TOTAL | 2,893,280 |

| DESERT HEALTHCARE DISTRICT | | | | | | | | | | |
|--|-------------------------------|---------------------|---------------|----------------------|---------------------|-------------------------------|----------------------|--------------|---------------------|---------------------|
| PROPERTY TAX RECEIPTS FY 2024 - 2025 | | | | | | | | | | |
| RECEIPTS - SEVEN MONTHS ENDED JANUARY 31, 2025 | | | | | | | | | | |
| | FY 2023-2024 Projected/Actual | | | | | FY 2024-2025 Projected/Actual | | | | |
| | Budget % | Budget \$ | Act % | Actual Receipts | Variance | Budget % | Budget \$ | Act % | Actual Receipts | Variance |
| July | 0.0% | \$ - | 0.8% | \$ 70,152 | \$ 70,152 | 0.0% | \$ - | 0.7% | \$ 75,427 | \$ 75,427 |
| Aug | 0.0% | \$ - | 2.0% | \$ 180,642 | \$ 180,642 | 0.0% | \$ - | 1.4% | \$ 139,395 | \$ 139,395 |
| Sep | 0.0% | \$ - | 0.0% | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - | \$ - |
| Oct | 2.6% | \$ 229,840 | 2.8% | \$ 248,614 | \$ 18,774 | 2.6% | \$ 264,426 | 2.7% | \$ 272,212 | \$ 7,785 |
| Nov | 0.4% | \$ 35,360 | 0.1% | \$ 10,535 | \$ (24,825) | 0.4% | \$ 40,681 | 0.0% | \$ - | \$ (40,681) |
| Dec | 16.9% | \$ 1,493,960 | 19.2% | \$ 1,696,170 | \$ 202,210 | 16.9% | \$ 1,718,771 | 17.4% | \$ 1,769,017 | \$ 50,246 |
| Jan | 31.9% | \$ 2,819,960 | 42.1% | \$ 3,720,800 | \$ 900,840 | 31.9% | \$ 3,244,308 | 27.0% | \$ 2,748,762 | \$ (495,546) |
| Feb | 0.0% | \$ - | 1.0% | \$ 85,677 | \$ 85,677 | 0.0% | \$ - | 0.0% | | |
| Mar | 0.3% | \$ 26,520 | 0.4% | \$ 31,158 | \$ 4,638 | 0.3% | \$ 30,511 | 0.0% | | |
| Apr | 5.5% | \$ 486,200 | 6.0% | \$ 529,212 | \$ 43,012 | 5.5% | \$ 559,363 | 0.0% | | |
| May | 19.9% | \$ 1,759,160 | 20.6% | \$ 1,821,441 | \$ 62,281 | 19.9% | \$ 2,023,879 | 0.0% | | |
| June | 22.5% | \$ 1,989,000 | 30.0% | \$ 2,655,964 | \$ 666,964 | 22.5% | \$ 2,288,305 | 0.0% | | |
| Total | 100% | \$ 8,840,000 | 125.0% | \$ 11,050,366 | \$ 2,210,366 | 100.00% | \$ 10,170,245 | 49.2% | \$ 5,004,813 | \$ (263,374) |

**Las Palmas Medical Plaza
Deposit Detail - LPMP
January 2025**

| Type | Date | Name | Amount |
|----------------|-------------------|--|---------------|
| Deposit | 01/06/2025 | | 3,486 |
| Payment | 01/06/2025 | Cure Cardiovascular Consultants | (3,486) |
| TOTAL | | | (3,486) |
| Deposit | 01/07/2025 | | 25,041 |
| Payment | 01/06/2025 | Howard Aaron Aronow, M.D. | (1,737) |
| Payment | 01/06/2025 | Steven Gundry, M.D. | (6,376) |
| Payment | 01/06/2025 | Desert Oasis Healthcare | (2,843) |
| Payment | 01/06/2025 | Desert Oasis Healthcare | (49) |
| Payment | 01/06/2025 | Quest Diagnostics Incorporated | (4,714) |
| Payment | 01/06/2025 | F CPP | (3,461) |
| Payment | 01/06/2025 | Laboratory Corporation of America | (5,861) |
| TOTAL | | | (25,041) |
| Deposit | 01/07/2025 | | 7,364 |
| Payment | 01/06/2025 | EyeCare Services Partners Management LLC | (7,364) |
| TOTAL | | | (7,364) |
| Deposit | 01/08/2025 | | 15,876 |
| Payment | 01/08/2025 | Inland Urology, PC | (3,980) |
| Payment | 01/08/2025 | DPMG | (4,902) |
| Payment | 01/08/2025 | DPMG | (4,322) |
| Payment | 01/08/2025 | DPMG | (2,673) |
| TOTAL | | | (15,877) |
| Deposit | 01/13/2025 | | 13,372 |
| Payment | 01/09/2025 | Cohen Musch Thomas Medical Group | (5,410) |
| Payment | 01/09/2025 | Palmtree Clinical Research | (7,962) |
| TOTAL | | | (13,372) |

**Las Palmas Medical Plaza
Deposit Detail - LPMP
January 2025**

| | | | |
|----------------|-------------------|---------------------------------|-----------------|
| Deposit | 01/14/2025 | | 47,988 |
| Payment | 01/13/2025 | Desert Regional Medical Center | (6,438) |
| Payment | 01/13/2025 | Tenet HealthSystem Desert, Inc | (7,197) |
| Payment | 01/13/2025 | Tenet HealthSystem Desert, Inc. | (34,353) |
| TOTAL | | | (47,988) |
| Deposit | 01/15/2025 | | 4,307 |
| Payment | 01/15/2025 | Desert Family Medical Center | (4,307) |
| TOTAL | | | (4,307) |
| Deposit | 01/16/2025 | | 4,042 |
| Payment | 01/16/2025 | Ramy Awad, M.D. | (4,042) |
| TOTAL | | | (4,042) |
| Deposit | 01/17/2025 | | 7,737 |
| Payment | 01/17/2025 | Pathway Pharmaceuticals, Inc. | (2,835) |
| Payment | 01/17/2025 | DPMG | (4,902) |
| TOTAL | | | (7,737) |
| Deposit | 01/30/2025 | | 12,237 |
| | | LabCorp | (5,861) |
| | | Steven Gundry, M.D. | (6,376) |
| TOTAL | | | (12,237) |
| Deposit | 01/31/2025 | | 2,297 |
| Payment | 01/31/2025 | DPMG | (2,297) |
| TOTAL | | | (2,297) |
| | | TOTAL | 143,747 |

Desert Healthcare District
Check Register
As of January 31, 2025

| Type | Date | Num | Name | Amount |
|--|------------|----------|---|-----------|
| 1000 - CHECKING CASH ACCOUNTS | | | | |
| 1016 - US Bank Operating - 5018 | | | | |
| Liability Check | 01/03/2025 | | QuickBooks Payroll Service | (690) |
| Liability Check | 01/03/2025 | | QuickBooks Payroll Service | (59,528) |
| Check | 01/15/2025 | | Bank Service Charge | (1,403) |
| Liability Check | 01/17/2025 | | QuickBooks Payroll Service | (404) |
| Liability Check | 01/17/2025 | | QuickBooks Payroll Service | (59,779) |
| Total 1016 - US Bank Operating - 5018 | | | | (121,804) |
| 1017 - US Bank Operating - 7455 | | | | |
| Check | 01/07/2025 | Auto Pay | Calif. Public Employees'Retirement System | (19,255) |
| Bill Pmt -Check | 01/13/2025 | 5763 | Alejandro Espinoza Santacruz- Expense Reimbursement | (200) |
| Bill Pmt -Check | 01/13/2025 | 5764 | Andrea S. Hayles- Expense Reimbursement | (168) |
| Bill Pmt -Check | 01/13/2025 | 5765 | Best Signs, Inc. | (370) |
| Bill Pmt -Check | 01/13/2025 | 5766 | Lift To Rise - Grant Payment | (67,500) |
| Bill Pmt -Check | 01/13/2025 | 5767 | LoopUp LLC | (24) |
| Bill Pmt -Check | 01/13/2025 | 5768 | OneFuture Coachella Valley - Grant Payment | (175,000) |
| Bill Pmt -Check | 01/13/2025 | 5769 | Rogers, Carole - Stipend and Expense Reimbursement | (722) |
| Bill Pmt -Check | 01/13/2025 | 5770 | Variety of the Desert - Grant Payment | (23,163) |
| Bill Pmt -Check | 01/13/2025 | 5771 | Zendle, Les- Health Premium Reimbursement | (9,689) |
| Bill Pmt -Check | 01/13/2025 | 5772 | Boyd & Associates | (108) |
| Bill Pmt -Check | 01/13/2025 | 5773 | California Farmworker Foundation - Sponsorship | (5,000) |
| Bill Pmt -Check | 01/13/2025 | 5774 | College of the Desert Foundation - Sponsorship | (10,000) |
| Bill Pmt -Check | 01/13/2025 | 5775 | Cove Communities Senior Association - Sponsorship | (10,000) |
| Bill Pmt -Check | 01/13/2025 | 5776 | DAP Health - Sponsorship | (12,500) |
| Bill Pmt -Check | 01/13/2025 | 5777 | Desert Arc Shredding & Recycling | (45) |
| Bill Pmt -Check | 01/13/2025 | 5778 | Deveau Burr Group, LLC | (4,750) |
| Bill Pmt -Check | 01/13/2025 | 5779 | Ready Refresh | (55) |
| Bill Pmt -Check | 01/13/2025 | 5780 | SDRMA | (100) |
| Bill Pmt -Check | 01/13/2025 | 5781 | Staples | (314) |
| Bill Pmt -Check | 01/13/2025 | 5782 | Verizon Wireless | (1,078) |
| Bill Pmt -Check | 01/13/2025 | 5783 | Daniel Logsdon - Stipend | (232) |
| Bill Pmt -Check | 01/13/2025 | 5784 | Deveau Burr Group, LLC | (4,500) |
| Bill Pmt -Check | 01/13/2025 | 5785 | Entravision Communications Corporation | (1,000) |
| Bill Pmt -Check | 01/13/2025 | 5786 | Frazier Pest Control, Inc. | (33) |
| Bill Pmt -Check | 01/13/2025 | 5787 | Magdalena Medina Flores | (200) |
| Bill Pmt -Check | 01/13/2025 | 5788 | Regional Access Project Foundation | (2,000) |
| Bill Pmt -Check | 01/13/2025 | 5789 | So.Cal Computer Shop | (810) |

Desert Healthcare District
Check Register
As of January 31, 2025

| | | | | |
|---------------------------------------|------------|-------------|---|------------------|
| Bill Pmt -Check | 01/13/2025 | 5790 | State Compensation Insurance Fund | (1,216) |
| Bill Pmt -Check | 01/13/2025 | 5791 | U.S. Bank | (7,154) |
| Bill Pmt -Check | 01/13/2025 | 5792 | Underground Service Alert of Southern Cal | (10) |
| Bill Pmt -Check | 01/13/2025 | 5793 - VOID | Don't MiND Me Foundation | 0 |
| Bill Pmt -Check | 01/13/2025 | 5794 | Gregory Lucas Rodriguez - Stipend and Expense Reimbursement | (382) |
| Bill Pmt -Check | 01/13/2025 | 5795 | So.Cal Computer Shop | (4,000) |
| Bill Pmt -Check | 01/13/2025 | 5796 - VOID | Don't MiND Me Foundation | 0 |
| Bill Pmt -Check | 01/13/2025 | 5797 | Don't MiND Me Foundation - Sponsorship | (5,000) |
| Bill Pmt -Check | 01/14/2025 | 5798 | Ernest Enterprises | (175) |
| Bill Pmt -Check | 01/14/2025 | 5799 | Peak Grantmaking | (2,000) |
| Bill Pmt -Check | 01/14/2025 | 5800 | Regional Access Project Foundation | (149) |
| Bill Pmt -Check | 01/21/2025 | 5801 | DPMG Health - Grant Payment | (37,204) |
| Bill Pmt -Check | 01/21/2025 | 5802 | DPMG Health - Grant Payment | (8,022) |
| Bill Pmt -Check | 01/21/2025 | 5803 | CoPower Employers' Benefits Alliance | (1,720) |
| Bill Pmt -Check | 01/21/2025 | 5804 | Regional Government Services Authority | (6,008) |
| Bill Pmt -Check | 01/21/2025 | 5805 | Voices for Children - Grant Payment | (13,500) |
| Bill Pmt -Check | 01/22/2025 | 5806 | Erica Huskey - Health Premium Reimbursement | (638) |
| Bill Pmt -Check | 01/22/2025 | 5807 | Xerox Financial Services | (370) |
| Bill Pmt -Check | 01/22/2025 | 5808 | Pitney Bowes Global Financial Services | (10) |
| Check | 01/23/2025 | Auto Pay | Principal Financial Group- | (1,197) |
| Check | 01/23/2025 | Auto Pay | Principal Financial Group- | (575) |
| Bill Pmt -Check | 01/28/2025 | 5809 | Palms to Pines Printing & Promotional | (1,141) |
| Bill Pmt -Check | 01/28/2025 | 5810 | Palms to Pines Printing & Promotional | (2,001) |
| Bill Pmt -Check | 01/28/2025 | 5814 | AMS Tax Service, Inc. | (500) |
| Bill Pmt -Check | 01/28/2025 | 5815 | Desert Arc Shredding & Recycling | (45) |
| Bill Pmt -Check | 01/28/2025 | 5816 | Evet PerezGil - Stipend | (486) |
| Bill Pmt -Check | 01/28/2025 | 5817 | Principal Life Insurance Co. | (1,951) |
| Bill Pmt -Check | 01/28/2025 | 5818 | Regional Access Project Foundation | (2,000) |
| Bill Pmt -Check | 01/28/2025 | 5819 | Southern California Grantmakers | (5,000) |
| Bill Pmt -Check | 01/28/2025 | 5820 | Spectrum (Time Warner) | (405) |
| Bill Pmt -Check | 01/28/2025 | 5821 | U.S. Bank | (7,201) |
| Bill Pmt -Check | 01/28/2025 | 5822 | Visual Edge IT (Image Source) | (657) |
| Bill Pmt -Check | 01/28/2025 | 5823 | Voices for Children - Grant Payment | (8,107) |
| Bill Pmt -Check | 01/28/2025 | 5811 | Verizon Wireless | (1,206) |
| Bill Pmt -Check | 01/28/2025 | 5812 | Verizon Wireless | (511) |
| Bill Pmt -Check | 01/28/2025 | 5813 - VOID | | |
| Liability Check | 01/31/2025 | | QuickBooks Payroll Service | (956) |
| Liability Check | 01/31/2025 | | QuickBooks Payroll Service | (59,660) |
| Total 1017 · US Bank Operating - 7455 | | | | (529,973) |
| TOTAL | | | | (651,777) |

