



**DESERT HEALTHCARE DISTRICT  
BOARD MEETING  
Board of Directors  
July 25, 2017  
2:00 P.M. - 4:00 P.M.**

Jerry Stergios Building, 2<sup>nd</sup> floor  
Arthur H. "Red" Motley Boardroom  
1140 N. Indian Canyon Drive, Palm Springs, California 92262  
***This meeting is handicapped-accessible***

| <b>Page(s)</b> | <b>AGENDA</b><br><i>Any item on the agenda may result in Board Action</i>   | <b>Item Type</b> |
|----------------|---|------------------|
|                | <b>A. CALL TO ORDER – President Rogers</b><br>Roll Call<br>____ Director Zendle ____ Director Wortham ____ Director<br>Matthews<br>____ Vice-President Hazen ____ President Rogers  |                  |
|                | <b>B. PLEDGE OF ALLEGIANCE</b>  |                  |
|                | <b>C. APPROVAL OF AGENDA</b>  | <b>Action</b>    |
|                | <b>D. PUBLIC COMMENT</b><br>At this time, comments from the audience may be made on items <i>not</i> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. <b>The Board has a policy of limiting speakers to no more than three minutes.</b> The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action. |                  |
|                | <b>E. CONSENT AGENDA</b><br>All Consent Agenda item(s) listed below are considered to be routine by the Board of Directors and will be enacted by one motion. There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.  |                  |
| 5-6<br>7-17    | 1. BOARD MINUTES<br>a. Special Meeting of June 27, 2017<br>b. Meeting of June 27, 2017  | <b>Action</b>    |
| 18-37          | 2. FINANCE AND ADMINISTRATION<br>a. Consideration for Approval of District June 2017 Financial Statements<br>F&A Committee approved July 11, 2017   | <b>Action</b>    |



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|  |   |               |
|--|---|---------------|
| <b>38-41</b>   | b. Fire Sprinkler Estimate for Las Palmas Medical Plaza   | <b>Action</b> |
| <b>42-63</b>   | c. New Lease Proposal LPMP – Suite 1E 201-203 Palmtree Clinical Research  | <b>Action</b> |
| <b>64-85</b>   | d. Lease Extension LPMP – Suite 3E 104-105 LabCorp  | <b>Action</b> |
| <b>86-107</b>  | e. Lease Extension LPMP Suite 3W 103-104 Dr. Gundry   | <b>Action</b> |
| <b>108-129</b>   | f. Lease Transfer LPMP – Suite 2W 102 Dr. Fazouni   | <b>Action</b> |
| <b>3. DESERT HEALTHCARE FOUNDATION</b>   |   |               |
| <b>130-140</b>   | a. Consideration to approve Grant #937 Desert Healthcare Foundation – West Valley Homelessness Initiative - \$2,000,000 | <b>Action</b> |
| <b>F. DESERT HEALTHCARE DISTRICT CEO REPORT – Herb K. Schultz, CEO</b>   |   |               |
|  |   | Information   |
| <b>G. DESERT REGIONAL MEDICAL CENTER CEO REPORT – Michele Finney</b>   |   |               |
|  |   | Information   |
| <b>H. DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS' REPORT – President Rogers, RN and Director Les Zendle, MD</b> |   |               |
|  |   | Information   |
| <b>I. INFORMATIONAL ITEMS</b>  |   |               |
|  |   | Information   |
| <b>J. COMMITTEE REPORTS</b>  |   |               |
| <b>1. PROGRAM COMMITTEE -</b>  |   |               |
| Chair/Vice-President Hazen   |   |               |
| <b>141-145</b>   | a. Draft Minutes of July 11, 2017   | Information   |
| <b>146-147</b>   | b. Grants Payment Schedule and Pipeline FYE June 30, 2017   | Information   |
|  | c. Progress Reports   | Information   |
| <b>148-151</b>   | 1. Grant #889 HARC – 3 <sup>rd</sup> report   |               |
| <b>152-154</b>   | 2. Grant #910 FIND Food Bank – 3 <sup>rd</sup> Report   |               |
| <b>155-156</b>   | 3. Grant #907 Volunteers in Medicine – 2 <sup>nd</sup> Report   |               |



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|                |   |               |
|----------------|---|---------------|
| <b>157-170</b> | 4. Grant #908 Angel View – 2 <sup>nd</sup> Report   |               |
| <b>171-179</b> | 5. Grant #870 Mizell Senior Center – 4 <sup>th</sup> Report   |               |
|                | d. Final Reports  | Information   |
| <b>180-187</b> | 1. Grant #907 Volunteers in Medicine  |               |
| <b>188-222</b> | 2. Grant #870 Mizell Senior Center  |               |
|                | e. Pending Requests for Consideration   |               |
| <b>223-227</b> | 1. Grant #926 Ranch Recovery Centers: Purchase & Installation of Emergency Generator – Consideration to approve a six month no-cost grant extension through September 30, 2017. | <b>Action</b> |
| <b>228-235</b> | 2. Grant #934 Well in the Desert: New Vans for Client Pickup & Deliveries - \$84,570  | <b>Action</b> |
| <b>236-250</b> | 3. Grant #936 Hidden Harvest: Senior Markets & Healthy Fairs - \$95,000   | <b>Action</b> |
| <b>251-271</b> | 4. Grant #938 Mizell Senior Center: A Matter of Balance Phase 2 - \$400,300 for 24 months   | <b>Action</b> |
| <b>272-287</b> | 5. Grant #939 Loma Linda University: Dream Homes Initiative - \$178,016 for 16 months   | <b>Action</b> |
| <b>288-289</b> | 6. Recommendation to Board of Directors to consider approval of Mary Odell's Scope of Work for Three Year Strategic Plan Implementation.  | <b>Action</b> |
| <b>290-291</b> | 7. RFP for a Behavioral Health Consultant – Draft Review  | <b>Action</b> |
| <b>292-293</b> | 8. RFP for Homelessness Consultant – Draft Review   | <b>Action</b> |
|                | <b>2. FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE – Chair/Director Matthews</b>  |               |
| <b>294-297</b> | a. Draft Minutes of the July 11, 2017   | Information   |
| <b>298-299</b> | b. COO Report & Las Palmas Leasing Update   | Information   |
| <b>300-302</b> | c. Resolution #17-01 Statement of Investment Policy for FY 17-18  | <b>Action</b> |
| <b>303</b>     | d. Disability Claim Potential Settlement  | <b>Action</b> |



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- 3. HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE** - Chair/Director Les Zendle, MD and President Carole Rogers, RN  
a. Last meeting held was on July 24, 2017 – Fourth Monday of every month Information
- 4. AD HOC EXPANSION COMMITTEE**  
Ad Hoc District Expansion - Chair/President Carole Rogers, RN and Director Mark Matthews Information
- K. OLD BUSINESS**
- L. NEW BUSINESS**
- M. LEGAL COMMENTS & REPORT** Information
- N. DIRECTORS' COMMENTS & REPORTS** Information
- O. ADJOURNMENT TO EXECUTIVE SESSION** Information
- P. CONVENE TO CLOSED SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS**  
1. REPORT INVOLVING TRADE SECRETS pursuant to Health & Safety Code 32106 - concerning proposed new services and facilities. Estimated date of public disclosure: To be determined at a future date.
- Q. RECONVENE TO OPEN SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS**
- R. REPORT AFTER CLOSED SESSION**
- S. ADJOURNMENT**

**DESERT HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
SPECIAL MEETING MINUTES  
June 27, 2017**

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A Special Meeting of the Board of Directors of the Desert Healthcare District was held in the Arthur H. "Red" Motley Boardroom, Palm Springs, CA.

Attendance:

Members

Carole Rogers RN - President  
Kay Hazen – Vice-President/Secretary  
Mark Matthews, Director  
Les Zendle, MD - Director  
Jennifer Wortham Dr.PH - Director

Absent

Staff

Herb Schultz, Chief Executive Officer  
Donna Craig, Chief Grants Officer  
Alejandro Espinoza, Director of Projects  
Mary Pannoni, Accounting/Admin Support  
Andrea S. Hayles, Clerk of the Board

Legal Counsel

Jeffrey Scott

Guests

None

**CALL TO ORDER**

The meeting was called to order at 12:00 p.m. by President Rogers

**APPROVAL OF AGENDA**

President Rogers asked for the Approval of the Agenda.

**#17-45 MOTIONS WAS MADE by Director Matthews and seconded by Director Zendle to approve the agenda. Motion passed unanimously.**

**CONVENE TO CLOSED SESSION OF THE DESERT HEALTHARE DISTRICT BOARD OF DIRECTORS**

1. Public Employee Performance Evaluation pursuant to Government Code 54957 – Title: CEO
2. Report Involving Trade Secrets – pursuant to Health & Safety Code 32106 – concerning proposed new services and facilities. Estimated date of public disclosure: To be determined at a future date.

The Board in closed session discussed potential programs, services, and facilities in an expanded District. Staff was directed to take appropriate action concerning the matter and report back to the Board.

**RECONVENE TO OPEN SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS**

**REPORT AFTER CLOSED SESSION**

**ADJOURNMENT**

The meeting adjourned at 1:40 p.m.

ATTEST: \_\_\_\_\_  
Kay Hazen, Vice-President/Secretary  
Desert Healthcare District Board of Directors

*Minutes respectfully submitted Andrea S. Hayles, Clerk to the Board*

DRAFT

**DESERT HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
MEETING MINUTES  
June 27, 2017**

---

A Meeting of the Board of Directors of the Desert Healthcare District was held in the Jerry Stergios Building - 1st Floor, Palm Springs, CA.