Desert Healthcare District
Details for Credit Card Expenditures
Credit Card Purchases - January 2025 - Paid January 2025

| | | | | | | | |
|--|----------------------|----------------------|-------------------------------------|--------------------|--|--------------------------|--|
| Number of Credit Cards Held by District Personnel -3 | | | | | | | |
| Credit Card Limit - \$75,000 | | | | | | | |
| Credit Card Holders: | | | | | | | |
| Chris Christensen - Chief Executive Officer | | | | | | | |
| Eric Taylor - Chief Administration Officer | | | | | | | |
| Alejandro Espinoza Santacruz - Chief of Community Engagement | | | | | | | |
| 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 | | | | | | | |
| Year | Month Charged | Total Charges | Expense Type | Amount | Purpose | Description | |
| | | \$ 7,200.72 | | | | | |
| Monthly Statement CalCard: | | | | | | | |
| | 2025 January | \$ 6,295.12 | Chris Christensen | | | | |
| | | | GL | Dollar | Description | | |
| | | | 6355 | \$ 83.40 | Doodle Poll subscription | | |
| | | | 6360 | \$ 210.99 | CalChamber - 2025 HR posters & pamphlets | | |
| | | | 6355 | \$ 271.66 | Zoom webinar/audio conference expense | | |
| | | | 5240 | \$ 156.03 | EzCater - food for January 14, 2025, EH Summit committee meeting | | |
| | | | 6325 | \$ 5,000.00 | Wine & All that Jazz: Cafe Noir Joslyn Senior Center donation on January 14, 2025 - \$5,000.00 | CEO Discretionary | |
| | | | 5230 | \$ 100.00 | Alianza Coachella Valley - Celebrando Nuestro Impacto 1 Ticket January 30, 2025, Director Kimberly Barraza | | |
| | | | 5240 | \$ 312.79 | EzCater - food for January 21, 2025, Special Board Meeting | | |
| | | | 5240 | \$ 160.25 | Panda Express - food for January 22, 2025, Special Board Meeting | | |
| | | | | \$ 6,295.12 | | | |
| | | | Eric Taylor | | | | |
| | | | GL | Dollar | Description | | |
| | | | 6130 | \$ 50.00 | Desert Communities Employers Advisory Council Membership | | |
| | | | 6130 | \$ 28.00 | Desert Communities Employers Advisory Council - 2025 Labor Laws Update | | |
| | | | 6530 | \$ 16.99 | Desert Sun subscription | | |
| | | | 6355 | \$ 810.61 | Amazon - 2 Apple pencils and 3 Logitech keyboard cases for iPads for Directors & Staff | | |
| | | | | \$ 905.60 | | | |
| | | | Alejandro Espinoza Santacruz | | | | |
| | | | GL | Dollar | Description | | |
| | | | | \$ - | | | |

**Las Palmas Medical Plaza
Check Register - LPMP**

As of January 31, 2025

| Type | Date | Num | Name | Amount |
|---|------------|-------|------------------------------------|-----------------|
| 1000 - CHECKING CASH ACCOUNTS | | | | |
| 1044 - Las Palmas Medical Plaza - 1241 | | | | |
| Bill Pmt -Check | 01/13/2025 | 11010 | Desert Water Agency | (487) |
| Bill Pmt -Check | 01/13/2025 | 11011 | Palm Springs Disposal Services Inc | (2,342) |
| Bill Pmt -Check | 01/14/2025 | 11012 | Frazier Pest Control, Inc. | (275) |
| Bill Pmt -Check | 01/21/2025 | 11013 | Omar Rojas Garden Service | (6,375) |
| Bill Pmt -Check | 01/28/2025 | 11014 | Frontier Communications | (318) |
| Check | 01/30/2025 | | Bank Service Charge | (411) |
| TOTAL | | | | (10,208) |

**Desert Healthcare District
CEO Discretionary Fund
July through January 2025**

| Date | Name | Memo | Amount |
|--------------------------------------|---|--|----------------|
| 6325 - CEO Discretionary Fund | | | |
| 07/30/2024 | Codex Creation Committee (RWLM) | 2024 Run With Los Muertos Community Sponsorship | 1,000 |
| 07/30/2024 | Transgender Health and Wellness Center | Silver Flame Sponsorship for Transgender Day of Remembrance - November 20, 2024 | 1,000 |
| 08/06/2024 | Riverside County Physician's Memorial Fdn | Silver Sponsorship for 14th Annual Caring for Our Future Medical Scholarship Fundraiser - October 30, 2024 - Approved by Board President | 3,000 |
| 08/12/2024 | The LGBTQ Community Center | Patron Sponsor for 2024 Center Stage Event - October 19, 2024 - Board President approved | 5,000 |
| 08/13/2024 | UC Riverside Foundation | UCR SOM 2024 Celebration of Medical Education Gala - Friend Sponsor | 2,500 |
| 08/13/2024 | Lift To Rise | \$2,500 sponsorship for Lift To Rise's 2nd annual Community Investment Awards | 2,500 |
| 08/15/2024 | Coachella Valley Economic Partnership | Silver Sponsorship for CVEP 2024 Greater Palm Springs Summit - November 19, 2024 - Board President approved | 5,000 |
| 08/22/2024 | Inland Coalition on Aging | Silver Sponsorship for Inland Coalition on Aging Conference - September 27, 2024 | 500 |
| 08/28/2024 | Boo2Bullying | Silver Sponsorship for 2nd Annual Kick Bullying To The Curb event - September 28, 2024 | 1,000 |
| 10/23/2024 | Codex Creation Committee (RWLM) | 2024 Run With Los Muertos Community Sponsorship - Addendum Payment #2 | 2,000 |
| 10/23/2024 | ABC Recovery Center, Inc. | ABC Recovery Center Bronze Sponsor \$2,500 Oasis of Hope Gala November 1, 2024 | 2,500 |
| 10/23/2024 | Cove Communities Senior Association | Cody Sponsor - Season Kickoff Cocktail Reception Fundraiser November 1, 2024 | 2,500 |
| 11/12/2024 | Inland Caregiver Resource Center | Inland Caregiver Resource Center Caregiver Appreciation Month Silver Sponsor \$500 November 30, 2024 | 500 |
| 11/13/2024 | Latino Medical Student Association | Latino Medical Student Association - West Region Table Sponsor Gala Sponsorship \$2,000 February 7-8, 2025, at UCR Medical | 2,000 |
| 11/13/2024 | Parkinsons Resource Organization Inc | Silver Sponsor \$2500 - Parkinson's Today: An Educational Symposium February 8, 2025, at UCR Palm Desert Campus | 2,500 |
| 11/25/2024 | U.S. Bank | EzCater - sponsorship of Coachella Valley Women Leaders Luncheon - November 14, 2024 - Coachella, CA | 749 |
| 11/26/2024 | Alianza Coachella Valley | Celebrando Nuestro Impacto January 30, 2025 - Awards Sponsor \$5,000 - Board Approved | 5,000 |
| 11/26/2024 | Jewish Family Service of the Desert | Jewish Family Services of the Desert 22nd Annual Patron Party December 8, 2024 - \$5,000 Sponsorship - Board Approved | 5,000 |
| 11/26/2024 | Brothers of the Desert | Brothers of the Desert 6th Annual Wellness Summit March 22, 2025, - Organization Champion Sponsorship \$5,000 - Board Approved | 5,000 |
| 12/11/2024 | Variety of the Desert | Women of Wonder Luncheon Sponsorship - Cat Woman Level \$2,500 - January 31, 2025 | 2,500 |
| 12/17/2024 | Cove Communities Senior Association | The Joslyn Center Cafe Noir Wine and All That Jazz Double Indemnity Sponsor - December 17, 2024 - Board approved | 10,000 |
| 12/17/2024 | College of the Desert Foundation | Stepping Out for COD 2025 Ruby Sponsor - December 17, 2024 - Board Approved | 10,000 |
| 12/17/2024 | DAP Health | Steve Chase Humanitarian Awards -Supporting Sponsor - December 17, 2024, Board Approved | 12,500 |
| 12/17/2024 | California Farmworker Foundation | California Farmworkers Foundation Dia De La Familia event Silver Sponsor - December 17, 2024 Board Approved | 5,000 |
| 12/17/2024 | The Don't Mind Me Foundation | The Don't Mind Me Foundation Mental Health Gala Friend Sponsor - December 17, 2024 - Board Approved | 5,000 |
| 12/19/2024 | Desert Arc | Desert Arc Champions Of Change Seventh Annual Recognition Awards Luncheon Gold Sponsor \$1,500 - February 06, 2025 | 1,500 |
| 12/19/2024 | JFK Memorial Foundation | Ophelia Project Luncheon Sponsorship April 2025 Patron Sponsors \$2,500 | 2,500 |
| 01/27/2025 | Cove Communities Senior Association | Wine & All that Jazz: Cafe Noir Joclyn Senior Center Donation January 14, 2025 - \$5,000 | 5,000 |
| 01/28/2025 | Boys & Girls Club of Coachella Valley | Grand Auction 2025 General Admission Table of 10, March 8, 2025 - \$2,000 | 2,000 |
| 01/28/2025 | OneFuture Coachella Valley | Ninth Annual The Future is Ours Sponsorship Community - Community Sponsor Champion, March 21, 2025 - \$5,000 | 5,000 |
| TOTAL | | | 110,249 |



MEMORANDUM

DATE: February 11, 2025
 TO: Finance & Administration Committee
 RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

| | <u>December</u> | <u>January</u> |
|---|-----------------|----------------|
| Active – still employed by hospital | 57 | 56 |
| Vested – no longer employed by hospital | 47 | 48 |
| Former employees receiving annuity | <u>6</u> | <u>6</u> |
| Total | <u>110</u> | <u>110</u> |

The outstanding liability for the RPP is approximately **\$2.6M** (Actives - \$1.3M and Vested - \$1.3M). US Bank investment account balance \$4.4M. Per the June 30, 2024, Actuarial Valuation, the RPP has an Overfunded Pension Asset of approximately **\$1.7M**.

The payouts, excluding monthly annuity payments, made from the Plan for the seven months ended January 31, 2025, totaled approximately **\$66K**. Monthly annuity payments (6 participants) total **\$903** per month.

| DESERT HEALTHCARE DISTRICT | | | | | | | | |
|---|--|-----------------------------|---------------------|----------------------|--------------------------------|---------------------------------|---------------------|--|
| OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE | | | | | | | | |
| January 31, 2025 | | | | | | | | |
| TWELVE MONTHS ENDING JUNE 30, 2025 | | | | | | | | |
| Grant ID Nos. | Name | Approved Grants - Prior Yrs | 6/30/2024 Bal Fwd | Current Yr 2024-2025 | Total Paid Prior Yrs July-June | Total Paid Current Yr July-June | Open BALANCE | |
| 2014-MOU-BOD-11/21/13 | Memo of Understanding CVAG CV Link Support | \$ 10,000,000 | \$ 1,650,000 | \$ - | \$ - | \$ - | \$ 1,650,000 | |
| 2022-1325-BOD-06-28-22 | Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs. | \$ 150,000 | \$ 15,000 | \$ - | \$ (3,063) | \$ - | \$ 18,063 | |
| | Unexpended funds Grant #1325 | | | | | | \$ (18,063) | |
| 2022-1327-BOD-06-28-22 | Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs. | \$ 50,000 | \$ 5,000 | \$ - | \$ 332 | \$ - | \$ 4,668 | |
| | Unexpended funds Grant #1327 | | | | | | \$ (4,668) | |
| 2022-1328-BOD-06-28-22 | EI Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs. | \$ 150,000 | \$ 15,000 | \$ - | \$ 12,032 | \$ - | \$ 2,968 | |
| | Unexpended funds Grant #1328 | | | | | | \$ (2,968) | |
| 2022-1331-BOD-06-28-22 | Pueblo Unido - Improving Access to Behavioral Health Education & Prevention Services - 2 Yrs. | \$ 50,000 | \$ 5,000 | \$ - | \$ 5,000 | \$ - | \$ - | |
| 2022-1324-BOD-07-26-22 | Galilee Center - Our Lady of Guadalupe Shelter - 2 Yrs. | \$ 100,000 | \$ 10,000 | \$ - | \$ 10,000 | \$ - | \$ - | |
| 2022-1332-BOD-07-26-22 | Allianza CV - Expanding & Advancing Outreach Through Increasing Capacity Development - 2 Yrs. | \$ 100,000 | \$ 10,000 | \$ - | \$ - | \$ - | \$ 10,000 | |
| 2022-1329-BOD-09-27-22 | DPMG - Mobile Medical Unit - 3 Yrs. | \$ 500,000 | \$ 252,458 | \$ - | \$ 47,325 | \$ - | \$ 205,133 | |
| 2022-1358-BOD-10-25-22 | Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr. | \$ 110,000 | \$ 60,500 | \$ - | \$ 49,500 | \$ - | \$ 11,000 | |
| 2022-1362-BOD-10-25-22 | Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs. | \$ 160,000 | \$ 16,000 | \$ - | \$ 16,000 | \$ - | \$ - | |
| 2022-1326-BOD-12-20-22 | TODEC - TODEC's Equity Program - 2 Yrs. | \$ 100,000 | \$ 55,000 | \$ - | \$ 45,000 | \$ - | \$ 10,000 | |
| 2022-1330-BOD-12-20-22 | OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs. | \$ 605,000 | \$ 196,625 | \$ - | \$ 136,125 | \$ - | \$ 60,500 | |
| 2023-1333-BOD-01-24-23 | Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women - 2 Yrs. | \$ 150,000 | \$ 48,750 | \$ - | \$ 33,750 | \$ - | \$ 15,000 | |
| 2023-1363-BOD-01-24-23 | Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr. | \$ 60,092 | \$ 6,012 | \$ - | \$ 1,593 | \$ - | \$ 4,419 | |
| | Unexpended funds Grant #1363 | | | | | | \$ (4,419) | |
| 2023-1391-BOD-05-23-23 | Lift To Rise - Driving Regional Economic Stability Through Collective Impact - 3 Yrs. | \$ 900,000 | \$ 630,000 | \$ - | \$ 202,500 | \$ - | \$ 427,500 | |
| 2023-1392-BOD-05-23-23 | Galilee Center - Galilee Center Extended Shelter - 1 Yr. | \$ 268,342 | \$ 26,834 | \$ - | \$ 26,834 | \$ - | \$ - | |
| 2023-1393-BOD-06-27-23 | DAP Health - DAP Health Expands Access to Healthcare - 1 Yr. | \$ 1,025,778 | \$ 102,578 | \$ - | \$ 102,578 | \$ - | \$ - | |
| 2023-1389-BOD-07-25-23 | Step Up on Second Street - Step Up's ECM/ILOS Programs in the Coachella Valley - 1 Yr. | \$ 64,401 | \$ 35,421 | \$ - | \$ 35,421 | \$ - | \$ - | |
| 2023-1394-BOD-07-25-23 | CSU San Bernardino Palm Desert Campus Nursing Street Medicine Program - 1 Yr. | \$ 73,422 | \$ 7,342 | \$ - | \$ 6,290 | \$ - | \$ 1,052 | |
| | Unexpended funds Grant #1394 | | | | | | \$ (1,052) | |
| 2023-1400-BOD-09-26-23 | Desert Arc - Desert Arc Health Care Program - 1 Yr. | \$ 291,271 | \$ 94,663 | \$ - | \$ 94,663 | \$ - | \$ - | |
| 2023-1404-BOD-09-26-23 | Martha's Village and Kitchen - Homeless Housing & Wrap-Around Services Expansion - 2 Yrs. | \$ 369,730 | \$ 203,352 | \$ - | \$ 83,189 | \$ - | \$ 120,163 | |
| 2023-1405-BOD-09-26-23 | Variety Children's Charities of the Desert - Expansion of Core Programs & Services - 1Yr. | \$ 120,852 | \$ 12,086 | \$ - | \$ 12,086 | \$ - | \$ - | |
| | Unexpended funds Grant#1405 | | | | | | \$ - | |
| 2023-1408-BOD-10-24-23 | Coachella Valley Volunteers In Medicine - Ensuring Access to Healthcare - 1 Yr. | \$ 478,400 | \$ 155,480 | \$ - | \$ 107,640 | \$ - | \$ 47,840 | |
| 2023-1410-BOD-10-24-23 | Allianza Nacional de Campesinas, Inc. - Coachella Valley Farmworkers Food Distribution - 1 Yr. | \$ 57,499 | \$ 5,749 | \$ - | \$ - | \$ - | \$ 5,749 | |
| 2023-1413-BOD-10-24-23 | Voices for Children - Court Appointed Special Advocate Program - 1 Yr. | \$ 81,055 | \$ 8,107 | \$ - | \$ - | \$ - | \$ 8,107 | |
| 2023-1412-BOD-10-24-23 | DPMG - DPMG Health Community Medicine - 2 Yrs. | \$ 1,057,396 | \$ 876,622 | \$ - | \$ 135,185 | \$ - | \$ 741,437 | |
| 2023-1403-BOD-12-19-23 | Vision To Learn - Palm Desert & Coachella Valley VTL Program - 1 Yr. | \$ 50,000 | \$ 27,500 | \$ - | \$ 22,500 | \$ - | \$ 5,000 | |
| 2023-1419-BOD-12-19-23 | Blood Bank of San Bernardino/Riverside Counties - LifeStream's Attracting New Donors Initiative - 1 Yr. | \$ 104,650 | \$ 57,558 | \$ - | \$ - | \$ - | \$ 57,558 | |
| 2023-1420-BOD-12-19-23 | Braille Institute of America - Low Vision Telehealth Services - 1Yr. | \$ 36,697 | \$ 20,183 | \$ - | \$ 16,514 | \$ - | \$ 3,669 | |
| 2023-1421-BOD-12-19-23 | Olive Crest - General Support for Counseling & Mental Health Services to Vulnerable Children & Families - 2 Yrs. | \$ 359,594 | \$ 278,686 | \$ - | \$ 80,908 | \$ - | \$ 197,778 | |
| 2024-1429-BOD-02-27-24 | Desert Cancer Foundation - Patience Assistance Program & Community Outreach - 1 Yr. | \$ 163,750 | \$ 90,063 | \$ - | \$ 73,687 | \$ - | \$ 16,376 | |
| 2024-1432-BOD-04-23-24 | Variety Children's Charities of the Desert - Outreach & Future Program Expansion - 2Yrs. | \$ 102,949 | \$ 79,786 | \$ - | \$ 23,163 | \$ - | \$ 56,623 | |
| 2024-1437-BOD-04-23-24 | Youth Leadership Institute - Community Advocates for Resilient Emotional Safety - 2 Yrs. | \$ 100,000 | \$ 77,500 | \$ - | \$ - | \$ - | \$ 77,500 | |
| 2024-1441-BOD-04-23-24 | DAP Health - DAP Health Community Health Workers Build Community Connections - 2 Yrs. | \$ 125,000 | \$ 96,875 | \$ - | \$ - | \$ - | \$ 96,875 | |
| 2024-1443-BOD-04-23-24 | Voices for Children - Court Appointed Special Advocate Program - 2 Yrs. | \$ 60,000 | \$ 46,500 | \$ - | \$ 21,607 | \$ - | \$ 24,893 | |
| 2024-1445-BOD-04-23-24 | The Joslyn Center - Increasing Behavioral Health Access & Social Connectedness - 2 Yrs. | \$ 200,000 | \$ 155,000 | \$ - | \$ - | \$ - | \$ 155,000 | |
| 2024-1452-BOD-04-23-24 | EI Sol - Coachella Valley Community Assistance, Resources, & Empowerment Services - 2 Yrs. | \$ 200,000 | \$ 155,000 | \$ - | \$ - | \$ - | \$ 155,000 | |
| 2024-1453-BOD-04-23-24 | Vision y Compromiso - Cultivando Community Connections - 2 Yrs. | \$ 199,914 | \$ 154,934 | \$ - | \$ - | \$ - | \$ 154,934 | |
| 2024-1455-BOD-04-23-24 | Angel View - Outreach Program to Reduce Social Isolation & Loneliness - 2 Yrs. | \$ 86,250 | \$ 66,844 | \$ - | \$ - | \$ - | \$ 66,844 | |
| 2024-1460-BOD-05-28-24 | ABC Recovery Center - Nursing Care and Prescription Medications - 1 Yr. | \$ 150,134 | \$ 82,574 | \$ - | \$ - | \$ - | \$ 82,574 | |
| 2024-BOD-06-25-24 | Carry over of remaining Fiscal Year 2023/2024 Funds* | \$ 305,939 | \$ 305,939 | \$ - | \$ 305,939 | \$ - | \$ - | |
| 2024-1469-MINI-08-01-24 | The Bridges 2 Hope - Mini-Grant - 1 Yr. | | | \$ 10,000 | \$ - | \$ 10,000 | \$ - | |
| 2024-1473-MINI-08-14-24 | Theresa A. Mike Scholarship Foundation - Mini-Grant - 1 Yr. | | | \$ 10,000 | \$ - | \$ 10,000 | \$ - | |
| 2024-1465-BOD-09-30-24 | UCR - Increasing Access to Primary Care for Latinx and Indigenous Latin American Patients in the CV - 2 Yrs. | | | \$ 228,863 | \$ - | \$ 51,494 | \$ 177,369 | |
| 2024-1472-BOD-09-30-24 | Riverside County Office of Education Alternative Education - Cross County Support: Mental Health for CV Students - 1 Yr. | | | \$ 199,874 | \$ - | \$ 89,943 | \$ 109,931 | |
| 2024-1476-BOD-12-17-24 | Desert Arc - Desert Arc Health Care Program - 1Yr. | | | \$ 139,495 | \$ - | \$ 62,773 | \$ 76,722 | |
| 2024-1485-BOD-12-17-24 | OneFuture Coachella Valley - RN Expansion Project - 2 Yrs. | | | \$ 374,900 | \$ - | \$ 175,000 | \$ 199,900 | |
| 2024-1494-MINI-01-23-25 | California CareForce - 2025 Riverside Free Healthcare Clinic | | | \$ 10,000 | \$ - | \$ 10,000 | \$ - | |
| TOTAL GRANTS | | \$ 19,318,115 | \$ 6,198,521 | \$ 973,132 | \$ 1,704,298 | \$ 409,210 | \$ 5,026,975 | |
| Amts available/remaining for Grant/Programs - FY 2024-25: | | | | | | | | |
| Amount budgeted 2024-2025 | | | \$ 5,000,000 | | | | | |
| Amount granted YTD: | | | \$ (973,132) | | | | | |
| Financial Audits of Non-Profits; Organizational Assessments; | | | \$ - | | | | | |
| Net adj. - Grants not used: FY 2023-2024 Carry Over Funds; 1325; 1327; 1328; 1363; 1394 | | | \$ 337,109 | | | | | |
| Matching external grant contributions | | | \$ - | | | | | |
| Balance available for Grants/Programs | | | \$ 4,363,977 | | | | | |
| | | | | | | Total | \$ 5,026,975 | |
| | | | | | | | \$ (0) | |



Date: February 11, 2025

To: Finance & Administration Committee

Subject: Healthy Desert, Healthy You: Environmental Health Summit
2025 Budget

Staff Recommendation: Consideration to approve the: draft Healthy Desert, Healthy You: Environmental Health Summit 2025 budget, Hocker Productions contract, and Group Sales Agreement with The Westin in Rancho Mirage.

Background:

- The 2025 Environmental Health Summit will include a one-day conference on Thursday September 11th followed the next day, Friday, September 12th, with half-day tours to agencies that are promoting environmental health, producing renewable energy, and/or conserving the environment.
- The 2025 draft budget, Hocker Productions contract, and Group Sales Agreement with the Westin in Rancho Mirage are attached for review.
- The execution of the Group Sales Agreement, which commits to utilizing 10 rooms at group room rates and waived meeting room rentals with food and beverage minimum purchase of \$25,000, will secure the location needed for the event.
- Staff recommends approval of the draft budget, Hocker Productions contract, and Group Sales Agreement with the Westin in Rancho Mirage.
- The draft agenda and sponsorship packet are also included for review.

Fiscal Impact:

The estimated fiscal impact of the event is approximately \$170,000, which will be offset by sponsorship revenue and included in the FY 2025-2026 fiscal budget.