Attendance

Members

Carole Rogers, RN – President  
Kay Hazen – Vice-President/Secretary  
Mark Matthews – Treasurer  
Jennifer Wortham, Dr.PH - Director  
Les Zendle, MD – Director

Absent

Staff

Herb K. Schultz, CEO  
Chris Christensen, COO/CFO  
Donna Craig, Chief Grants Officer  
Alejandro Espinoza, Director Programs/Projects  
Mary Pannoni, Accounting/Admin. Support  
Andrea S. Hayles, Clerk to the Board

Legal Counsel

Blaise Jackson

Guests

Tom Cox, Program Director, CVRM  
Cheryll Dahlin, Management Analysis, CVAG  
Sherry Finke, Development Specialist, CVRM  
Michelle Finney, CEO, DRMC  
Maria Elena Geyer, CEO, Gilda's Desert Cities  
Jeff Hocker, President, Hocker Productions  
Ezra Kaufman, Community Member  
Tom Kirk, Executive Director, CVAG  
Brett Klein, Marketing Specialist, Eisenhower Medical Center  
Geoff Kors, City Councilmember, Palm Springs  
Rabbi David Lazar, Temple Isaiah  
Olga Montes, CE Manager, Planned Parenthood  
Rosalie Murphy, Reporter, Desert Sun  
Arlene Rosenthal, President, Well in the Desert  
Stephanie Salters, RN  
Paula Simonds, Executive Director, Desert Cancer Foundation  
Joe Wallace, CEO, CVEP

**CALL TO ORDER**

The meeting was called to order at 2:10 p.m. by President Rogers.

**APPROVAL OF AGENDA**

President Rogers asked for a motion to approve the agenda.

**#17-46 MOTION WAS MADE by Director Wortham and seconded by Director Matthews to approve the agenda.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

**PUBLIC COMMENTS**

Paula Simonds, Executive Director, Desert Cancer Foundation stated that she is relocating to northern California, and the Foundation is actively pursuing a new Executive Director. Ms. Simonds thanked the Board and Staff for their support

**CONSENT AGENDA**

Submitted for approval:

- 1. BOARD MINUTES
  - a. Meeting of May 23, 2017
  - b. Special Meeting of May 23, 2017

**#17-47 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve the Consent Agenda with a change to the May 23 Board Meeting Minutes third bullet point – Ad Hoc Committee on District Expansion, and a change to the ninth bullet point – New Business of the May 23 Special Board Meeting Minutes.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice-President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

- 2. DESERT REGIONAL MEDICAL CENTER

- a. Rules and Regulations of the Governing Board of Directors



**#17-48 MOTION WAS MADE by Director Zendle and seconded by Director Matthews to approve the Desert Regional Medical Center Rules and Regulations of the Governing Board of Directors.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES**                    **5 Director Zendle; Director Wortham; Director Matthews;  
Vice-President Hazen; President Rogers**

**NOES:**                **0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

**DESERT HEALTHCARE DISTRICT CEO REPORT**

Herb K. Schultz, CEO, provided details of his CEO Report that included the adoption of the comprehensive 3-year Strategic Plan inclusive of an Infrastructure and Staffing Plan that incorporates an organizational chart; funding sources for the East Valley Expansion; short-term recommendations of the West Valley Homelessness Initiative; a new budget for FY17-18; and the CEO's involvement in a Little Hoover Commission roundtable and his representation of special healthcare districts.

**DESERT REGIONAL MEDICAL CENTER CEO REPORT**

Michele Finney, CEO, Desert Regional Medical Center conveyed the most recent facility activities that include the status of the Joint Commission Accreditation, American Heart Association recognition, building maintenance and repairs, OSHPD data, and the new residency students in various departments.

**DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS REPORT**

President Rogers provided a report of the Governing Board of Directors explaining that Michele Finney was appointed as permanent CEO at Desert Regional Medical Center.

**INFORMATIONAL ITEMS**

1. Grant #724 Arrowhead Neuroscience Foundation – Consideration to approve a 24 month no-cost grant extension.
  - Donna Craig, Chief Grants Officer explained the Arrowhead Neuroscience Foundation grant.
  - Dr. Javed Sadiqi, Program Director, Desert Regional Medical Center Neurological Surgery Residency described the residency program that the 24-month no cost extension will support.

**#17-49 MOTION WAS MADE by Director Wortham and seconded by Director Matthews to approve Grant #724 Arrowhead Neuroscience Foundation 24-month no-cost grant extension.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

2. Grant #875 Desert AIDS Project – Consideration to approve the third and final year budget proposal for The Dock (STD Clinic).

David Brinkman, CEO, Desert AIDS Project gave a presentation of The Dock – STD Clinic that included the number of HIV-positive residents in the Coachella Valley, marketing campaigns, budget updates, and moving forward in the third year of the grant-funded project.

**#17-50 MOTION WAS MADE by Director Wortham and seconded by Director Matthews to approve Grant #875 Desert AIDS Project third and final year budget proposal for The Dock – STD Clinic.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

**COMMITTEE REPORTS**

1. Program Committee – Chairman Vice-President Hazen  
No meeting in June
2. FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE - Director Matthews
  - a. Consideration to approve District May 2017 Financial Statements
    - Director Matthews provided an overview of the May 2017 Financial Statements.

**#17-51 MOTION WAS MADE by Director Matthews and seconded by Director Zendle to approve the May 2017 Financial Statements.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

- b. Consideration to approve adopting the AIR Commercial Lease Agreement for the Las Palmas Medical Plaza.

- Director Matthews provided a brief description of Las Palmas Medical Plaza and the AIR Commercial Lease Agreement.

**#17-52 MOTION WAS MADE by Director Zendle and seconded by President Rogers to approve the AIR Commercial Lease Agreement for the Las Palmas Medical Plaza.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

2. HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE

Director Zendle provided the details of the most recent Committee meeting explaining that the Board adopted policy to create the Committee to centralize comments from the public and the Board's review of the Tenet Lease. The Committee in conjunction with Michele Finney, CEO, Desert Regional Medical Center will also review hospital issues to ensure lease compliance.

- Stephanie Salters, RN stated that capital spending might assist in addressing the hospital standards, seismic issues, and equipment throughout the hospital.

4. AD HOC COMMITTEE ON DISTRICT EXPANSION

- a. Funding Source for East Valley Annexation/Expansion Discussion

- Herb K. Schultz, CEO described the aspects of his Staff Update to the Board detailing the discussions of the four funding source options for the East Valley Annexation/Expansion.

- President Rogers explained that she would like Board Members to engage in dialogue about the various sources of funding.
- Greg Rodriguez, Legislative Assistant to Supervisor V. Manuel Perez, explained that the Supervisor is extremely engaged, but cannot commit to funding from the County through the CEO's Office. However, Mr. Rodriguez recommended that the Board wait until mid-July before making a funding decision. Furthermore, Mr. Rodriguez explained that the funding sources would most likely be a combination of private funding and a tax.
- Steve Brown, Special Assistant to Assemblymember Eduardo Garcia also conveyed that the Assemblymember agrees with Supervisor Perez that the Board should wait to make a motion on a funding source until the County has made its determination.
- Director Zendle explained that he would like to omit the parcel tax from the funding source option and that he is in favor of using existing and future hospital lease revenue.
- Director Wortham stated that taking into consideration the county's fiscal constraints, the Board can potentially reduce the current property taxes in the west and use 1% of the tax revenue from the west that could be imposed in the east.
- Vice-President Hazen explained that she is grateful that Supervisor Perez is willing to take a leadership role and aggressively pursue all options and for the District to aggressively move forward once the sources are identified.
- Director Matthews applauded Supervisor Perez for his efforts, support, and engagement in assisting with the funding sources since the west valley currently pays a tax percentage, but the east has no funding mechanism. Additionally, Director Matthews explained that he does not support the parcel tax option.
- Ezra Kauffman, community member, commented that if monies are used from the current lease, a future lease, or a vested interest in the hospital's management, the District will be at a disadvantage. Mr. Kauffman suggests using monies from the county's general fund as an east valley funding source.

**#17-53 MOTION WAS MADE by Vice-President Hazen and seconded by President Rogers to continue the discussions of the funding sources for East Valley Annexation/Expansion at the July Board Meeting.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice-President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**  
**Motion Passed 5-0**

**OLD BUSINESS**

1. West Valley Homelessness Initiative
  - Herb K. Schultz, CEO described the West Valley Homelessness Initiative.
  - Donna Craig, Chief Grants Officer, outlined the System Components, Time Sensitivity, and Recommended Matches of the Initiative.
  - Steve Brown, Councilmember, City of Coachella is considering a contribution to Initiative and the benefits of the wraparound services, but since it is a collective fund, the fund should be open to all cities in the Valley.
  - Tom Kirk, Executive Director, CVAG stated that the Initiative coincides with the Strategic Plan, the East Valley may have to split their contribution among various agencies in the east and recommends that any funding to the East Valley is matched dollar for dollar. Mr. Kirk also stated that the Aqua Caliente Band of Indians are a part of CVAG, they have not contributed in the past, but there is current interest that the Aqua Caliente Band of Indians will contribute to the fund; thus, Mr. Kirk encouraged the Board and Staff to reach out to the Aqua Caliente Band of Indians.
  - Geoff Kors, Councilmember, City of Palm Springs thanked the Board for their leadership. Councilmember Korrs explained the mental health housing crisis team and case management and employment services that were established last year outlining the positive aspects of the services.
  - Rabbi Lazar, Temple Isaiah, representing a vast clergy throughout the Valley explained that the community the homeless is part of the community's health issues. Rabbi Lazar explained that financial resources are not available, but other resources are obtainable such as human resources and facility resources.
  - Greg Rodriguez, Legislative Assistant, Supervisor V. Manuel Perez thanked the homeless advocates in attendance and explained the county's funding procedure for Roy's Desert Resource Center. Mr. Rodriguez also explained the new criteria for HUD funding, and Path of Life Ministries contracted work with the county outside of the Coachella Valley.
  - Betty Sanchez, Councilmember, City of Coachella expressed her support for the Initiative explaining that the Initiative may alleviate some of the homelessness in the East and for the Board to consider the matches.
  - Linda Barrack, Executive Director, Martha's Village & Kitchen explained that the organization services many of the homeless, and described how the west continues to

serve the homeless in the east. Ms. Barrack also described preventative services for the homeless.