Agenda: Thursday, September 11, 2025

| Time | Scheduled Activity |
|--------------------|--|
| 8:00am to 8:50am | Registration & Breakfast |
| 9:00am to 9:20am | Opening Remarks and Introduction: Chris Christensen, CEO, Desert Healthcare District and Foundation |
| 9:20am to 9:30am | Transition Period |
| 9:30am to 10:30am | Session Topic: The Changing Climate: Impacts, Challenges, and Action |
| 10:30am to 10:40am | Transition Period |
| 10:40am to 11:40am | <p>Session Topic A: Advancing Renewable Energy & Green Technology for a Sustainable Future</p> <p>Session Topic B: Balancing Growth: The Environmental Impact of Land Use, Infrastructure, and Warehousing</p> |
| 11:40am to 12:20pm | Keynote Speaker: Andrea Vidaurre : The Peoples Collective |
| 12:20pm to 1:20pm | Lunch & Vendor Expo |
| 1:20pm to 2:20pm | <p>Session Topic A: Mitigating Air Quality RFP Grantees</p> <p>Session Topic B: Youth Panel & Environmental Health Careers</p> |
| 2:20pm to 2:30pm | Transition Period |
| 2:30pm to 3:30pm | <p>Session Topic A: Health Expert & Community Member Panel</p> <p>Session Topic B: Navigating the Future of Water: Challenges, Solutions, and Sustainability</p> |
| 3:30pm to 3:40pm | Transition Period |
| 3:40pm to 4:40pm | <p>Session Topic A: Strengthening Environmental Health: Government & City-Led Responses</p> <p>Session Topic B: Salton Sea & Lithium Extraction: Balancing Opportunity and Environmental Impact</p> |
| 4:40pm to 4:50pm | Transition Period |
| 4:50pm to 5:00pm | Closing Remarks: Chris Christensen, CEO, Desert Healthcare District and Foundation |

Agenda Day 2- Friday, September 12, 2025

| Time | Scheduled Activity |
|-------------------|--|
| 8:00am to 8:50am | Meet at the Designated Meeting Point (TBD) |
| 9:00am to 12:00pm | Route One: Water Reclamation Plant & Composting Facility Route Two: Sunline Hydrogen Plant, Solar (Renova), and/or Wind Farms |
| 12:30pm | Return to the Designated Meeting Point (TBD) |



Desert Healthcare District & Foundation
Environmental Health Summit
Thursday, September 11 & Friday, September 12

PREMIER SPONSORSHIP • \$40,000

- ❖ Sponsor is to be the sole Premier Sponsor of the Environmental Health Summit.
- ❖ Speaker opportunity at a Summit panel discussion. (Panelist will be involved in and speak on a topic that is pre-determined by Environmental Health Planning Committee.)
- ❖ Sizzle Reel (:60 second) to include logo and mention of company as Premier Sponsor
- ❖ Premier Sponsor logo banner included across entrance and/or in ballroom.
- ❖ Table in ballroom lobby to distribute materials for both days of summit.
- ❖ Space in parking lot for vehicle as part of the exhibition.
- ❖ Break out room to showcase product or services.
- ❖ Logo display and Premier Sponsorship mention in all print advertising, Internet marketing, promotional brochures, summit graphics, promotional materials, and in all local/regional print/electronic, and online marketing.
- ❖ Premier sponsor logo and brief description with reciprocal link will be in the top position in dedicated web page for the Summit
- ❖ Logo prominently featured on the front cover of Summit program.
- ❖ Full-page color (Inside Front or Back Cover) advertisement in the Summit program.
- ❖ Premier Sponsor has first right of refusal for 2026 Summit.

HEALTH ADVOCACY SPONSORSHIP • \$20,000

- ❖ Sizzle Reel (:60 second) logo and mention of company as Health Advocacy Sponsor
- ❖ Speaker opportunity at a Summit panel discussion. (Panelist will be involved in and speak on a topic that is pre-determined by Environmental Health Planning Committee.)
- ❖ Table in ballroom lobby to distribute materials for both days of summit.
- ❖ Logo display and sponsor mention in all print advertising, Internet marketing, promotional brochures, summit graphics, promotional materials, and in all local/regional print/electronic, and online marketing.
- ❖ Health Advocacy Sponsor will be included in dedicated web page with logo and link.
- ❖ Logo prominently featured on all signage at the Summit.
- ❖ Half-page color advertisement in the Summit program.
- ❖ Health Advocacy Sponsor has first right of refusal for 2026 Summit.

HEALTH IMPACT SPONSORSHIP • \$10,000

- ❖ Sizzle Reel (:60 second) logo and mention of company as Health Impact sponsor
- ❖ Logo and company name included in sponsor's signage at the event.
- ❖ Table in ballroom lobby to distribute materials for both days of summit.
- ❖ Logo included and sponsor mention in all promotional brochures, summit graphics, promotional materials, and in all local/regional print/electronic, and online marketing.
- ❖ Health Impact sponsor will be included in dedicated web page with logo and link.
- ❖ Logo prominently featured in the Summit program.
- ❖ Half-page color advertisement in the Summit program.
- ❖ Health Impact Sponsor has first right of refusal for 2026 Summit.

ENVIRONMENTAL JUSTICE SPONSORSHIP • \$5,000

- ❖ Table in ballroom lobby to distribute materials.
- ❖ Logo included as Environmental Justice Sponsor and mention in all print advertising, Internet marketing, promotional brochures, promotional materials, all local/regional print/electronic, and online marketing.
- ❖ Logo prominently featured in the Summit program.
- ❖ Environmental Justice Sponsor has first right of refusal for 2026 Summit.

YOUTH & THE ENVIRONMENT SPONSORSHIP • \$2,500

- ❖ Table in ballroom lobby to distribute materials.
- ❖ Logo included as Youth & The Environment Sponsor featured in all collateral material.
- ❖ Logo display in all print advertising, Internet marketing, promotional brochures, festival programs, festival posters and other promotional materials, all local/regional print/electronic, and online marketing.
- ❖ Logo and link included on dedicated web page

SENIORS & THE ENVIRONMENT SPONSORSHIP • \$1,000

- ❖ Table in ballroom lobby to distribute materials.
- ❖ Logo included as Seniors & The Environment Sponsor featured in all collateral material.
- ❖ Logo and link included on dedicated web page

Contact: Jeff Hocker, Executive Producer
Sponsor Coordinator
760-409-1530
jeffhocker1@gmail.com

| Desert Healthcare District & Foundation Environmental Health Summit Line-Item Budget, Thursday, September 11 & Friday, September 12, 2025 | | |
|--|----|------------------------------|
| | | Projected Budget 2025 |
| REVENUE | | |
| Presenting Sponsor: \$75,000 | | |
| Desert Healthcare District | | 75,000.00 |
| Health Sponsor: \$20,000 | | |
| Desert Care Network | | 25,000.00 |
| First 5 Riverside | \$ | 20,000.00 |
| Silver Sponsor: \$5,000 | | |
| Agua Caliente Band of Cahuilla Indians | | |
| Grace Helen Spearman Foundation | \$ | 5,000.00 |
| Eisenhower | \$ | 5,000.00 |
| IEHP - Chris to E-mail Jared | \$ | 5,000.00 |
| Molina Health | \$ | 5,000.00 |
| RAP Foundation | \$ | 5,000.00 |
| Riverside County Supervisors | \$ | 5,000.00 |
| UCR Riverside | \$ | 5,000.00 |
| South Coast Air Quality Management | \$ | 5,000.00 |
| Care: \$2,500 | | |
| City of La Quinta | \$ | 2,500.00 |
| City of Palm Desert | \$ | 2,500.00 |
| City of Palm Springs | \$ | 2,500.00 |
| City of Rancho Mirage | \$ | 2,500.00 |
| Diversity Sponsors: \$1,500 | | |
| Palm Springs Disposal | \$ | 1,000.00 |
| Sun Community Federal Credit Union | \$ | 1,000.00 |
| TOTAL SPONSORS | | |
| | | 172,000.00 |
| TOTAL REVENUE | | |
| | | 172,000.00 |
| SPEAKERS/AUDIO VISUAL / ASL & SPANISH INTERPRETORS | | |
| Keynote Speaker | | 7,000.00 |
| Keynote Speaker #2 | | 5,000.00 |

Desert Healthcare District and Foundation Summit Budget
Thursday, September 11 Friday, September 12, 2025

| | | | |
|--|--|--|-------------------|
| | Food and Beverage | | 35,000.00 |
| | Service Charge | | 8,750.00 |
| | Tax | | 2,625.00 |
| | Subtotal | | 46,375.00 |
| | Westin Mission Hills- Encore Event Technologies Audio/Visual (Ethernet Line, Power to stages, Pipe and Drape for stages) | | \$7,903.00 |
| | Encore AV Tax | | 435.30 |
| | Westin Mission Hills- 7 total room nights (Includes Tax) | | \$2,200.00 |
| | Subtotal | | 10,538.30 |
| | | | |
| | TOTAL WESTIN CATERING & EVENT RENTAL | | 56,913.30 |
| | | | |
| | MEDIA COSTS | | |
| | KESQ News Channel 3 - TV - Media Partner | | 1,500.00 |
| | Telemundo - Media Partner | | 1,000.00 |
| | La Poderosa - Media Partner | | 500.00 |
| | NBC Palm Springs / Entravision - Media Partner | | 1,500.00 |
| | Palm Springs Post - Media Partner | | 1,000.00 |
| | CV Independent - Media Partner | | 1,000.00 |
| | "Pico de Gallo" w/ Marcos Palma (Telemundo, YouTube & El Informador (requested by Will Dean) | | |
| | | | |
| | TOTAL MEDIA EXPENSE | | 6,500.00 |
| | | | |
| | EXECUTIVE PRODUCER CONSULTANT FEE | | |
| | Hocker Productions | | 45,000.00 |
| | | | |
| | TOTAL CONSULTANT EXPENSES | | 45,000.00 |
| | | | |
| | CONTINGENCY | | 10,000.00 |
| | | | |
| | TOTAL ALL EVENT EXPENSES | | 169,463.15 |
| | | | |
| | | | |
| | TOTAL ALL EVENT REVENUE (Projected) | | 172,000.00 |
| | | | |
| | PROFIT/LOSS | | 2,536.85 |



Public Relations, Branding, Strategic Marketing & Events

Proposal Date: February 7, 2025

Client: Desert Healthcare District and Foundation (DHCDF)
Project: Environmental Health Summit
Length of Project: March 1, 2025 – September 30, 2025
Contracted Fee: \$45,000

GOALS & OUTCOMES:

- Develop line-item budget.
- Increase the number of new, while retaining existing partners and sponsors to help underwrite the cost of producing the event.
- Work in coordination with Will Dean, Director of Communications and Marketing to build the visibility and understanding of its purpose/mission of the DHCDF to provide awareness of its programs and funding initiatives as part of the symposium.
- Work with all vendors to get best available pricing for all production elements (staging, lighting/sound, signage, catering, speakers etc.).
- Solicit and book Keynote speakers and session speakers and moderators for the summit and do post event thank you correspondence with milestones and photos.
- Coordinate tours and transportation for Friday, September 12.

SCOPE OF SERVICES:

Hocker Productions as project Executive Producer (Contractor - HP) will oversee and produce all aspects of the Environmental Health Summit in conjunction with DHCDF and sub-committees.

DHCD Summit & Tours:

**Thursday, September 11 (8:00AM – 5:00PM)
and Friday, September 12 (8:00AM – 1:00PM)**

- Attendance: 300-500 on Thursday and 100 on Friday per day (Free and open to the public)
- Work with Will Dean and oversee and contract all vendors including: Westin Mission Hills (DHCDF to sign), staging, lighting, sound, signage, and registration
- Work with sub-committees on production schedule, speakers, sponsors and media and volunteers.
- Work with team to develop video, photography, signage, banners etc.
- Showcase DHCDF Mobile Clinics at event.



Public Relations, Branding, Strategic Marketing & Events

- **Hocker Productions graphic designer/team:** Event collateral including: badges, general flyers and tour flyers, pre-event graphics and templates for social media and website for promotion of sponsors and speakers, onsite signage, and T-shirts. Create templates for the above that can be replicated. For example, once a social media announcement for a panelist is created, we can input new text and a photo for each panelist and then post/share.

While producing the event, we will always keep the DHCDF Mission Statement and Vision Statement in mind and relevant in all messaging and key components.

Mission Statement: “To Achieve optimal health at all stages of life for all District residents.”

Vision Statement: “Equitably connecting Coachella Valley residents to health and wellness services and programs through resources and philanthropy, health facilities, information and community education and public policy.

COMPENSATION:

The term of this contract is from March 1, 2025 – September 30, 2025. DHCDF agrees to pay Hocker Productions (Contractor – HP) a contracted amount of \$45,000.00 payable in four payments of \$11,250, which will be invoiced each month. Payment schedule as follows (April, June, August, September)

DHCDF would hire Contractor for services required to perform production services and support efforts by DHCD team.

The following responsibilities/expenses WOULD NOT be included in the fees to Contractor:

- Creative Development: This would be any graphic design services in the production of the brochures, advertising, programs, posters, invitations, website etc. These costs would be part of a line item budget and would be reviewed with the staff prior to expenditure.
- Cost of media buys (advertising).



Public Relations, Branding, Strategic Marketing & Events

Jeff Hocker, Owner/Executive Producer
Hocker Productions

Chris Christensen, CEO
Desert Healthcare District and Foundation

Date

Date

THE WESTIN

RANCHO MIRAGE
GOLF RESORT & SPA

GROUP SALES AGREEMENT

DESCRIPTION OF GROUP AND EVENT

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

ORGANIZATION: Desert Healthcare District & Foundation
CONTACT:
Name: Chris Christensen
Street Address: 1140 North Indian Canyon Drive, Palm Springs, CA 92262
Phone Number: (760) 323-6365
E-mail Address: cchristensen@dhcd.org

NAME OF EVENT: Desert Healthcare District & Foundation Sept 11, 2025
REFERENCE #: M-UKCCZ5X
OFFICIAL PROGRAM DATES: Thursday, September 11 - Friday, September 12, 2025

GUEST ROOM COMMITMENT/GROUP ROOM RATES

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

| Date | Day | Run of House | Total Rooms |
|---------|-----------|--------------|-------------|
| 9/11/25 | Wednesday | 5 | 5 |

| Start Date | End Date | Room Type | Rate |
|------------|----------|--------------|-------|
| 9/11/25 | 9/12/25 | Run of House | \$204 |

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

SPECIAL CONCESSIONS

- Reduced Resort Fee of \$25
- Waived Meeting Room Rental with Food and Beverage Minimum of \$25,000
- Complimentary Onsite Event Parking

RESORT FEE

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

- High Speed Wi-Fi access in Guestrooms and Meeting Room Wi-Fi access (for general browsing up to 3 MPS)
- Daily Social Hour in Pinz & Pints from 4:30pm-5:30pm featuring house wine, domestic beer and batch craft cocktails
- Two Games of Duck Pin Bowling
- Daily In Room Bottled Water
- Access to Little Links Miniature Golf Course
- Pete Dye golf practice facility (rental clubs not included)
- Golf bag storage at Pete Dye clubhouse (2 bags)
- Access to Westin Workout Fitness Studio
- Two-hour bike rental per stay for up to 2 guests

Desert Healthcare District & Foundation will clearly and conspicuously disclose the resort fee to its attendees in writing. Desert Healthcare District & Foundation is solely and fully responsible for informing its attendees of these charges, and that they are separate and distinct from and in addition to the room rate and from taxes. Desert Healthcare District & Foundation will not combine these charges into any category such as taxes or room rate. Should any attendee object to paying the resort fee because of inadequate notice of the fee, the amount of the fee to which such attendee objects will be posted to Hocker Production's master account.

METHOD OF RESERVATIONS

Hotel is pleased to offer the use of our online group reservations system powered by Passkey. All reservations will be made, modified or canceled by individuals on-line at a URL to be established by Hotel or by calling Marriott's Reservations toll free number to be established after enabling Passkey. It is the responsibility of Desert Healthcare District & Foundation to publish and provide this information to potential attendees through the planner's meeting website or through email. Desert Healthcare District & Foundation shall be responsible for publishing the URL for all potential attendees. The Group Rate is guaranteed for reservations made on or before, **August 14, 2025** the Cutoff Date. Any reservations made after the Cut-off Date shall be at the Hotels then current available rate.

Hotel will supply a username and password to provide you with 24/7 online access to your group's information and reports.

BILLING ARRANGEMENTS

The following billing arrangements apply: Individual to pay all charges (cash-paying guests may be asked to leave a cash or credit card deposit to guarantee payment).

PAYMENT BY CREDIT CARD OR COMPANY CHECK

Desert Healthcare District & Foundation must pay their portion of its obligation by credit card or company check. If company check is the method of payment, Desert Healthcare District & Foundation must still provide credit card information, and the check must be received ten (10) business days prior to arrival for the full estimated revenue due.

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

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

PHISHING

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

ADVANCE PAYMENT

An advance payment of \$6,250.00 will be required in order to hold arrangements on a definite basis. This advance payment is due at contract signing and will be credited toward the Master Account.

| Type | Due Date | Amount |
|-------------------------|-----------------------|---------------------------|
| 1 st Deposit | Upon Contract Signing | \$6,250.00 |
| 2 nd Deposit | April 18, 2025 | \$6,250.00 |
| 3 rd Deposit | July 18, 2025 | \$6,250.00 |
| By or Before | August 15, 2025 | 100% of Estimated Charges |

FUNCTION INFORMATION AGENDA/EVENT AGENDA

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

| Date | Day | Start | End | Function Type | Setup | #ppl | Rental | Function Space |
|------------|-----|---------|----------|---------------|------------|------|--------|----------------|
| 9/10/2025 | Wed | 5:00 PM | 11:59 PM | Set up | Theater | 500 | Waived | Ambassador |
| 09/11/2025 | Thu | 8:00 AM | 5:00 PM | Meeting | Conference | 10 | Waived | Moroccan |
| 09/11/2025 | Thu | 8:00 AM | 5:00 PM | Meeting | Theater | 500 | Waived | Ambassador |

| Date | Day | Start | End | Function Type | Setup | #ppl | Rental | Function Space |
|------------|-----|---------|---------|---------------|--------|------|--------|----------------|
| 09/11/2025 | Thu | 6:00 PM | 8:00 PM | Reception | Rounds | 500 | Waived | Ambassador |
| 09/12/2025 | Fri | 8:00 AM | 9:00 AM | Breakfast | Rounds | 150 | Waived | Ambassador |

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

DAMAGE TO FUNCTION SPACE

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

MINIMUM BANQUET FOOD AND BEVERAGE REVENUE REQUIREMENT

Desert Healthcare District & Foundation agrees to a minimum banquet food and beverage revenue of \$25,000.00, exclusive of tax and service charge (the “Minimum Banquet Food and Beverage Revenue”). If the actual banquet food and beverage revenue is less than the Minimum Banquet Food and Beverage Revenue, one hundred percent (100%) of the difference will be posted to the Master Account. Desert Healthcare District & Foundation shall provide Hotel with 72 hours advance notice of the date(s), time(s), and number of covers with respect to each function it wishes to schedule for the Event.

CURRENT CATERING MINIMUM RATES

Hotel’s 2025 minimum catering prices are as follows:

| | |
|--------------------------------------|-----------------------------|
| Continental Breakfast: | \$32.00++ per person |
| Buffet Lunch: | \$48.00++ per person |
| Plated Dinner: | \$90.00++ per person |
| Buffet Dinner | \$124.00++ per person |
| Coffee Break: | \$24.00++ per person |
| Cocktail Reception (Beverages only): | \$30.00 per person per hour |
| Light Reception (Food only) | \$24.00++ per person |

These quotations do not include any applicable tax (currently at 7.75%), and a 25% service charge.
Catering minimums will not exceed a 5% increase year over year*

OUTSIDE FOOD AND BEVERAGE POLICY

All food and beverages served at functions associated with the Event must be provided, prepared, and served by Hotel, and must be consumed on Hotel premises.

CANCELLATION

Desert Healthcare District & Foundation agrees that it will provide a Minimum Banquet Food and Beverage Revenue of \$25,000.00 (exclusive of applicable service charges and taxes) for the Event.

In the event of a group cancellation occurring from the Date of this Agreement to four (4) business days prior to the Event(s), liquidated damages in the amount of eighty percent (80%) of the Minimum Banquet Food and Beverage Revenue will be due, plus applicable taxes.

In the event of a group cancellation within three (3) business days of the Event(s), liquidated damages in the amount of one hundred percent (100%) of the Minimum Banquet Food and Beverage Revenue and Total Meeting Room Rental will be due, plus applicable taxes.

IMPOSSIBILITY

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

COMPLIANCE WITH LAW

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

CHANGES, ADDITIONS, STIPULATIONS, OR LINING OUT

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

LITIGATION EXPENSES

The parties agree that, in the event litigation relating to this Agreement is filed by either party, the non-prevailing party in such litigation will pay the prevailing party's costs resulting from the litigation, including reasonable attorneys' fees.

LIQUOR LICENSE

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

COMPLIANCE WITH EQUAL OPPORTUNITY LAWS

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

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

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

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

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

PRIVACY

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

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

measures to protect personal data within its organization against unauthorized or unlawful access, acquisition, use, disclosure, loss, or alteration.

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

IN-HOUSE EQUIPMENT

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

TECHNICAL SERVICES

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

UNATTENDED ITEMS/ADDITIONAL SECURITY

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

USE OF OUTSIDE VENDORS

If Group intends to use the services of any vendor unaffiliated with Hotel to provide any services within the Hotel's premises before, during or after the Event (including, without limitation, security companies, decorators, florists and audio-visual service providers), Group shall provide written notice to Hotel at least 60 days before the date of the Event identifying the vendor(s), and the vendor(s) shall not be allowed onto the premises of the Hotel without Hotel's advance written consent and compliance with Hotel's vendor insurance requirements in Exhibit A of this agreement. If Hotel is required under any collective bargaining agreement, requirements contract or any other contract to incur any expense if a particular service provider or set of employees does not perform services that Group wishes to perform itself or to have performed by an outside contractor, then Group shall be responsible for these expenses, which shall be added to the Master Account. Hotel shall require any outside vendor invited to Hotel by Group to sign a release and indemnification of Hotel, in a form provided by Hotel and to provide evidence of insurance reasonably acceptable to Hotel. Hotel will provide Group a copy of its standard form for this purpose upon request. Vendor must add Hotel as Additional Insured where required by sample form provided by Hotel. Additional Terms and Conditions related to Group vendors or contractors included in Exhibit "A" Insurance and Indemnification, attached to this Agreement and to be executed by authorized representative of Desert Healthcare District & Foundation.

PERFORMANCE LICENSES

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

MARRIOTT BONVOY EVENTS

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

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

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

GROUP MUST CHECK **ONE** OPTION BELOW:

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

Member Name _____
Marriott Bonvoy Membership Number _____

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

Participating airline name _____
Participating airline frequent flyer account number _____

OR

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

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

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

ACCEPTANCE

When presented by the Hotel to Desert Healthcare District & Foundation, this document is an invitation by the Hotel to Desert Healthcare District & Foundation to make an offer. Upon signature by Desert Healthcare District & Foundation, this document will be an offer by Desert Healthcare District & Foundation. Only upon signature of this document by all parties will this document constitute a binding agreement. Unless the Hotel otherwise notifies Desert Healthcare District & Foundation at any time prior to Desert Healthcare District & Foundation’s execution of this document, the outlined format and dates will be held by the Hotel for Desert Healthcare District & Foundation on a first-option basis until **Friday, February 14th, 2025**. If Desert Healthcare District & Foundation cannot make a commitment prior to that date, this invitation to offer will revert to a second-option basis or, at the Hotel’s option, the arrangements will be released, in which case neither party will have any further obligations.

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

SIGNATURES

Approved and authorized by Desert Healthcare District & Foundation:

Name: (Print) _____

Title: (Print) _____

Signature: _____

Date: _____

Approved and authorized by Hotel:

Name: (Print) Erinmary Barrett

Title: (Print) Catering Sales Manager

Signature: _____

Date: _____

EXHIBIT "A"

INSURANCE AND INDEMNIFICATION REQUIREMENT

This Agreement is between **The Westin Rancho Mirage Golf Resort and Spa**, (hereinafter "Hotel") and Desert Healthcare District & Foundation (hereinafter "Desert Healthcare District & Foundation"), for the following Event: (hereinafter "Event") effective on 9/11/25 and terminated on 9/11/25.

I. Waiver: Desert Healthcare District & Foundation agrees to waive any claim for damages of any nature whatsoever and to release Hotel, Hotel management company, and their respective owners, officers, directors, employees, agents, representatives, franchisors, and/or licensors from any liability or responsibility whatsoever for any ill-effect, injury, or loss incurred by Desert Healthcare District & Foundation or any third party including, but not limited to, all manner of actions, causes of action, suits, debts, damages, claims, demands, costs, losses and expenses of any type or kind whatsoever, arising from, connected with or related to the Event.

II. Indemnification: Desert Healthcare District & Foundation shall defend, indemnify and hold harmless the Hotel, Hotel management company, and their respective owners, officers, directors, employees, agents, representatives, franchisors, and/or licensors from and against all losses, claims, injuries, damages, demands, payments, suits, actions, recoveries, judgments and expenses, including but not limited to attorneys' fees, from any claim, demand, lawsuit, and/or administrative action of every nature and description arising from the active or passive negligence, willful misconduct, omissions, and/or any action or inaction of the Desert Healthcare District & Foundation, its agent(s), employees or subcontractors, that arises out of the Event, except where caused by the sole negligence of Hotel.

III. Damage to Hotel and Desert Healthcare District & Foundation Property: Desert Healthcare District & Foundation shall be liable for all damage to Hotel property or inventory that arises from any action or inaction of the Desert Healthcare District & Foundation, event participants, guests or visitors, his or her staff or other third parties. Desert Healthcare District & Foundation acknowledges that Hotel is not an insurer, and Desert Healthcare District & Foundation assumes all risk for loss or damage to Desert Healthcare District & Foundation' property.

IV. Insurance: At Hocker Production's expense, Desert Healthcare District & Foundation shall purchase and maintain, and shall require its vendors and subcontractors, if any, to purchase and maintain at least the following insurance issued in amounts required by law, but in no event less than those specified below throughout the term of the agreement:

a) Commercial General Liability: \$1,000,000 Each Occurrence, \$2,000,000 General and Products/Completed Operations Aggregates, \$1,000,000 Personal & Advertising Injury Liability.

b) Automobile Liability: \$1,000,000 Combined Single Limit including Owned, Hired and Non-Owned Auto.

c) Liquor Liability: If applicable, not less than \$1,000,000 per occurrence.

d) Workers' Compensation: Workers' Compensation insurance per applicable laws and Employers' Liability insurance per the required statutory limit, or \$1,000,000 each accident for bodily injury, \$1,000,000 each employee for bodily injury by disease and \$1,000,000 policy limit for disease, whichever is greater.

Desert Healthcare District & Foundation may satisfy the terms of this agreement through a combination of primary, umbrella/excess, or a "special event" policy. Please ask the Hotel representative if you need assistance with a special event policy.

Insurance companies affording the coverage required above shall have an AM Best Rating of no less than A-VIII. Failure to maintain the required insurance may result in termination of this Agreement at Hotel's option. Hotel does not represent, and specially disclaims any contrary statement or implication, that the insurance coverage or limit specified herein shall be adequate or reasonable for the protection of Desert Healthcare District & Foundation. Desert Healthcare District & Foundation has made its own determination that the insurance it has in place is adequate and appropriate.