- Tom Cox, CVRM described that emergency shelter, brick and mortar, rapid re-housing, and vocational training is missing from the dialogue and he recommends emergency shelters to begin housing.
- Vice-President Hazen explained that when the collective fund was established, the purpose was to form short and long-term goals. The long-term goals align with the brick and mortar for sustainable funding, including prevention and permanent housing solutions efforts.
- Director Zendle stated that more public education is necessary for the public to combat the misinformation on homelessness, and homelessness does not increase crime or decrease property value.

**#17-54 MOTION WAS MADE by Vice-President Hazen and seconded by Director Wortham to fully fund the West Valley Homelessness Initiative collective fund in the amount of \$2M, which includes all funding availability for future matches. Motion passed unanimously.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews;  
Vice-President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

1. Three Year Strategic Plan
  - Herb K. Schultz, CEO provided an overview of the Strategic Plan and introduced Rafael Gomez, Consultant, Pacific Health Consulting Group.
  - Mr. Gomez, recapped the Strategic Plan process since its inception in late February. The Priorities and Community Focus Areas were also described by Mr. Gomez.
  - Mr. Schultz detailed the Strategic Plan beginning with the history, transformation, role of the CEO, and the Board recommendations.
  - Director Zendle recommends including the development of the re-districting to One Coachella Valley, and the inclusion of leadership to Community Health and Wellness outcomes.

- Director Wortham suggests changing the title of the Executive Vice President in the Infrastructure and Organizational Staffing Plan to Chief Program Officer.
- Director Hazen requested a motion to approve the Strategic Plan on the condition that the new Health Policy Analyst position is grant-funded, and upon the condition of securing grant funding for a portion of the half-time position.

**#17-55 MOTION WAS MADE by Director Wortham and seconded by President Rogers to approve the Three Year Strategic Plan and accompanying Infrastructure and Organizational Plan on the condition that the new Health Policy Analyst position is grant-funded, and upon the condition of securing grant funding for a portion of the half-time position.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES            5    Director Zendle; Director Wortham; Director Matthews;  
Vice-President Hazen; President Rogers**

**NOES:           0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 5-0**

**NEW BUSINESS**

2. FY 17-18 Annual Budget
  - Chris Christensen, CFO/COO explained the details of the Annual Budget. Services and Facilities change from Hospital Lease.
  - Director Wortham wishes to recuse herself from items related to Riverside County or Loma Linda (i.e. The NEOPB budget and related position).
  - President Rogers suggested doubling the amount for outside facilities, programs and services.
  - Director Hazen stated that she does not support the provision of full coverage of health benefits for Directors and requested pulling the benefits for a separate discussion and to allow for approval of the budget. In addition, Director Hazen prefers a stipend that legislation permits. A motion was made for a separate vote to not approve the policy around the provision of healthcare benefits for Board members as defined in the budget.
  - Director Zendle requested that Staff reviews stipends for Directors and report the findings to the Board before the end of the calendar year.

**#17-56 MOTION WAS MADE by Vice-President Hazen and seconded by Director Zendle to not approve the provision of healthcare benefits for Board members as defined in the FY17-18 Annual Budget.**

**Roll Call Vote:**

**AYES 1 Vice-President Hazen**

**NOES: 2 President Rogers; Director Matthews**

**ABSTAIN: 2 Director Wortham, Director Zendle**

**ABSENT:**

**Motion Failed 2-1**

**#17-57 MOTION WAS MADE by Vice-President Hazen and seconded by Director Zendle to carve out the NEOPB grant program and related position from the FY 17-18 Annual Budget as a separate vote.**

**Director Wortham recused herself from the vote and left the room.**

**Roll Call Vote:**

**AYES 4 Director Zendle; Director Matthews; Vice-President Hazen; President Rogers**

**NOES: 0**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 4-0**

**#17-58 MOTION WAS MADE by Director Zendle and seconded by President Rogers to approve the FY 17-18 Budget.**

**Roll Call Vote:**

**AYES 5 Director Zendle; Director Wortham; Director Matthews; Vice- President Hazen; President Rogers**

**NOES: 1 Director Matthews**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 4-1**

**LEGAL COUNSEL COMMENTS & REPORTS**

None

**DIRECTORS' COMMENTS & REPORTS**



Director Matthews requested that Staff invite Tenet to give a presentation on the facility issues at Desert Regional Medical Center at the next meeting.

**ADJOURNMENT**

The meeting adjourned at 6:06 p.m.

ATTEST: \_\_\_\_\_  
Kay Hazen, Vice-President/Secretary  
Desert Healthcare District Board of Directors

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

DRAFT

|   |
|---|
| <b>DESERT HEALTHCARE DISTRICT</b>                                   |
| <b>JUNE 2017 FINANCIAL STATEMENTS</b>                               |
| <b>INDEX</b>  |
| 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   |
| Grants Schedule   |

**DESERT HEALTHCARE DISTRICT  
YEAR TO DATE VARIANCE ANALYSIS  
ACTUAL VS BUDGET  
ELEVEN MONTHS ENDED JUNE 30, 2017**

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

| Account                          | YTD          |              | Over(Under)    | Explanation  |
|----------------------------------|--------------|--------------|----------------|--|
|                                  | Actual       | Budget       | Budget         |  |
| 4000 - Income                    | \$ 8,078,300 | \$ 8,010,000 | \$ 68,300      | Higher interest income from FRF investments \$76K, lower NEOPB Grant income \$8k.  |
| 4501 - Misc Income               | \$ 45,078    | \$ 75,000    | \$ (29,924)    | Lower Southern California solar energy receipts.   |
| 5000 - Direct Expenses           | \$ 829,112   | \$ 940,140   | \$ (111,028)   | Lower wage and payroll tax \$108K due primarily to CEO vacancy and straight-line amortization of salaries and 5.0% incentive pool, and vacations taken charged to vacation accrual; lower Medical insurance and reimbursement of \$20K; Lower retirement plan expense of \$12K; Higher election fees expense of \$36k, Lower various \$7K. |
| 6500 - Professional Fees Expense | \$ 453,943   | \$ 182,952   | \$ 270,991     | Higher Professional Fees due primarily to CEO recruiting fees of \$40k and other consulting fees for market analysis, focus groups and surveys \$105k; and AB2414 LAFCO Application \$89; and Legal Expense \$35k. Lower various other expenses of \$2K.   |
| 7000 - Grants Expense            | \$ 3,438,551 | \$ 4,644,000 | \$ (1,205,449) | Budget of \$4.5MM for fiscal year is amortized straight-line over the fiscal year. \$1MM is for Pulmonary.   |
| 9999-1 Unrealized loss on invest | \$ 1,785,937 | \$ 1,275,000 | \$ 510,937     | Continuing market price fluctuations for fixed income investments - Treasury's and Agency Bonds.   |
| Las Palmas Medical Plaza - Net   | \$ 291,557   | \$ 168,260   | \$ 125,297     | Lower Rents \$33k; Lower Depreciation Expense \$72K due to delayed TI costs on DRMC suite; Lower Deferred Maintenance and Professional Fees expense \$57K; Lower Landscaping expense \$19K; Lower various other expenses \$10K.  |

**Desert Healthcare District**  
**Cumulative Profit & Loss Budget vs. Actual**  
 July 2016 through June 2017

|  | MONTH          |                |                 | TOTAL            |                  |                |
|--|----------------|----------------|-----------------|------------------|------------------|----------------|
|  | Jun 17         | Budget         | \$ Over Budget  | Jul '16 - Jun 17 | Budget           | \$ Over Budget |
| <b>Income</b>  |                |                |                 |                  |                  |                |
| 4000 · Income  | 702,153        | 667,500        | 34,653          | 8,078,300        | 8,010,000        | 68,300         |
| 4500 · LPMP Income                                       | 91,011         | 100,695        | (9,684)         | 1,175,529        | 1,208,340        | (32,811)       |
| 4501 · Miscellaneous Income                              | 8,900          | 6,250          | 2,650           | 45,076           | 75,000           | (29,924)       |
| <b>Total Income</b>                                      | <b>802,064</b> | <b>774,445</b> | <b>27,619</b>   | <b>9,298,905</b> | <b>9,293,340</b> | <b>5,565</b>   |
| <b>Expense</b>   |                |                |                 |                  |                  |                |
| 5000 · Direct Expenses                                   | 100,035        | 78,345         | 21,690          | 829,112          | 940,140          | (111,028)      |
| 6000 · General & Administrative Exp                      | 31,556         | 36,546         | (4,990)         | 444,924          | 438,552          | 6,372          |
| 6325 · CEO Discretionary Fund                            |                | 417            | (417)           | 931              | 5,004            | (4,073)        |
| 6445 · LPMP Expenses                                     | 61,952         | 86,844         | (24,892)        | 883,974          | 1,042,117        | (158,143)      |
| 6500 · Professional Fees Expense                         | 3,745          | 15,246         | (11,501)        | 453,943          | 182,952          | 270,991        |
| 6700 · Trust Expenses                                    | 20,396         | 20,873         | (477)           | 249,004          | 250,476          | (1,472)        |
| <b>Total Expense Before Grants &amp; Unrealized Loss</b> | <b>217,684</b> | <b>238,271</b> | <b>(20,587)</b> | <b>2,861,888</b> | <b>2,859,241</b> | <b>2,647</b>   |
| 7000 · Grants Expense                                    | 18,148         | 387,000        | (368,852)       | 3,438,551        | 4,644,000        | (1,205,449)    |
| 9999-1 · Unrealized (gain)loss on invest                 | 170,194        | 106,250        | 63,944          | 1,785,937        | 1,275,000        | 510,937        |
| <b>Net Income</b>  | <b>396,038</b> | <b>42,924</b>  | <b>353,114</b>  | <b>1,212,529</b> | <b>515,099</b>   | <b>697,430</b> |

Desert Healthcare District  
**Cumulative Profit & Loss Budget vs. Actual**  
 July 2016 through June 2017

|   | MONTH          |                |                | TOTAL            |                  |                  |
|---|----------------|----------------|----------------|------------------|------------------|------------------|
|   | Jun 17         | Budget         | \$ Over Budget | Jul '16 - Jun 17 | Budget           | \$ Over Budget   |
| <b>Income</b>                                   |                |                |                |                  |                  |                  |
| 4000 · Income                                   |                |                |                |                  |                  |                  |
| 4010 · Property Tax Revenues                    | 508,875        | 508,875        |                | 6,106,500        | 6,108,500        |                  |
| 4200 · Interest Income                          | 178,261        | 144,958        | 31,303         | 1,815,985        | 1,739,496        | 76,489           |
| 4300 · DHC Recoveries                           | 1,749          | 1,866          | 83             | 20,857           | 19,992           | 665              |
| 4400 · Grant Income                             | 15,268         | 12,000         | 3,268          | 135,160          | 144,000          | (8,840)          |
| <b>Total 4000 · Income</b>                      | <b>702,153</b> | <b>667,499</b> | <b>34,654</b>  | <b>8,078,302</b> | <b>8,009,988</b> | <b>68,314</b>    |
| 4500 · LPMP Income                              | 91,011         | 100,895        | (9,684)        | 1,175,529        | 1,208,340        | (32,811)         |
| 4501 · Miscellaneous Income                     | 8,900          | 6,250          | 2,650          | 45,078           | 75,000           | (29,924)         |
| <b>Total Income</b>                             | <b>802,064</b> | <b>774,444</b> | <b>27,620</b>  | <b>9,298,907</b> | <b>9,293,328</b> | <b>5,579</b>     |
| <b>Expense</b>                                  |                |                |                |                  |                  |                  |
| 5000 · Direct Expenses                          |                |                |                |                  |                  |                  |
| 5100 · Administration Expense                   |                |                |                |                  |                  |                  |
| 5110 · Wages Expense                            | 69,375         | 51,466         | 17,909         | 503,142          | 617,592          | (114,450)        |
| 5111 · Allocation to LPMP - Payroll             | (3,491)        | (3,491)        | 0              | (41,892)         | (41,892)         | 0                |
| 5112 · Vacation/Sick/Holiday Expense            | 8,951          | 5,417          | 1,534          | 88,884           | 65,004           | 3,880            |
| 5114 · Allocation to Foundation                 | (2,127)        | (2,127)        | 0              | (34,071)         | (25,524)         | (8,547)          |
| 5115 · Allocation to NEOPB                      | (9,392)        | (9,494)        | 102            | (83,026)         | (113,928)        | 30,902           |
| 5116 · Allocation to Avery-Pulmonary            |                | (519)          | 519            |                  | (6,228)          | 6,228            |
| 5119 · Allocation to RSS/CVHIP-DHCF             |                | (1,866)        | 1,866          | (49,600)         | (22,392)         | (27,208)         |
| 5120 · Payroll Tax Expense                      | 5,846          | 3,937          | 1,909          | 48,007           | 47,244           | 763              |
| 5130 · Health Insurance Expense                 |                |                |                |                  |                  |                  |
| 5131 · Premiums Expense                         | 7,182          | 7,635          | (453)          | 77,635           | 91,620           | (13,985)         |
| 5135 · Reimb./Co-Payments Expense               | 52             | 1,500          | (1,448)        | 11,805           | 18,000           | (6,395)          |
| <b>Total 5130 · Health Insurance Expense</b>    | <b>7,234</b>   | <b>9,135</b>   | <b>(1,901)</b> | <b>89,240</b>    | <b>109,620</b>   | <b>(20,380)</b>  |
| 5140 · Workers Comp. Expense                    | 811            | 540            | 271            | 5,052            | 6,480            | (1,428)          |
| 5145 · Retirement Plan Expense                  | 6,402          | 4,252          | 2,150          | 39,172           | 51,024           | (11,852)         |
| 5180 · Education Expense                        | 50             | 208            | (158)          | 1,390            | 2,496            | (1,106)          |
| <b>Total 5100 · Administration Expense</b>      | <b>81,659</b>  | <b>57,458</b>  | <b>24,201</b>  | <b>546,298</b>   | <b>689,498</b>   | <b>(143,198)</b> |
| 5200 · Board Expenses                           |                |                |                |                  |                  |                  |
| 5210 · Healthcare Benefits Expense              |                |                |                |                  |                  |                  |
| 5211 · Health Insurance Expense                 | 3,329          | 5,722          | (2,393)        | 60,492           | 68,664           | (8,172)          |
| 5219 · Reimbursements/Co-Payments Exp           |                |                |                | 3,000            |                  | 3,000            |
| 5224 · Retired Board - Medical Expense          | 1,237          | 997            | 240            | 14,844           | 11,964           | 2,880            |
| <b>Total 5210 · Healthcare Benefits Expense</b> | <b>4,566</b>   | <b>6,719</b>   | <b>(2,153)</b> | <b>78,336</b>    | <b>80,628</b>    | <b>(2,292)</b>   |
| 5230 · Meeting Expense                          | 119            | 583            | (464)          | 4,046            | 6,998            | (2,950)          |
| 5240 · Catering Expense                         | 359            | 208            | 151            | 3,700            | 2,496            | 1,204            |
| 5250 · Mileage Reimbursement Expense            |                | 42             | (42)           | 273              | 504              | (231)            |
| 5270 · Election Fees Expense                    | 13,333         | 13,333         | 0              | 196,467          | 159,996          | 36,471           |
| <b>Total 5200 · Board Expenses</b>              | <b>18,377</b>  | <b>20,885</b>  | <b>(2,508)</b> | <b>282,822</b>   | <b>250,620</b>   | <b>32,202</b>    |
| <b>Total 5000 · Direct Expenses</b>             | <b>100,036</b> | <b>78,343</b>  | <b>21,693</b>  | <b>829,120</b>   | <b>940,116</b>   | <b>(110,996)</b> |
| 6000 · General & Administrative Exp             |                |                |                |                  |                  |                  |
| 6110 · Payroll fees Expense                     | 167            | 208            | (41)           | 2,601            | 2,496            | 105              |
| 6120 · Bank and Investment Fees Exp             | 9,955          | 9,867          | 288            | 115,863          | 116,004          | (141)            |
| 6125 · Depreciation Expense                     | 1,141          | 1,200          | (59)           | 14,092           | 14,400           | (308)            |
| 6126 · Depreciation-Solar Parking lot           | 15,072         | 15,092         | (20)           | 180,864          | 181,104          | (240)            |
| 6130 · Dues and Membership Expense              | 1,470          | 2,167          | (697)          | 27,129           | 26,004           | 1,125            |

Desert Healthcare District  
**Cumulative Profit & Loss Budget vs. Actual**  
 July 2016 through June 2017

|  | MONTH          |                |                  | TOTAL            |                  |                    |
|--|----------------|----------------|------------------|------------------|------------------|--------------------|
|  | Jun 17         | Budget         | \$ Over Budget   | Jul '16 - Jun 17 | Budget           | \$ Over Budget     |
| 6130 · Dues and Membership Expense                       | 1,470          | 2,167          | (697)            | 27,129           | 26,004           | 1,125              |
| 6200 · Insurance Expense                                 | 701            | 700            | 1                | 8,462            | 8,400            | 62                 |
| 6300 · Minor Equipment Expense                           |                | 42             | (42)             |                  | 504              | (504)              |
| 6305 · Auto Allowance & Mileage Exp                      | 692            | 600            | 92               | 4,248            | 7,200            | (2,952)            |
| 6306 · Staff- Auto Mileage reimb                         | (753)          | 42             | (795)            | 814              | 504              | 310                |
| 6309 · Personnel Expense                                 |                | 83             | (83)             | 1,180            | 998              | 184                |
| 6310 · Miscellaneous Expense                             |                | 42             | (42)             |                  | 504              | (504)              |
| 6311 · Cell Phone Expense                                | 197            | 542            | (345)            | 5,687            | 6,504            | (817)              |
| 6312 · Wellness Park Expenses                            |                | 250            | (250)            | 2,239            | 3,000            | (761)              |
| 6315 · Security Monitoring Expense                       |                | 38             | (38)             | 460              | 458              | 4                  |
| 6340 · Postage Expense                                   |                | 542            | (542)            | 2,138            | 6,504            | (4,366)            |
| 6350 · Copier Rental/Fees Expense                        |                | 458            | (458)            | 4,956            | 5,486            | (540)              |
| 6351 · Travel Expense                                    |                | 500            | (500)            | 7,925            | 6,000            | 1,925              |
| 6352 · Meals & Entertainment Exp                         | 681            | 83             | 598              | 4,095            | 998              | 3,099              |
| 6355 · Computer Services Expense                         | 896            | 2,167          | (1,271)          | 27,772           | 26,004           | 1,768              |
| 6360 · Supplies Expense                                  | (143)          | 1,000          | (1,143)          | 16,658           | 12,000           | 4,658              |
| 6380 · LAFCO Assessment Expense                          | 1,479          | 1,125          | 354              | 17,748           | 13,500           | 4,248              |
| <b>Total 6000 · General &amp; Administrative Exp</b>     | <b>31,555</b>  | <b>36,548</b>  | <b>(4,993)</b>   | <b>444,931</b>   | <b>438,576</b>   | <b>6,355</b>       |
| 6325 · CEO Discretionary Fund                            |                | 417            | (417)            | 931              | 5,004            | (4,073)            |
| 6445 · LPMP Expenses                                     | 61,951         | 86,840         | (24,889)         | 883,972          | 1,042,080        | (158,108)          |
| 6500 · Professional Fees Expense                         |                |                |                  |                  |                  |                    |
| 6516 · Professional Services Expense                     | 32             | 4,625          | (4,593)          | 302,286          | 55,500           | 246,786            |
| 6520 · Annual Audit Fee Expense                          | 1,413          | 1,413          | 0                | 16,956           | 16,956           | 0                  |
| 6530 · PR/Communications/Website                         | 2,300          | 2,958          | (658)            | 30,171           | 35,496           | (5,325)            |
| 6560 · Legal Expense                                     |                | 6,250          | (6,250)          | 104,529          | 75,000           | 29,529             |
| <b>Total 6500 · Professional Fees Expense</b>            | <b>3,745</b>   | <b>15,246</b>  | <b>(11,501)</b>  | <b>453,942</b>   | <b>182,952</b>   | <b>270,990</b>     |
| 6700 · Trust Expenses                                    |                |                |                  |                  |                  |                    |
| 6710 · Long Term Disability                              |                |                |                  |                  |                  |                    |
| 6711 · Disability Admin. Fee Expense                     |                | 269            | (269)            | 3,222            | 3,228            |                    |
| 6720 · Pension Plans Expense                             |                |                |                  |                  |                  |                    |
| 6721 · Legal Expense                                     |                | 208            | (208)            | 1,030            | 2,496            | (1,466)            |
| 6725 · RPP Pension Expense                               | 20,000         | 20,000         |                  | 240,000          | 240,000          |                    |
| 6728 · Pension Audit Fee Expense                         | 396            | 396            |                  | 4,752            | 4,752            |                    |
| <b>Total 6720 · Pension Plans Expense</b>                | <b>20,396</b>  | <b>20,604</b>  | <b>(208)</b>     | <b>245,782</b>   | <b>247,248</b>   | <b>(1,466)</b>     |
| <b>Total 6700 · Trust Expenses</b>                       | <b>20,396</b>  | <b>20,873</b>  | <b>(477)</b>     | <b>249,004</b>   | <b>250,476</b>   | <b>(1,472)</b>     |
| <b>Total Expense Before Grants &amp; Unrealized Loss</b> | <b>217,683</b> | <b>238,267</b> | <b>(20,584)</b>  | <b>2,861,900</b> | <b>2,859,204</b> | <b>2,696</b>       |
| 7000 · Grants Expense                                    |                |                |                  |                  |                  |                    |
| 7010 · Major Grant Awards Expense                        | 2,880          | 375,000        | (372,120)        | 3,303,391        | 4,500,000        | (1,196,609)        |
| 7027 · Grant Exp - NEOPB                                 | 15,288         | 12,000         | 3,268            | 135,160          | 144,000          | (8,840)            |
| <b>Total 7000 · Grants Expense</b>                       | <b>18,148</b>  | <b>387,000</b> | <b>(368,852)</b> | <b>3,438,551</b> | <b>4,644,000</b> | <b>(1,205,449)</b> |
| 9999-1 · Unrealized (gain)loss on invest                 | 170,194        | 108,250        | 63,944           | 1,785,937        | 1,275,000        | 510,937            |
| <b>Net Income</b>  | <b>396,039</b> | <b>42,927</b>  | <b>353,112</b>   | <b>1,212,529</b> | <b>515,124</b>   | <b>697,405</b>     |