V. Additional Insured: With the exception of Worker's Compensation and Employer's Liability, Hotel, Hotel management company, and their respective owners, officers, directors, employees, agents, representatives, franchisors, and/or licensors must be named as Additional Insureds on all policies. The certificate must list the following as additional insureds: _____
_____. This insurance shall apply as primary and non-contributory with respect to any other insurance or self-insurance available to Hotel.

VI. Waiver of Subrogation: For all insurance coverages set forth above, Desert Healthcare District & Foundation shall waive, on its behalf and its insurers, all rights against Hotel, and its owners, franchisors, licensors, and their respective officers, directors, employees, agents, and representatives.

VII. Evidence of Insurance: Prior to the commencement of the Event, Desert Healthcare District & Foundation shall furnish Hotel with the certificate of insurance and applicable endorsements to be delivered to: Westin Rancho Mirage Attn: Eric Prinz.

VIII. Severability: If any term or provision of this Agreement shall be found to be illegal, unenforceable, or in violation of the laws, statutes, ordinances, or regulations of any public authority having jurisdiction thereof by a court of competent jurisdiction, then, notwithstanding such term or provision, this Contract shall be and remain in full force and effect and such term

shall be deemed stricken; provided, however, this Contract shall be interpreted, when possible, so as to reflect the intentions of the Parties as indicated by any such stricken term or provision.

SIGNATURES

Approved and authorized by Desert Healthcare District & Foundation:

Name: (Print) _____
Title: (Print) _____
Signature: _____
Date: _____

Approved and authorized by Hotel:

Name: (Print) _____
Title: (Print) _____
Signature: _____
Date: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: February 11, 2025
To: Finance & Administration Committee
Subject: Consideration to Approve Policies

Staff Recommendation: Consideration to approve revised & new policies.

Background:

The below existing policies require revisions:

- Policy #FIN-02 – Authorized Check Signers, Number of Signers, Dollar Limit for Signers, Transfer of Funds – Revisions
- Policy #FIN-06 – Financial Reserve Policy - Revisions

The below new policies are presented for review:

- Policy #OP-17 - Sponsorships

Fiscal Impact:

None



POLICY TITLE: **AUTHORIZED CHECK SIGNERS, NUMBER OF SIGNERS, DOLLAR LIMIT FOR SIGNERS, TRANSFER OF FUNDS**

POLICY NUMBER: FIN-02

COMMITTEE APPROVAL: 02-13-2025

BOARD APPROVAL: 02-25-2025

POLICY #FIN-02: It is the policy of the Desert Healthcare District’s Board of Directors (“Board”) to prudently disburse funds of the Desert Healthcare District (“District”) in order to maintain Board-level oversight. It is intended that this policy covers all accounts and disbursement activities of the District and the Desert Healthcare Foundation (“Foundation”).

GUIDELINES:

1. Authorized signers on District and Foundation bank accounts are to be a minimum of four (4) Board Members (“Directors”), including the Chairperson of the Finance & Administration Committee, and the Chief Executive Officer (“CEO”).
2. Authorized signers on Foundation investment accounts shall include a minimum of two (2) Directors, including the Board Treasurer.
2. Checks under \$5,000.00 only require one signature. The CEO may be the one signer for any budgeted or Board approved item.
3. Checks \$5,000.00 and over require two signatures (the CEO and one Director or two Directors).
4. Checks payable to a check signer (or associated with the check signer) are to be signed by other authorized signers.
5. Automatic Clearing House (“ACH”) transfers shall be allowed in lieu of a check payment under the following circumstances:



DESERT HEALTHCARE
DISTRICT & FOUNDATION

- a) Health, dental, vision, and insurance premiums
 - b) Retirement account expenses
 - c) Utility payments such as electricity, water, internet, and phone services
 - d) Credit card payments
 - e) On an as needed basis to avoid additional expenses such as late fees, to receive a discount on services, or when required by contract terms.
6. ACH payments must be submitted and approved by different parties. Staff authorized to submit an ACH payment shall be the Accounting Manager, Chief Administration Officer (“CAO”) or Chief Executive Officer. Approval of a submitted ACH transfer is authorized by the CAO or CEO. Once an ACH transfer has been submitted and approved, the payment packet shall be routed for the initials of an authorized signer and is subject to the same dollar limits for checks.
7. The transfer of funds between internal operating accounts shall be authorized by the CAO to address business needs. Operating accounts are held for the District, Foundation, and Las Palmas Medical Plaza.
8. The transfer of funds to or from the Foundation investment accounts requires the authorization of a Director and adherence to the approval process.
- a. Transfers shall be prepared by District staff and shall include the following information:
 - i. Source and destination account numbers (investment account to operating or operating to investment account only)
 - ii. Value of transfer
 - iii. Contact information of signing Director(s)
 - iv. Copy of recent bank statements for source and destination accounts for validation
 - v. Authorization by signature of at least one Director on file, after all other items have been provided for the Director’s review
 - b. Once written transfer authorization has been completed, the transfer request will be submitted to the respective investment account bank for completion, as well as a copy to each Director with a signature on file with investment bank.



DESERT HEALTHCARE
DISTRICT & FOUNDATION

- c. Validation may be requested by the financial institution via phone or email from one of the Directors on file to confirm the transfer details.

AUTHORITY

Desert Healthcare District Bylaws Article V, section 5.6 & Article VII

DOCUMENT HISTORY

| | |
|----------|------------|
| Revised | 02-25-2025 |
| Reviewed | 06-25-2024 |
| Revised | 06-28-2022 |
| Revised | 06-23-2020 |
| Approved | 03-22-2016 |

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DESERT HEALTHCARE
DISTRICT & FOUNDATION

POLICY TITLE: AUTHORIZED CHECK SIGNERS, NUMBER OF SIGNERS, DOLLAR LIMIT FOR SIGNERS, TRANSFER OF FUNDS

POLICY NUMBER: FIN-02

COMMITTEE APPROVAL: 02-13-2025~~06-11-2024~~

BOARD APPROVAL: 02-25-2025~~06-25-2024~~

POLICY #FIN-02: It is the policy of the Desert Healthcare District's Board of Directors ("Board") to prudently disburse funds of the Desert Healthcare District ("District") in order to maintain Board-level oversight. It is intended that this policy covers all accounts and disbursement activities of the District and the Desert Healthcare Foundation ("Foundation").

GUIDELINES:

1. ~~1.~~ Authorized signers on District and Foundation bank accounts are to be a minimum of four (4) Board Members ("Directors"), including the Chairperson of the Finance & Administration Committee, and the Chief Executive Officer ("CEO").
- 1.2. Authorized signers on Foundation investment accounts shall include a minimum of two (2) Directors, including the Board Treasurer.
2. Checks under \$5,000.00 only require one signature. The CEO may be the one signer for any budgeted or Board approved item.
3. Checks \$5,000.00 and over require two signatures (~~t~~The CEO and one Director~~Board member~~ or two Directors~~Board members~~).
4. Checks payable to a check signer (or associated with the check signer) are to be signed by other authorized signers.
5. Automatic Clearing House ("ACH") transfers shall be allowed in lieu of a check payment under the following circumstances:



DESERT HEALTHCARE
DISTRICT & FOUNDATION

- a) Health, dental, vision, and insurance premiums
 - b) Retirement account expenses
 - c) Utility payments such as electricity, water, internet, and phone services
 - d) Credit card payments
 - e) On an as needed basis to avoid additional expenses such as late fees, to receive a discount on services, or when required by contract terms.
6. ACH payments must be submitted and approved by different parties. Staff authorized to submit an ACH payment shall be the Accounting Manager, Chief Administration Officer (“CAO”) or Chief Executive Officer. Approval of a submitted ACH transfer is authorized by the CAO or CEO. Once an ACH transfer has been submitted and approved, the payment packet shall be routed for the initials of an authorized signer and is subject to the same dollar limits for checks.
7. The transfer of funds between internal operating accounts shall be authorized by the CAO to address business needs. Operating accounts are held for the District, Foundation, and Las Palmas Medical Plaza.
8. The transfer of funds to or from the Foundation investment accounts requires the authorization of a Director and adherence to the approval process.
- a. Transfers shall be prepared by District staff and shall include the following information:
 - i. Source and destination account numbers (investment account to operating or operating to investment account only)
 - ii. Value of transfer
 - iii. Contact information of signing Director(s)
 - iv. Copy of recent bank statements for source and destination accounts for validation
 - v. Authorization by signature of at least one Director on file, after all other items have been provided for the Director’s review
 - b. Once written transfer authorization has been completed, the transfer request will be submitted to the respective investment account bank for completion, as well as a copy to each Director with a signature on file with investment bank.



DESERT HEALTHCARE
DISTRICT & FOUNDATION

c. Validation may be requested by the financial institution via phone or email from one of the Directors on file to confirm the transfer details.
~~External transfer of funds are to be authorized by the District/Foundation Treasurer or any other authorized Director. Transfer of funds between internal operating accounts (District, Foundation, & Las Palmas Medical Plaza) is permitted by the Chief Administration Officer.~~

AUTHORITY

Desert Healthcare District Bylaws Article V, section 5.6 & Article VII

DOCUMENT HISTORY

| | |
|----------------|-------------------|
| <u>Revised</u> | <u>02-25-2025</u> |
| Reviewed | 06-25-2024 |
| Revised | 06-28-2022 |
| Revised | 06-23-2020 |
| Approved | 03-22-2016 |



POLICY TITLE: FINANCIAL RESERVE

POLICY NUMBER: FIN-06

COMMITTEE APPROVAL: 02-13-2025

BOARD APPROVAL: 02-25-2025

POLICY #FIN-06: It is the policy of the Desert Healthcare District (“District”) to establish the process to utilize District reserve funding. Reserve funding shall refer to the investment accounts of the District, currently held separately from the operating bank accounts. The intent of reserve funding is to provide an unrestricted investment account where excess operating funds can be deposited and withdrawn as needed to support the operation of the District, and to support expenditures authorized by the Board of Directors (“Board”).

GUIDELINES:

The District receives an estimated \$10M annually from county property tax allocation. The operations of the District, including grant funding, are mostly funded by the annual tax allocation. The reserve fund is increased as tax payments are received or decreased as grant and operational costs are expended.

1. The use of District reserve funding shall be allowed in the following situations:
 - a. By a Board Director (“Director”) approved transfer to or from the District operating account to support the operation of the District
 - b. By formal action of the Board
2. Authorizations for the use of District reserve funding require adherence to the approval process.
 - a. Operating account transfers shall be prepared by District staff and shall include the following information:
 - i. Source and destination account numbers (reserve fund to operating or operating to reserve fund only)
 - ii. Value of transfer
 - iii. Contact information of signing Director(s)
 - iv. Copy of recent bank statements for source and destination accounts



DESERT HEALTHCARE
DISTRICT & FOUNDATION

for validation

- v. Authorization by signature of at least one Director on file, after all other items have been provided for the Director's review
 - b. Once written transfer authorization has been completed, the transfer will be entered into the banking system for approval. The CAO and CEO will have authority to submit and/or approve the transfers. Submission and approval will be separate actions and are unallowed to be completed by the same person.
 - c. If the Board authorizes a formal action utilizing reserve funds, the transfer of those funds shall adhere to the same process as an operating account transfer.
3. The balances of the reserve fund and operating accounts shall be included in the monthly financial statements on the balance sheet (Statement of Financial Position) report. Funds shall be transferred to and from the operating accounts from the reserve accounts as necessary for normal operation of the District.

AUTHORITIES

Desert Healthcare District Bylaws Article V, section 5.6

DOCUMENT HISTORY

| | |
|----------|------------|
| Revised | 02-25-2025 |
| Revised | 09-26-2023 |
| Revised | 10-26-2021 |
| Approved | 07-23-2019 |



DESERT HEALTHCARE
DISTRICT & FOUNDATION

POLICY TITLE: FINANCIAL RESERVE

POLICY NUMBER: FIN-06

COMMITTEE APPROVAL: 02-13-2025~~09-07-2023~~

BOARD APPROVAL: 02-25-2025~~09-26-2023~~

POLICY #FIN-06: It is the policy of the

1.1 Purpose: The Desert Healthcare District ("District") to establish the process to utilize District shall maintain reserve funds in accordance with the District's Reserve Policy. This policy establishes the procedure and level of reserve funding. Reserve funding shall refer to the investment accounts of the District, currently held separately from the operating bank accounts. The intent of reserve funding is to provide an unrestricted investment account where excess operating funds can be deposited and withdrawn as needed to support the to achieve the following specific goals:

- a) Fund the operating capital of Desert Regional Medical Center ("DRMC") for two (2) months in the event of early termination of the lease of DRMC by Tenet or the District; or
- b) Fund major repairs of DRMC, including partial seismic retrofit costs; or
- e) Fund grants and overhead costs of operation of the District, and to support expenditures authorized by the Board of Directors ("Board").

GUIDELINES:

The District receives an estimated \$109M annually from county property tax allocation. The operations of the District, including grant funding, are mostly funded by the annual tax allocation. The rReserve fFund is increased as tax payments are received or decreased as grant and operational costs are expended.