Las Palmas Medical Plaza  
**Cumulative Profit & Loss Budget vs. Actual**  
 July 2016 through June 2017

|  | MONTH         |               |                | TOTAL            |                |                |
|--|---------------|---------------|----------------|------------------|----------------|----------------|
|  | Jun 17        | Budget        | \$ Over Budget | Jul '16 - Jun 17 | Budget         | \$ Over Budget |
| <b>Income</b>                          |               |               |                |                  |                |                |
| 4500 · LPMP Income                     |               |               |                |                  |                |                |
| 4505 · Rental Income                   | 65,141        | 71,821        | (6,680)        | 854,112          | 861,852        | (7,740)        |
| 4506 · LPMP -Rental Income DRMC/UCR    |               |               |                |                  |                |                |
| 4510 · CAM Income                      | 25,870        | 28,791        | (2,921)        | 324,374          | 345,492        | (21,118)       |
| 4513 · Misc. Income                    |               | 83            | (83)           | (2,957)          | 996            | (3,953)        |
| 4500 · LPMP Income                     | 91,011        | 100,695       | (9,684)        | 1,175,529        | 1,208,340      | (32,811)       |
| <b>Expense</b>                         |               |               |                |                  |                |                |
| 6445 · LPMP Expenses                   |               |               |                |                  |                |                |
| 6420 · Insurance Expense               | 975           | 1,000         | (25)           | 11,700           | 12,000         | (300)          |
| 6425 · Building - Depreciation Expense | 22,923        | 23,129        | (206)          | 275,076          | 277,548        | (2,472)        |
| 6426 · Tenant Improvements -Dep Exp    | 12,922        | 19,790        | (6,868)        | 168,174          | 237,480        | (69,306)       |
| 6427 · HVAC Maintenance Expense        | 2,371         | 1,458         | 913            | 13,552           | 17,496         | (3,944)        |
| 6428 · Roof Repairs Expense            |               | 208           | (208)          |                  | 2,496          | (2,496)        |
| 6429 · Building -Exterior Expense      |               |               |                |                  |                |                |
| 6431 · Building -Interior Expense      |               | 208           | (208)          |                  | 2,496          | (2,496)        |
| 6432 · Plumbing -Interior Expense      |               | 208           | (208)          | 7,823            | 2,496          | 5,327          |
| 6433 · Plumbing -Exterior Expense      |               | 208           | (208)          | 4,695            | 2,496          | 2,199          |
| 6434 · Allocation Internal Prop. Mgmt  | 3,491         | 3,491         | 0              | 41,892           | 41,892         | 0              |
| 6435 · Bank Charges                    | 790           | 917           | (127)          | 11,948           | 11,004         | 944            |
| 6437 · Utilities -Vacant Units Expense | 171           | 333           | (162)          | 1,548            | 3,996          | (2,448)        |
| 6439 · Deferred Maintenance Repairs Ex |               | 1,250         | (1,250)        |                  | 15,000         | (15,000)       |
| 6440 · Professional Fees Expense       |               | 12,000        | (12,000)       | 101,570          | 144,000        | (42,430)       |
| 6441 · Legal Expense                   |               | 83            | (83)           |                  | 996            | (996)          |
| 6456 · Repairs & Maint. Vacant Unit Ex |               |               |                |                  |                |                |
| 6458 · Elevators - R & M Expense       | 1,448         | 917           | 531            | 8,813            | 11,004         | (2,191)        |
| 6460 · Exterminating Service Expense   | 180           | 208           | (28)           | 2,160            | 2,496          | (336)          |
| 6463 · Landscaping Expense             | 1,250         | 2,917         | (1,667)        | 16,570           | 35,004         | (18,434)       |
| 6467 · Lighting Expense                |               | 500           | (500)          | 2,776            | 6,000          | (3,224)        |
| 6468 · General Maintenance Expense     |               | 83            | (83)           | 307              | 996            | (689)          |
| 6470 · Maint. / Janitorial Service Exp |               | 2,083         | (2,083)        | 15,478           | 24,996         | (9,518)        |
| 6475 · Property Taxes Expense          | 5,683         | 4,583         | 1,080          | 67,961           | 54,996         | 12,965         |
| 6476 · Signage Expense                 |               | 250           | (250)          | 1,396            | 3,000          | (1,604)        |
| 6480 · Rubbish Removal Medical Waste E |               | 1,333         | (1,333)        | 15,369           | 15,996         | (627)          |
| 6481 · Rubbish Removal Expense         | 2,039         | 2,083         | (44)           | 24,468           | 24,996         | (528)          |
| 6482 · Utilities/Electricity/Exterior  | 1,322         | 667           | 655            | 9,644            | 8,004          | 1,640          |
| 6484 · Utilities - Water (Exterior)    | 569           | 583           | (14)           | 4,974            | 6,996          | (2,022)        |
| 6485 · Security Expenses               | 5,837         | 6,250         | (413)          | 71,981           | 75,000         | (3,019)        |
| 6490 · Miscellaneous Expense           |               | 100           | (100)          | 4,097            | 1,200          | 2,897          |
| 6445 · LPMP Expenses - Other           |               |               |                |                  |                |                |
| 6445 · LPMP Expenses                   | 61,951        | 86,840        | (24,889)       | 883,972          | 1,042,080      | (158,108)      |
| <b>Net income</b>                      | <b>29,060</b> | <b>13,855</b> | <b>15,205</b>  | <b>291,557</b>   | <b>166,260</b> | <b>125,297</b> |

**Desert Healthcare District**  
**Balance Sheet**  
As of June 30, 2017

|                                      | Jun 30, 17        |
|--------------------------------------|-------------------|
| <b>ASSETS</b>                        |                   |
| <b>Current Assets</b>                |                   |
| <b>Checking/Savings</b>              |                   |
| 1000 · CHECKING CASH ACCOUNTS        | 219,300           |
| 1100 · INVESTMENT ACCOUNTS           | 55,843,478        |
| <b>Total Checking/Savings</b>        | 56,062,778        |
| <b>Accounts Receivable</b>           | 3,314             |
| <b>Other Current Assets</b>          |                   |
| 1270 · Prepaid Insurance -Ongoing    | 38,280            |
| 1279 · Pre-Paid Fees                 | 9,000             |
| 1281 · NEOPB Receivable              | 46,651            |
| 1295 · Property Tax Receivable       | 235,969           |
| <b>Total Other Current Assets</b>    | 329,900           |
| <b>Total Current Assets</b>          | 56,395,992        |
| <b>Fixed Assets</b>                  |                   |
| 1300 · FIXED ASSETS                  | 4,888,729         |
| 1335-00 · ACC DEPR                   | (1,379,485)       |
| 1400 · LPMP Assets                   | 7,584,453         |
| <b>Total Fixed Assets</b>            | 11,093,697        |
| <b>Other Assets</b>                  |                   |
| 1700 · OTHER ASSETS                  | 3,341,799         |
| <b>TOTAL ASSETS</b>                  | <b>70,831,488</b> |
| <b>LIABILITIES &amp; EQUITY</b>      |                   |
| <b>Liabilities</b>                   |                   |
| <b>Current Liabilities</b>           |                   |
| <b>Accounts Payable</b>              |                   |
| 2000 · Accounts Payable              | 4,486             |
| 2001 · LPMP Accounts Payable         | 10,316            |
| <b>Total Accounts Payable</b>        | 14,802            |
| <b>Other Current Liabilities</b>     |                   |
| 2131 · Grant Awards Payable          | 1,118,848         |
| 2133 · Accrued Accounts Payable      | 140,842           |
| 2141 · Accrued Vacation Time         | 22,154            |
| 2142 · Accrued Sick Time             | 24,681            |
| 2155 · Grant Payable - NEOPB         | 9,639             |
| 2186 · Retired BOD Medical - Current | 4,281             |
| 2188 · Current Portion - LTD         | 14,803            |
| 2190 · Investment Fees Payable       | 24,310            |