1. The Use of District Reserves is limited to the reserve funding shall be allowed in the following situations: established with MUFG Union Bank. Special use of the funds will be designated by formal action of the Board of Directors. The purposes of the reserve fund are listed below.
 - a. By a Board Director ("Director") approved transfer to or from the District operating account to support the operation of the District
 - b. By formal action of the Board



DESERT HEALTHCARE
DISTRICT & FOUNDATION

2. Authorizations for the use of District reserve funding require adherence to the approval process.
 - a. Operating account transfers shall be prepared by District staff and shall include the following information:
 - i. Source and destination account numbers (reserve fund to operating or operating to reserve fund only)
 - ii. Value of transfer
 - iii. Contact information of signing Director(s)
 - iv. Copy of recent bank statements for source and destination accounts for validation
 - v. Authorization by signature of at least one Director on file, after all other items have been provided for the Director's review
 - b. Once written transfer authorization has been completed, the transfer will be entered into the banking system for approval. The CAO and CEO will have authority to submit and/or approve the transfers. Submission and approval will be separate actions and are unallowed to be completed by the same person.
 - c. If the Board authorizes a formal action utilizing reserve funds, the transfer of those funds shall adhere to the same process as an operating account transfer.
3. The balances of the reserve fund and operating accounts shall be included in the monthly financial statements on the balance sheet (Statement of Financial Position) report. Funds shall be transferred to and from the operating accounts from the reserve accounts as necessary for normal operation of the District.

~~a) — DRMC Operating Capital:~~

~~The District is in a 30-year lease to operate DRMC with Tenet Health Systems which expires on May 29, 2027. In the event of termination of the lease agreement, the District would be responsible for operating the hospital during the transition without interruption and would require upfront operating capital for two (2) months of approximately \$125M.~~

~~b) — Major repairs of DRMC, including seismic retrofit costs:~~

~~DRMC falls under the seismic retrofit guidelines of SB 1953, which requires the hospital to be seismically compliant by the year 2030. Should the District be required to complete the seismic retrofit, it is estimated \$222M will be required to bring DRMC into compliance. It is presently unknown if the Lessee (Tenet) or the District will pay for the seismic retrofit.~~

~~c) — Grant funding and District operating expenses:~~



DESERT HEALTHCARE
DISTRICT & FOUNDATION

~~The District receives an estimated \$9M annually from county property tax allocation. The operations of the District, including grant funding, are mostly funded by the annual tax allocation. The Reserve Fund is increased as tax payments are received or decreased as grant and operational costs are expended.~~

~~1.3 Using Reserve Funds:~~

~~a) DRMC Operating Capital:~~

~~Reserve funds will be used exclusively for operating DRMC during a transition period should the hospital lease be terminated.~~

~~b) Major repairs of DRMC, including seismic retrofit costs:~~

~~Reserve funds will be used exclusively for major repairs, including seismic retrofit costs, of DRMC should the District be responsible for these costs.~~

~~c) Grant funding and District operating expenses:~~

~~Reserve funds will be used as necessary for grant funding and District operating expenses.~~

~~1.4 Monitoring Reserve Levels & Records: The Chief Executive Officer, in collaboration with the Chief Administration Officer, shall maintain accurate accounting records of the reserve fund and provide transparency to the Board of Directors.~~

~~a) The District's Reserve Fund shall be maintained at approximately \$60M.~~

AUTHORITIES

Desert Healthcare District Bylaws Article V, section 5.6

DOCUMENT HISTORY

| | |
|--------------------|-----------------------|
| Revised | 02-25-2025 |
| Revised | 09-26-2023 |
| Revised | 10-26-2021 |
| Approved | 07-23-2019 |



POLICY TITLE: SPONSORSHIPS

POLICY NUMBER: OP-17

COMMITTEE APPROVAL: 02-13-2025

BOARD APPROVAL: 02-25-2025

POLICY #OP-17: It is the policy of the Desert Healthcare District (“District”) to define the circumstances surrounding the sponsorship of events and conferences. The support of local organizational events not only provides financial support to the community in line with the mission and vision of the District, but it also provides opportunities to share and promote the work of the District and increase visibility.

GUIDELINES:

1. The budgeted value for sponsorships shall be included with the annual budget submitted to the Board of Directors (“Board”) for approval per Policy #FIN-04.
2. The fiscal year budget for sponsorships cannot operate with a deficit balance without Board approval.
3. Sponsorship requests shall clearly state:
 - 3.1. The dollar amount being requested for the sponsorship
 - 3.2. The sponsorship levels available
 - 3.3. How the sponsorship of the event will provide benefit to the community (to demonstrate alignment with the mission and vision of the District) by either detailing how the sponsorship funding will be used or how it would provide general support for the organization’s purpose
 - 3.4. The date and location of the event, along with applicable deadlines
 - 3.5. The pricing for additional tickets or passes to attend, should the desired sponsorship level not allow for attendance of all interested Board & Staff
4. Sponsorships
 - 4.1. Sponsorships up to \$5,000 shall be approved by the Chief Executive Officer (“CEO”)



DESERT HEALTHCARE
DISTRICT & FOUNDATION

- 4.2. Sponsorships \$5,000 and greater shall be presented to the Board for approval
- 4.3. Should a sponsorship opportunity be presented where deadlines do not allow time to be added to the next Board agenda, approval may be requested from the Board President by the CEO, with item agendized for the next scheduled Board of Directors' meeting
- 4.4. Sponsorships shall be limited to a maximum of \$25,000 per organization per fiscal year
- 4.5. Organizations may submit multiple sponsorship requests during the fiscal year, but the cumulative value of awarded sponsorships to a single organization may not exceed the maximum of \$25,000 per fiscal year
- 4.6. Related organizations shall be considered as a single organization for purposes of calculating sponsorship maximum values

AUTHORITIES

Desert Healthcare District Bylaws Article V, Section 5.6

DOCUMENT HISTORY

Approved 02-25-2025



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: February 11, 2025
To: Finance & Administration Committee
Subject: LPMP 5-year Lease Renewal – Desert Regional Medical Center, Inc. – Suite 3E 101-102

Staff Recommendation: Consideration to approve a 5-year lease renewal with Desert Regional Medical Center, Inc. for suite 3E 101-102

Background:

- Desert Regional Medical Center, Inc. has a 10-year lease of suite 3E 101-102 which expires on 4/30/2025.
- The tenant has requested to renew the lease for another 5-year term.
- The lease rate is \$1.81/sf, with annual increases of the greater of 3% or CPI, not to exceed 5% annually.
- Tenant Improvement of \$10/sf - \$25,910.
- The new draft lease agreement is included in the packet for your review.
- Staff recommends approval of the 5-year lease agreement.

Fiscal Impact:

Estimated Revenue from Rent and CAMS for life of the base lease - \$432,475
Estimated Cost of Tenant Improvement Allowance \$10/sf - \$25,910
Net Lease Income (base lease) - \$406,565

OFFICE BUILDING LEASE

Between

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

And

DESERT REGIONAL MEDICAL CENTER, INC.

AS TENANT

DATED

May 1, 2025

Table of Contents

| | Page |
|--|-------------|
| 1. LEASE OF PREMISES..... | 1 |
| 2. DEFINITIONS..... | 1 |
| 3. EXHIBITS AND ADDENDA..... | 2 |
| 4. DELIVERY OF POSSESSION..... | 2 |
| 5. RENT..... | 3 |
| 6. INTEREST AND LATE CHARGES..... | 6 |
| 7. SECURITY DEPOSIT..... | 6 |
| 8. TENANT’S USE OF THE PREMISES..... | 6 |
| 9. SERVICES AND UTILITIES..... | 7 |
| 10. CONDITION OF THE PREMISES..... | 7 |
| 11. CONSTRUCTION, REPAIRS AND MAINTENANCE..... | 8 |
| 12. ALTERATIONS AND ADDITIONS..... | 9 |
| 13. LEASEHOLD IMPROVEMENTS; TENANT’S PROPERTY..... | 10 |
| 14. RULES AND REGULATIONS..... | 10 |
| 15. CERTAIN RIGHTS RESERVED BY LANDLORD..... | 10 |
| 16. ASSIGNMENT AND SUBLETTING..... | 11 |
| 17. HOLDING OVER..... | 12 |
| 18. SURRENDER OF PREMISES..... | 12 |
| 19. DESTRUCTION OR DAMAGE..... | 12 |
| 20. EMINENT DOMAIN..... | 13 |
| 21. INDEMNIFICATION..... | 14 |
| 22. TENANT’S INSURANCE..... | 14 |
| 23. WAIVER OF SUBROGATION..... | 15 |
| 24. SUBORDINATION AND ATTORNMENT..... | 15 |

25. TENANT ESTOPPEL CERTIFICATE..... 15

26. TRANSFER OF LANDLORD’S INTEREST. 16

27. DEFAULT. 16

28. BROKERAGE FEES..... 18

29. NOTICES..... 18

30. GOVERNMENT ENERGY OR UTILITY CONTROLS..... 18

31. RELOCATION OF PREMISES..... 18

32. QUIET ENJOYMENT..... 19

33. OBSERVANCE OF LAW..... 19

34. FORCE MAJEURE. 19

35. CURING TENANT’S DEFAULTS. 20

36. SIGN CONTROL. 20

37. MISCELLANEOUS. 20

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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 Desert Regional Medical Center, Inc., hereinafter referred to as "Tenant", and is dated May 1, 2025.

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)*: \$ Fifty-Six Thousand, Two Hundred Seventy-Six and 52/100 (\$56,276.52) per year.

b. *Base Year*: N/A.

c. *Broker(s)*:

Landlord's: N/A.

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

In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.

d. *Commencement Date*: May 1, 2025.

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*: April 30, 2030, 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. 3E 101-102, Palm Springs, CA 92262

i. *Monthly Installments of Base Rent (initial)*: \$ Four Thousand, Six Hundred Eighty-Nine and 71/100 Dollars (\$4,689.71) 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 Twenty-Five Thousand, Nine Hundred Ten and 00/100 Dollars (\$25,910.00).

- l. *Parking*: Tenant shall be permitted, to park 13 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 2,591 square feet of Rentable Area, located in Building 3E and known as suite 101-102.
- 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)*: \$ Three Thousand, Four Hundred Ninety-Seven and 85/100 (\$3,497.85), carried over from existing lease.
- q. *State*: the State of California.
- r. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- s. *Tenant's Proportionate Share*: 5.25%. 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: Desert Healthcare District

Tenant: Desert Regional Medical Center, Inc.

dba: Las Palmas Medical Plaza

By: Chris Christensen

By: _____

Signature: _____

Signature: _____

Title: CEO

Title: _____

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

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

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 Desert Regional Medical Center, Inc., as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

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

- 1. Commencement Date: May 1, 2025
- 2. Expiration Date: April 30, 2030
- 3. Rent Schedule:

| | |
|----------------------|-------------|
| 5/1/2025 – 4/30/2026 | \$4,689.71 |
| 5/1/2026 – 4/30/2027 | \$4,830.40* |
| 5/1/2027 – 4/30/2028 | \$4,975.31* |
| 5/1/2028 – 4/30/2029 | \$5,124.57* |
| 5/1/2029 – 4/30/2030 | \$5,278.31* |

*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:** Three Thousand, Four Hundred Ninety-Seven and 85/100 Dollars (\$3,497.85) carried over from prior lease

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: Desert Regional Medical Center,
Inc.

By: Chris Christensen

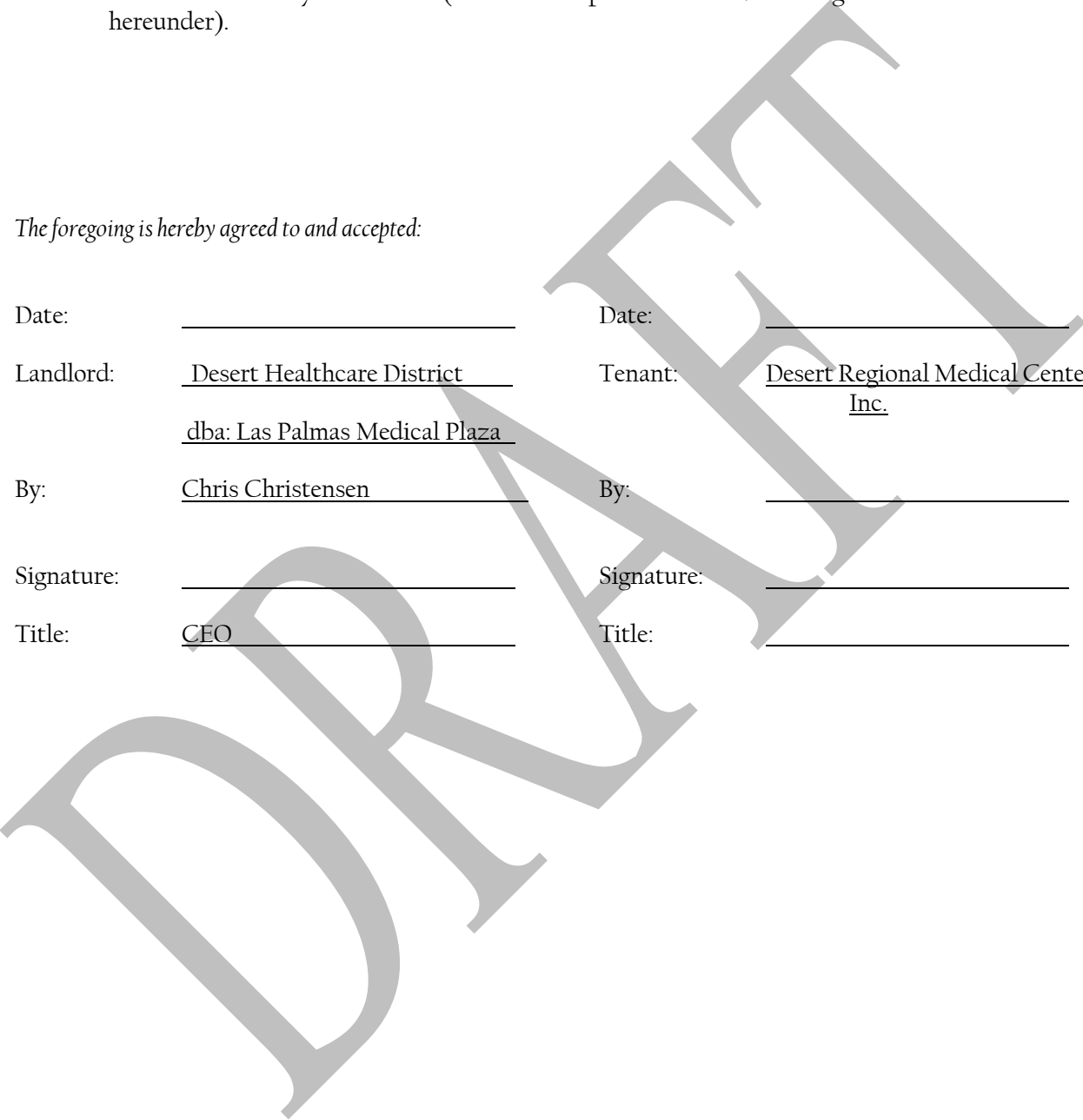
By: _____

Signature: _____

Signature: _____

Title: CEO

Title: _____





DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: February 11, 2025
To: Finance & Administration Committee
Subject: Consideration to Amend FY 2024-2025 Budget to include a \$75,000 line for sponsorships

Staff Recommendation: Consideration to amend the FY 2024-2025 budget to include a \$75,000 line for sponsorships.