**Desert Healthcare District**  
**Balance Sheet**  
As of June 30, 2017

|  | Jun 30, 17        |
|--|-------------------|
| <b>Total Other Current Liabilities</b> | 1,359,559         |
| <b>Total Current Liabilities</b>       | 1,374,360         |
| <b>Long Term Liabilities</b>           |                   |
| 2170 · RPP - Pension Liability         | 6,484,702         |
| 2171 · RPP-Deferred Inflows-Resources  | 717,310           |
| 2280 · Long-Term Disability            | 57,275            |
| 2281 · Grants Payable - Long-term      | 11,318,022        |
| 2286 · Retirement BOD Medical Liabilit | 90,969            |
| 2290 · LPMP Security Deposits          | 54,039            |
| <b>Total Long Term Liabilities</b>     | 18,722,317        |
| <b>Total Liabilities</b>               | 20,096,677        |
| <b>Equity</b>                          |                   |
| 3900 · *Retained Earnings              | 49,522,282        |
| Net Income                             | 1,212,529         |
| <b>Total Equity</b>                    | 50,734,811        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>70,831,488</b> |

**Desert Healthcare District**  
**Balance Sheet**  
As of June 30, 2017

|                                      |   | Jun 30, 17        |
|--------------------------------------|---|-------------------|
| <b>ASSETS</b>                        |   |                   |
| <b>Current Assets</b>                |   |                   |
| <b>Checking/Savings</b>              |   |                   |
| <b>1000 · CHECKING CASH ACCOUNTS</b> |   |                   |
|                                      | 1010 · Union Bank - Checking                  | 106,968           |
|                                      | 1046 · Las Palmas Medical Plaza               | 111,832           |
|                                      | 1047 · Petty Cash                             | 500               |
|                                      | <b>Total 1000 · CHECKING CASH ACCOUNTS</b>    | <b>219,300</b>    |
| <b>1100 · INVESTMENT ACCOUNTS</b>    |   |                   |
|                                      | 1130 · Facility Replacement Fund              |                   |
|                                      | 1129 · F R Fund - Restricted-Pulmonary        | 1,000,000         |
|                                      | 1130 · Facility Replacement Fund - Other      | 56,138,746        |
|                                      | <b>Total 1130 · Facility Replacement Fund</b> | <b>57,138,746</b> |
|                                      | 1135 · Unrealized Gain(Loss) FRF              | (1,295,268)       |
|                                      | <b>Total 1100 · INVESTMENT ACCOUNTS</b>       | <b>55,843,478</b> |
|                                      | <b>Total Checking/Savings</b>                 | <b>56,062,778</b> |
| <b>Accounts Receivable</b>           |   |                   |
|                                      | 1201 · Accounts Receivable                    |                   |
|                                      | 1204 · LPMP Accounts Receivable               | (8,696)           |
|                                      | 1205 · Misc. Accounts Receivable              | 9,883             |
|                                      | 1211 · A-R Foundation - Exp Allocation        | 2,127             |
|                                      | <b>Total Accounts Receivable</b>              | <b>3,314</b>      |
| <b>Other Current Assets</b>          |   |                   |
|                                      | 1270 · Prepaid Insurance -Ongoing             | 38,280            |
|                                      | 1279 · Pre-Paid Fees                          | 9,000             |
|                                      | 1281 · NEOPB Receivable                       | 46,651            |
|                                      | 1295 · Property Tax Receivable                | 235,969           |
|                                      | <b>Total Other Current Assets</b>             | <b>329,900</b>    |
|                                      | <b>Total Current Assets</b>                   | <b>56,395,992</b> |
| <b>Fixed Assets</b>                  |   |                   |
| <b>1300 · FIXED ASSETS</b>           |   |                   |
|                                      | 1310 · Computer Equipment                     | 75,769            |
|                                      | 1315 · Computer Software                      | 68,770            |
|                                      | 1320 · Furniture and Fixtures                 | 27,085            |
|                                      | 1325 · Offsite Improvements                   | 300,849           |
|                                      | 1331 · DRMC - Parking lot                     | 4,416,257         |
|                                      | <b>Total 1300 · FIXED ASSETS</b>              | <b>4,888,729</b>  |
|                                      | 1335-00 · ACC DEPR                            |                   |

**Desert Healthcare District**  
**Balance Sheet**  
As of June 30, 2017

|  |  | Jun 30, 17         |
|--|--|--------------------|
|  | 1335 · Accumulated Depreciation              | (181,139)          |
|  | 1336 · Acc. Software Depreciation            | (66,091)           |
|  | 1337 · Accum Deprec- Solar Parking Lot       | (1,055,211)        |
|  | 1338 · Accum Deprec - LPMP Parking Lot       | (77,044)           |
|  | <b>Total 1335-00 · ACC DEPR</b>              | <b>(1,379,485)</b> |
|  | <b>1400 · LPMP Assets</b>                    |                    |
|  | 1401 · Building                              | 8,705,680          |
|  | 1402 · Land                                  | 2,165,300          |
|  | 1403 · Tenant Improvements -New              | 1,965,325          |
|  | 1404 · Tenant Improvements - CIP             | 129,550            |
|  | 1406 · Building Improvements                 |                    |
|  | 1406.1 · LPMP-Replace Parking Lot            | 676,484            |
|  | 1406 · Building Improvements - Other         | 1,364,337          |
|  | <b>Total 1406 · Building Improvements</b>    | <b>2,040,821</b>   |
|  | 1407 · Building Equipment Improvements       | 350,663            |
|  | 1409 · Accumulated Depreciation              |                    |
|  | 1410 · Accum. Depreciation                   | (6,706,629)        |
|  | 1412 · T I Accumulated Dep.-New              | (1,066,257)        |
|  | <b>Total 1409 · Accumulated Depreciation</b> | <b>(7,772,886)</b> |
|  | <b>Total 1400 · LPMP Assets</b>              | <b>7,584,453</b>   |
|  | <b>Total Fixed Assets</b>                    | <b>11,093,697</b>  |
|  | <b>Other Assets</b>                          |                    |
|  | <b>1700 · OTHER ASSETS</b>                   |                    |
|  | 1731 · Wellness Park                         | 1,693,800          |
|  | 1740 · RPP-Deferred Outflows-Resources       | 1,647,999          |
|  | <b>Total 1700 · OTHER ASSETS</b>             | <b>3,341,799</b>   |
|  | <b>Total Other Assets</b>                    | <b>3,341,799</b>   |
|  | <b>TOTAL ASSETS</b>                          | <b>70,831,488</b>  |
|  | <b>LIABILITIES &amp; EQUITY</b>              |                    |
|  | <b>Liabilities</b>                           |                    |
|  | <b>Current Liabilities</b>                   |                    |
|  | <b>Accounts Payable</b>                      |                    |
|  | 2000 · Accounts Payable                      | 4,486              |
|  | 2001 · LPMP Accounts Payable                 | 10,316             |
|  | <b>Total Accounts Payable</b>                | <b>14,802</b>      |
|  | <b>Other Current Liabilities</b>             |                    |
|  | 2131 · Grant Awards Payable                  | 1,118,848          |
|  | 2133 · Accrued Accounts Payable              | 140,842            |

**Desert Healthcare District**  
**Balance Sheet**  
As of June 30, 2017

|  |  | Jun 30, 17        |
|--|--|-------------------|
|  | 2141 · Accrued Vacation Time           | 22,154            |
|  | 2142 · Accrued Sick Time               | 24,681            |
|  | 2155 · Grant Payable - NEOPB           | 9,639             |
|  | 2186 · Retired BOD Medical - Current   | 4,281             |
|  | 2188 · Current Portion - LTD           | 14,803            |
|  | 2190 · Investment Fees Payable         | 24,310            |
|  | <b>Total Other Current Liabilities</b> | <b>1,359,559</b>  |
|  | <b>Total Current Liabilities</b>       | <b>1,374,360</b>  |
|  | <b>Long Term Liabilities</b>           |                   |
|  | 2170 · RPP - Pension Liability         | 6,484,702         |
|  | 2171 · RPP-Deferred Inflows-Resources  | 717,310           |
|  | 2280 · Long-Term Disability            | 57,275            |
|  | 2281 · Grants Payable - Long-term      | 11,318,022        |
|  | 2286 · Retirement BOD Medical Liabilit | 90,969            |
|  | 2290 · LPMP Security Deposits          | 54,039            |
|  | <b>Total Long Term Liabilities</b>     | <b>18,722,317</b> |
|  | <b>Total Liabilities</b>               | <b>20,096,677</b> |
|  | <b>Equity</b>                          |                   |
|  | 3900 · *Retained Earnings              | 49,522,282        |
|  | <b>Net Income</b>                      | <b>1,212,529</b>  |
|  | <b>Total Equity</b>                    | <b>50,734,811</b> |
|  | <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>70,831,488</b> |