Background:

- Sponsorships have previously been expensed under the CEO Discretionary Fund.
- Policy #OP-17 is included in today's Committee meeting for approval.
- Staff would like to request an amendment to the current FY 2024-2025 budget to add a \$75,000 budget line for sponsorships to cover the remainder of the fiscal year.

Fiscal Impact:

The proposed amendment would decrease the budgeted net income to \$896,994.



Date: February 11, 2025
To: Finance & Administration Committee
Subject: The Pink Journey – Services Agreement through December 31, 2025

Staff Recommendation: Consideration to approve the Services Agreement with The Pink Journey Foundation to provide mobile mammography clinics within the Coachella Valley.

Background:

Breast cancer remains one of the leading causes of cancer-related deaths among women in the United States, especially in Black and Latina women due to late-stage diagnosis. Early detection through regular mammography screening significantly improves survival rates. Recognizing the barriers many individuals face in accessing these critical services, such as transportation issues, language barriers, financial constraints, and limited availability of local healthcare facilities, the Desert Healthcare District & Foundation seeks to partner with the Pink Journey Foundation to offer mobile mammography clinics.

The Pink Journey Foundation is a reputable organization with extensive experience in providing mobile mammography services, emphasizing convenience, accessibility, and comprehensive patient education.

This partnership aligns with the District’s Strategic Plan (2021-2026)

- **Goal 2:** Proactively expand community services to primary and specialty care services
- **Strategy 2.3:** Provide funding to support and evaluation to community organizations providing expanded mobile primary and specialty care services.

The services contract with the Pink Journey Foundation will include:

- Mobile mammography clinics: scheduled at various strategic locations within the Coachella Valley to maximize reach, particularly in underserved communities.
- Comprehensive screening services: including digital mammograms and follow-up diagnostic services as needed.
- Patient education: on breast health awareness, the importance of early detection, and guidance on navigating follow-up care.
- Data reporting: regular submission of service utilization data to monitor program impact and identify areas for improvement.

- The draft services agreement is attached for your review.
- Staff recommends approval of the services agreement.

Fiscal Impact:

The fiscal impact is not to exceed \$50,000 (\$10,000 per event) and will be paid through the FY 2024-2025 and FY 2025-2026 Foundation budget for mobile medical unit events.

CONSULTING SERVICES AGREEMENT

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

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

1. The District seeks to engage the professional services of the Consultant to provide mobile screening mammography services at District-sponsored events. These services are intended to enhance community members' access to critical preventive health screenings, particularly those who may face barriers to traditional healthcare settings. The Consultant will deliver state-of-the-art mobile mammography services, including but not limited to, on-site breast cancer screenings, patient education, and follow-up recommendations. By partnering with the Consultant, the District aims to promote early detection, raise awareness about breast health, and contribute to improved health outcomes for the community.

2. The Consultant is highly qualified and equipped with the expertise to provide comprehensive mobile mammography screening services (“Services”). Utilizing advanced technology and adhering to industry best practices and healthcare standards, the Consultant ensures professional, high-quality care.

As detailed in Exhibit “A” (“Consultant Proposal”), the Services include logistical planning, on-site screenings, patient education, and reporting, all designed to deliver efficient, accessible, and patient-centered care. This approach aligns with the District’s commitment to promoting health equity and the early detection of breast cancer in the community.

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

1. CONSULTANT’S SERVICES.

1.1 Services. Consultant shall provide all labor, materials, equipment, and incidentals necessary to fully and adequately provide the District with the professional services described in the Consultant Proposal. All Services shall be performed by the Consultant to the reasonable satisfaction of the District.

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

1.3 Performance Standard. Consultant shall perform the Services with efficiency and diligence and shall execute the Services in accordance with the standards of

Consultant's profession, generally described as that degree of skill and care ordinarily exercised by professionals providing similar services as Consultant practicing in California.

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

2. FEES AND PAYMENTS.

2.1 Compensation for Services. For the full and satisfactory performance of the Services, the District shall compensate the Consultant a Not To Exceed amount of \$10,000 per event, not to exceed \$50,000.

2.2 Invoices. Consultant shall deliver an invoice to the District no later than the 10th day following each event.

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

3. TERM; TERMINATION.

3.1 Term. The term of this Agreement shall run from the date this Agreement is fully executed until December 31, 2025, subject to Section 1.3 above or the District's right to terminate sooner for convenience.

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

4. INDEPENDENT CONTRACTOR.

District has retained Consultant to provide, and Consultant shall perform, the Services as an independent contractor maintaining exclusive direction and control over its

employees; and, no personnel utilized by Consultant to perform the Services are employees of the District.

5. INDEMNIFICATION.

Consultant agrees to indemnify and hold the District and Foundation, its governing body, officers, employees, representatives, agents, successors and assigns (collectively the District/Foundation Indemnities), harmless from and against any and all losses, liabilities, claims, causes of action or costs and expenses of whatever nature or kind, incurred or suffered by the District or the District/Foundation Indemnities including indemnity claims arising by reason of any personal injury of any person or property loss, loss of use, or damage, to the extent the same arise out of or in connection with the negligent act(s) or omission(s), recklessness, or willful misconduct of Consultant, its officers, employees, subcontractors, or representatives, relating to the performance of the services outlined in this Agreement.

6. NOTICE.

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

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

To: Consultant
The Pink Journey Foundation
Attention: Melanie Lewis
PO Box 1651
Costa Mesa, CA 92628

7. MISCELLANEOUS PROVISIONS.

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

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

7.3 Entire Agreement. This Agreement, together with all Schedules attached, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or

agreements, whether or not such correspondence, memoranda, or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its schedules.

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

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

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

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

“District”:

“Consultant”:

Desert Healthcare District

The Pink Journey Foundation

By: _____
Chris Christensen, CEO

By: _____
Melanie Lewis, Executive Director

Date: _____

Date: _____

EXHIBIT A

Objective

Deliver efficient, accessible, and patient-centered care through logistical planning, on-site screenings, patient education, and reporting, exclusively facilitated by The Pink Journey Foundation. This initiative aligns with the District's Goal #2: To proactively expand community access to primary and specialty care. These efforts are aimed at promoting health equity, increased access, and the early detection of breast cancer in the community.

1. Logistical Planning

- The Pink Journey Foundation in partnership with District staff will oversee all logistical aspects of the program, including coordinating and scheduling on-site screening events at community-accessible locations.

2. On-Site Screenings

- The Pink Journey Foundation will provide breast cancer screenings, including mammograms conducted by qualified medical professionals.
- Set up and manage screening sites to ensure privacy, efficiency, and patient comfort.
- Implement streamlined patient flow systems to maximize the number of screenings conducted while minimizing wait times.

3. Patient Education

- Disseminate culturally and linguistically appropriate educational materials on breast cancer prevention, early detection, and treatment options in English and Spanish.
- In partnership with District staff, conduct educational sessions during screening events to empower patients with knowledge about breast health.
- Provide follow-up care information and resources for patients requiring further medical attention.

4. Reporting and Evaluation

- Submit progress reports to the District, summarizing activities, outcomes, and challenges encountered.
- Conduct evaluations to measure the effectiveness of services and identify opportunities for improvement.
- Ensure compliance with HIPAA and other patient privacy standards.

Grant Budget

| Project Grant Budget | | | | |
|--|--|------------------------------------|--|------------------------------|
| Applicant: | | The Pink Journey Foundation | | Rolling with Hope |
| OPERATIONAL EXPENSES | | Total Project Budget | Funds From Other Sources Detail On Section 3 | Amount Requested From DHCD/F |
| Total Staffing Expenses Detail on Section 2 | | \$ 2,715.86 | \$ - | \$ 2,715.86 |
| Equipment (itemize) | | | | |
| 1 | RadNet Mobile Unit (\$6,500) | \$ 6,500.00 | \$ - | \$ 6,500.00 |
| 2 | | | \$ - | |
| 3 | | | \$ - | |
| 4 | | | \$ - | |
| Supplies (itemize) | | | | |
| 1 | Collateral (pamphlets, flyers) | \$ 250.00 | \$ - | \$ 250.00 |
| 2 | | | \$ - | |
| 3 | | | \$ - | |
| 4 | | | \$ - | |
| Printing / Duplication | | \$ 200.00 | \$ - | \$ 200.00 |
| Mailing / Postage | | | \$ - | |
| Mileage (use current Federal mileage rate) .67cents | | \$ 134.00 | \$ - | \$ 134.00 |
| Education / Training | | \$ 200.00 | \$ - | \$ 200.00 |
| Other Direct Project Expenses Not Described Above (itemize) | | | | |
| 1 | | | \$ - | |
| 2 | | | \$ - | |
| 3 | | | \$ - | |
| 4 | | | \$ - | |
| * Items listed below are included for calculation of the total project budget only. For use of DHCD/F funds, these line items would be included in the allowable 15% indirect cost rate. | | | | |
| Office / Rent / Mortgage* | | | \$ - | \$ - |
| Telephone / Fax / Internet* | | | \$ - | \$ - |
| Utilities* | | | \$ - | \$ - |
| Insurance* | | | \$ - | \$ - |
| Indirect Rate | <input type="checkbox"/> Check Box To Utilize Indirect Rate Up To 15% | | | |
| Total Project Budget (Rounded up to nearest dollar) | | | | |
| | | \$ 10,000 | \$ - | \$ 10,000 |
| Budget Narrative | <p style="color: red; font-size: small;">RadNet Mobile Unit price includes all of the following: 2 RadNet employees (Technician and driver/manager), truck use, technical provisions on board for screening, registration of patient forms information into RadNet system, waiting room on board and medical gown for screening, RadNet reading of the screening results and delivery of results to referring physician and patient. Marketing products to include booklets with follow up materials for each screening patient, flyers for advertising events. Education/Training pamphlets/flyers in English/Spanish. Collateral for participants in mobile events and breast education teaching. Translator cost may be needed if it can not be provided by the partner participants.</p> <p style="color: red; font-size: small;">**The mileage is the distance from our home office (approx. 100 miles to Coachella Valley) to the event and back using the Federal Mileage Rate for one car. 200miles (round trip) x .67= \$134.</p> | | | |

Version 07.07.23 Please see instructions tab for additional information

| Staff Salary Expenses | | Annual Salary | % of Time Allocated to Project | Total Project Salary | Amount Requested from DHCD/F |
|--|--|---------------|--------------------------------|----------------------|------------------------------|
| Employee Position/Title | | | | | |
| 1 | Melanie Lewis/Executive Director | \$ 64,000.00 | 3% | 2,288.00 | \$ 2,288.00 |
| 2 | | | | - | |
| 3 | | | | - | |
| 4 | | | | - | |
| 5 | | | | - | |
| 6 | | | | - | |
| Enter Total Employee Benefits / Employer Taxes % (Proportional Fringe Costs and/Or Employer Taxes Based On % Of Time Allocated To Project) | | | 18.70% | 427.86 | 427.86 |
| Total Will Populate In Total Staffing Expenses Section 1 | | | Total > | \$ 2,715.86 | \$ 2,715.86 |
| Budget Narrative - Scope of Work | Work involves communication with involved partners, planning event details, marketing of event, appointment scheduling and participation in day of event. Follow up on any needed resources for possible call backs for women participating. Education of women on day of event regarding breast health. | | | | |
| Budget Narrative - Employee Benefits | \$40/hr x 48 hours= \$1,920 + 18.7% taxes= \$2,279.04 | | | | |
| Professional Services / Consultant Expenses | | Hourly Rate | Hours/Week | Total Project Fee | Amount Requested from DHCD/F |
| Company and Staff Title | | | | | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| Total Will Populate in Total Staffing Expenses Section 1 | | | Total > | \$ - | \$ - |
| Budget Narrative - Scope of Work | Work involves communication with involved partners, planning event details, marketing of event, appointment scheduling and participation in day of event. Follow up on any needed resources for possible call backs for women participating. Education of women on day of event regarding breast health. | | | | |