**Desert Healthcare District**  
**A/R Aging Summary**  
As of June 30, 2017

|                                       | Current      | 1 - 30         | 31 - 60  | 61 - 90    | > 90         | TOTAL        | Comments                    |
|---------------------------------------|--------------|----------------|----------|------------|--------------|--------------|-----------------------------|
| Cohen Musch Thomas Medical Group      | -            | 3,365          | -        | -          | -            | 3,365        | Slow Pay                    |
| Desert Healthcare Foundation-         | 2,127        | -              | -        | -          | -            | 2,127        | Due from Foundation         |
| Desert Oasis Healthcare Medical Group | (1,933)      | -              | -        | -          | -            | (1,933)      | Prepaid                     |
| Key Hazen-                            | 2,383        | -              | -        | -          | -            | 2,383        | Director Insurance Premiums |
| Laboratory Corporation of America     | -            | (4,620)        | -        | -          | -            | (4,620)      | Prepaid                     |
| Quest Diagnostics Incorporated        | -            | (3,659)        | -        | -          | -            | (3,659)      | Prepaid                     |
| Sovereign                             | 750          | 750            | -        | 750        | 5,250        | 7,500        | Slow Pay                    |
| West Pacific Medical Laboratory       | (1,849)      | -              | -        | -          | -            | (1,849)      | Prepaid                     |
| <b>TOTAL</b>                          | <b>1,478</b> | <b>(4,164)</b> | <b>-</b> | <b>750</b> | <b>5,250</b> | <b>3,314</b> |                             |

**Desert Healthcare District**  
**Deposit Detail**  
 June 2017

| Type    | Date       | Name                          | Amount           |
|---------|------------|-------------------------------|------------------|
| Deposit | 06/02/2017 |                               | 1,018,725        |
|         |            | Riverside County Treasurer-   | (1,018,725)      |
| TOTAL   |            |                               | (1,018,725)      |
| Deposit | 06/02/2017 |                               | 1,749            |
|         |            | T-Mobile                      | (1,749)          |
| TOTAL   |            |                               | (1,749)          |
| Deposit | 06/06/2017 |                               | 6,479            |
|         |            | Riverside County Treasurer-   | (6,479)          |
| TOTAL   |            |                               | (6,479)          |
| Deposit | 06/09/2017 |                               | 657              |
|         |            | Riverside County Treasurer-   | (657)            |
| TOTAL   |            |                               | (657)            |
| Deposit | 06/13/2017 |                               | 8,150            |
|         |            | Southern Cal Edison           | (8,150)          |
| TOTAL   |            |                               | (8,150)          |
| Deposit | 06/27/2017 |                               | 595              |
|         |            | Riverside County Treasurer-   | (595)            |
| TOTAL   |            |                               | (595)            |
| Deposit | 06/30/2017 |                               | 92,663           |
|         |            | Riverside County Treasurer-   | (9,249)          |
| Payment | 06/30/2017 | Sovereign                     | (750)            |
| Payment | 06/30/2017 | Desert Healthcare Foundation- | (82,665)         |
| TOTAL   |            |                               | (92,664)         |
|         |            | <b>Total Deposit</b>          | <b>1,129,018</b> |

**DESERT HEALTHCARE DISTRICT  
PROPERTY TAX RECEIPTS FY 2016 - 2017  
RECEIPTS - TWELVE MONTHS ENDED JUNE 30, 2017**

|              | FY 2015-2016 Projected/Actual |                     |              |                     |                     | FY 2016-2017 Projected/Actual |                     |              |                     |                    |
|--------------|-------------------------------|---------------------|--------------|---------------------|---------------------|-------------------------------|---------------------|--------------|---------------------|--------------------|
|              | Budget %                      | Budget \$           | Act %        | Actual Receipts     | Variance            | Budget %                      | Budget \$           | Act %        | Actual Receipts     | Variance           |
| <b>July</b>  | 2.5%                          | \$ 152,663          | 2.7%         | \$ 163,542          | \$ 10,880           | 2.5%                          | \$ 152,663          | 1.3%         | \$ 79,912           | \$ (72,750)        |
| <b>Aug</b>   | 1.6%                          | \$ 97,704           | 0.6%         | \$ 37,174           | \$ (60,530)         | 1.6%                          | \$ 97,704           | 1.7%         | \$ 101,498          | \$ 3,794           |
| <b>Sep</b>   | 2.6%                          | \$ 158,769          | 2.5%         | \$ 151,341          | \$ (7,428)          | 2.6%                          | \$ 158,769          | 2.4%         | \$ 147,194          | \$ (11,575)        |
| <b>Oct</b>   | 0.0%                          | \$ -                | 0.0%         | \$ -                | \$ -                | 0.0%                          | \$ -                | 0.0%         | \$ -                | \$ -               |
| <b>Nov</b>   | 0.4%                          | \$ 24,426           | 0.1%         | \$ 4,643            | \$ (19,783)         | 0.4%                          | \$ 24,426           | 0.0%         | \$ 2,455            | \$ (21,971)        |
| <b>Dec</b>   | 16.9%                         | \$ 1,031,999        | 17.2%        | \$ 1,051,608        | \$ 19,610           | 16.9%                         | \$ 1,031,999        | 17.6%        | \$ 1,075,328        | \$ 43,330          |
| <b>Jan</b>   | 31.9%                         | \$ 1,947,974        | 30.8%        | \$ 1,880,042        | \$ (67,931)         | 31.9%                         | \$ 1,947,974        | 33.0%        | \$ 2,014,083        | \$ 66,110          |
| <b>Feb</b>   | 0.0%                          | \$ -                | 0.9%         | \$ 54,158           | \$ 54,158           | 0.0%                          | \$ -                | 0.8%         | \$ 50,338           | \$ 50,338          |
| <b>Mar</b>   | 0.3%                          | \$ 18,320           | 0.2%         | \$ 9,745            | \$ (8,575)          | 0.3%                          | \$ 18,320           | 0.2%         | \$ 11,638           | \$ (6,681)         |
| <b>Apr</b>   | 5.5%                          | \$ 335,858          | 5.6%         | \$ 340,687          | \$ 4,829            | 5.5%                          | \$ 335,858          | 5.8%         | \$ 356,027          | \$ 20,169          |
| <b>May</b>   | 19.9%                         | \$ 1,215,194        | 18.9%        | \$ 1,153,366        | \$ (61,828)         | 19.9%                         | \$ 1,215,194        | 19.9%        | \$ 1,215,601        | \$ 408             |
| <b>June</b>  | 18.4%                         | \$ 1,123,596        | 17.8%        | \$ 1,088,129        | \$ (35,467)         | 18.4%                         | \$ 1,123,596        | 16.8%        | \$ 1,025,799        | \$ (97,797)        |
| <b>Total</b> | <b>100%</b>                   | <b>\$ 6,106,500</b> | <b>97.2%</b> | <b>\$ 5,934,434</b> | <b>\$ (172,066)</b> | <b>100.00%</b>                | <b>\$ 6,106,500</b> | <b>99.6%</b> | <b>\$ 6,079,874</b> | <b>\$ (26,626)</b> |

**Las Palmas Medical Plaza  
Deposit Detail - LPMP  
June 2017**

| Type           | Date              | Name                                  | Amount          |
|----------------|-------------------|---------------------------------------|-----------------|
| <b>Deposit</b> | <b>06/08/2017</b> |                                       | <b>11,576</b>   |
| Payment        | 06/08/2017        | Aijaz Hashmi, M.D., Inc.              | (2,656)         |
| Payment        | 06/08/2017        | Derakhsh Fozouni, M.D.                | (4,215)         |
| Payment        | 06/08/2017        | Derakhsh Fozouni, MD -                | (2,298)         |
| Payment        | 06/08/2017        | Ramy Awad, M.D.                       | (2,406)         |
| <b>TOTAL</b>   |                   |                                       | <b>(11,576)</b> |
| <b>Deposit</b> | <b>06/13/2017</b> |                                       | <b>59,827</b>   |
| Payment        | 06/13/2017        | University of California, Riverside   | (1,708)         |
| Payment        | 06/13/2017        | Desert Regional Medical Center        | (4,658)         |
| Payment        | 06/13/2017        | Tenet HealthSystem Desert, Inc        | (5,265)         |
| Payment        | 06/13/2017        | Tenet HealthSystem Desert, Inc.       | (26,646)        |
| Payment        | 06/13/2017        | Peter Jamieson, M.D.                  | (2,844)         |
| Payment        | 06/13/2017        | Milauskas Eye Institute Medical Group | (6,107)         |
| Payment        | 06/13/2017        | Steven Gundry, M.D.                   | (5,192)         |
| Payment        | 06/13/2017        | Pathway Pharmaceuticals, Inc.         | (2,162)         |
| Payment        | 06/13/2017        | Desert Family Medical Center          | (3,395)         |
| Payment        | 06/13/2017        | West Pacific Medical Laboratory       | (1,849)         |
| <b>TOTAL</b>   |                   |                                       | <b>(59,827)</b> |
| <b>Deposit</b> | <b>06/22/2017</b> |                                       | <b>4,620</b>    |
| Payment        | 06/22/2017        | Laboratory Corporation of America     | (4,620)         |
| <b>TOTAL</b>   |                   |                                       | <b>(4,620)</b>  |
| <b>Deposit</b> | <b>06/26/2017</b> |                                       | <b>3,212</b>    |
| Payment        | 06/26/2017        | Brad A. Wolfson, M.D.                 | (3,212)         |
| <b>TOTAL</b>   |                   |                                       | <b>(3,212)</b>  |
| <b>Deposit</b> | <b>06/28/2017</b> |                                       | <b>3,659</b>    |
| Payment        | 06/28/2017        | Quest Diagnostics Incorporated        | (3,659)         |
| <b>TOTAL</b>   |                   |                                       | <b>(3,659)</b>  |
| <b>Deposit</b> | <b>06/30/2017</b> |                                       | <b>1,925</b>    |



**Las Palmas Medical Plaza  
Deposit Detail - LPMP  
June 2017**

| <b>Type</b>    | <b>Date</b>       | <b>Name</b>                           | <b>Amount</b>  |
|----------------|-------------------|---------------------------------------|----------------|
| Payment        | 06/30/2017        | Ronald Himelman, M.D.                 | (1,925)        |
| <b>TOTAL</b>   |                   |                                       | <b>(1,925)</b> |
| <b>Deposit</b> | <b>06/30/2017</b> |                                       | <b>6,383</b>   |
| Payment        | 06/30/2017        | Desert Oasis Healthcare Medical Group | (1,933)        |
| Payment        | 06/30/2017        | Dennis Spurgin, D.C.                  | (2,601)        |
| Payment        | 06/30/2017        | West Pacific Medical Laboratory       | (1,849)        |
| <b>TOTAL</b>   |                   |                                       | <b>(6,383)</b> |
|                |                   | <b>Total Deposits</b>                 | <b>91,202</b>  |

**Desert Healthcare District**  
**Check Register**  
As of June 30, 2017

| Type                                 | Date       | Num   | Name                                      | Amount   |
|--------------------------------------|------------|-------|---|----------|
| <b>1000 - CHECKING CASH ACCOUNTS</b> |            |       |   |          |
| <b>1010 - Union Bank - Checking</b>  |            |       |   |          |
| Liability Check                      | 06/01/2017 |       | QuickBooks Payroll Service                | (1,308)  |
| Liability Check                      | 06/01/2017 |       | QuickBooks Payroll Service                | (22,706) |
| Bill Pmt -Check                      | 06/05/2017 | 14484 | Calif. Public Employees'Retirement System | (10,203) |
| Bill Pmt -Check                      | 06/05/2017 | 14485 | Law Offices of Scott & Jackson            | (9,680)  |
| Bill Pmt -Check                      | 06/05/2017 | 14486 | So.Cal Computer Shop                      | (550)    |
| Bill Pmt -Check                      | 06/05/2017 | 14487 | Underground Service Alert of Southern Cal | (2)      |
| Bill Pmt -Check                      | 06/05/2017 | 14488 | UPS                                       | (50)     |
| Bill Pmt -Check                      | 06/05/2017 | 14489 | Verizon Wireless                          | (1,438)  |
| General Journal                      | 06/05/2017 | 12-01 | 401a payment - 06/02/17 payroll           | (1,552)  |
| General Journal                      | 06/05/2017 | 12-01 | 457b payment - 06/02/17 payroll           | (3,021)  |
| Bill Pmt -Check                      | 06/13/2017 | 14490 | Alejandro Espinoza-                       | (2,674)  |
| Bill Pmt -Check                      | 06/13/2017 | 14491 | Anthem Blue Cross                         | (105)    |
| Bill Pmt -Check                      | 06/13/2017 | 14492 | Blackbaud, Inc.                           | (130)    |
| Bill Pmt -Check                      | 06/13/2017 | 14493 | Brian Wachs, CPA                          | (500)    |
| Bill Pmt -Check                      | 06/13/2017 | 14494 | Burke Consulting                          | (2,300)  |
| Bill Pmt -Check                      | 06/13/2017 | 14495 | Find Food Bank, Inc.                      | (87,784) |
| Bill Pmt -Check                      | 06/13/2017 | 14496 | Frazier Pest Control, Inc.                | (30)     |
| Bill Pmt -Check                      | 06/13/2017 | 14497 | Gilda's Club of the Desert                | (63,900) |
| Bill Pmt -Check                      | 06/13/2017 | 14498 | HARC, INC.                                | (74,993) |
| Bill Pmt -Check                      | 06/13/2017 | 14499 | Moss, Levy & Hartzheim LLP                | (9,000)  |
| Bill Pmt -Check                      | 06/13/2017 | 14500 | State Compensation Insurance Fund         | (811)    |
| Bill Pmt -Check                      | 06/13/2017 | 14501 | Vanessa Smith-                            | (305)    |
| Bill Pmt -Check                      | 06/13/2017 | 14502 | Xerox Financial Services                  | (392)    |
| Liability Check                      | 06/15/2017 |       | QuickBooks Payroll Service                | (1,129)  |
| Liability Check                      | 06/15/2017 |       | QuickBooks Payroll Service                | (22,681) |
| Bill Pmt -Check                      | 06/16/2017 | 14503 | Calif. Public Employees'Retirement System | (10,203) |
| Bill Pmt -Check                      | 06/16/2017 | 14504 | Coachella Valley Assoc of Governments     | (50)     |
| Bill Pmt -Check                      | 06/16/2017 | 14505 | Coachella Valley Rescue Mission           | (2,880)  |
| Bill Pmt -Check                      | 06/16/2017 | 14506 | CoPower Employers' Benefits Alliance      | (1,684)  |
| Bill Pmt -Check                      | 06/16/2017 | 14507 | First Bankcard (Union Bank)               | (987)    |
| Bill Pmt -Check                      | 06/16/2017 | 14508 | Image Source                              | (399)    |
| Bill Pmt -Check                      | 06/16/2017 | 14509 | Locks Around The Clock                    | (125)    |
| Bill Pmt -Check                      | 06/16/2017 | 14510 | Mary Pannoni-                             | (64)     |
| Bill Pmt -Check                      | 06/16/2017 | 14511 | Sodexo                                    | (359)    |
| Bill Pmt -Check                      | 06/16/2017 | 14512 | Staples Credit Plan                       | (334)    |
| General Journal                      | 06/19/2017 | 12-04 | 401a payment - 06/16/17 payroll           | (1,552)  |
| General Journal                      | 06/19/2017 | 12-04 | 457b payment - 06/16/17 payroll           | (3,021)  |

**Desert Healthcare District**  
**Check Register**  
As of June 30, 2017

| Type            | Date       | Num      | Name  | Amount             |
|-----------------|------------|----------|---|--------------------|
| Check           | 06/28/2017 | Auto Pay | Principal Financial Group-                  | (686)              |
| Check           | 06/28/2017 | Auto Pay | Principal Financial Group-                  | (1,061)            |
| Liability Check | 06/29/2017 |          | QuickBooks Payroll Service                  | (22,681)           |
| Liability Check | 06/29/2017 |          | QuickBooks Payroll Service                  | (1,209)            |
| Bill Pmt -Check | 06/30/2017 | 14513    | Desert Healthcare Foundation                | (2,000,000)        |
| Check           | 06/30/2017 |          | Service Charge                              | (955)              |
| General Journal | 06/30/2017 | 12-03    | June 2017 LTD Payment - Jena Marie Van Earl | (1,234)            |
| General Journal | 06/30/2017 | 12-09    | 401a payment - 06/30/17 payroll             | (1,552)            |
| General Journal | 06/30/2017 | 12-09    | 457b payment - 06/30/17 payroll             | (3,021)            |
| General Journal | 06/30/2017 | 12-10    | Record Medical Reimb - June 2017            | (52)               |
| <b>TOTAL</b>    |            |          |   | <b>(2,371,348)</b> |

**Desert Healthcare District**  
**Details for credit card Expenditures**  
**Credit card purchases - May 2017 - Paid June 2017**

Number of credit cards held by District personnel -2

Credit Card Limit - \$6,000

Credit Card Holders:

Herb Schultz - Chief Executive Officer

Chris Christensen - Chief Financial Officer

Routine types of charges:

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

| Year                     | Statement     |               | Expense Type | Amount           | Purpose                          |
|--------------------------|---------------|---------------|--------------|------------------|----------------------------------|
|                          | Month Charged | Total Charges |              |                  |                                  |
| <b>Chris' Statement:</b> |               |               |              |                  |                                  |
| 2017                     | May           | \$ 504.91     | District     |                  |                                  |
|                          |               |               | 6360         | \$ 0.94          | Conference call expense          |
|                          |               |               | 6360         | \$ 9.51          | Conference call expense          |
|                          |               |               | 6360         | \$ 5.72          | Conference call expense          |
|                          |               |               | 6360         | \$ 21.94         | Conference call expense          |
|                          |               |               | 6360         | \$ 17.28         | Conference call expense          |
|                          |               |               | 6360         | \$ 6.66          | Conference call expense          |
|                          |               |               | 6360         | \$ 19.37         | Conference call expense          |
|                          |               |               | 6352         | \$ 97.35         | Staff breakfast - team building  |
|                          |               |               | 6352         | \$ 120.58        | Staff lunch                      |
|                          |               |               | 6352         | \$ 120.58        | Staff lunch                      |
|                          |               |               | 6352         | \$ 67.93         | CEO/CFO/BOD member lunch meeting |
|                          |               |               | 6360         | \$ 17.05         | Late fee & interest expense      |
|                          |               |               |              | <b>\$ 504.91</b> |                                  |
| <b>Herb's Statement:</b> |               |               |              |                  |                                  |
| 2017                     | May           | \$ 481.75     | District     |                  |                                  |
|                          |               |               | 6360         | \$ 179.00        | Salary and Benefits reports      |
|                          |               |               | 6352         | \$ 90.67         | CEO/CFO Desert Wellness Awards   |
|                          |               |               | 6352         | \$ 24.63         | CEO meeting                      |
|                          |               |               | 6352         | \$ 10.00         | CEO Neurovitality Block Party    |
|                          |               |               | 5165         | \$ 17.47         | CEO/BOD member meeting           |
|                          |               |               | 6352         | \$ 47.16         | CEO meeting                      |
|                          |               |               | 6352         | \$ 78.89         | CEO/BOD member meeting           |
|                          |               |               | 6352         | \$ 6.00          | CEO meeting - no receipt         |
|                          |               |               | 6360         | \$ 27.93         | Interest expense                 |
|                          |               |               |              | <b>\$ 481.75</b> |                                  |

**Desert Healthcare District**  
**Check Register**  
As of June 30, 2017

| Type                                   | Date       | Num  | Name                               | Amount          |
|--|------------|------|------------------------------------|-----------------|
| <b>1000 · CHECKING CASH ACCOUNTS</b>   |            |      |                                    |                 |
| <b>1046 · Las Palmas Medical Plaza</b> |            |      |                                    |                 |
| Bill Pmt -Check                        | 06/05/2017 | 9679 | INPRO-EMS Construction             | (10,117)        |
| Bill Pmt -Check                        | 06/05/2017 | 9680 | Roto-Rooter Plumbers               | (3,673)         |
| Bill Pmt -Check                        | 06/06/2017 | 9681 | Secretary of State                 | (10)            |
| Bill Pmt -Check                        | 06/13/2017 | 9682 | Imperial Security                  | (1,566)         |
| Bill Pmt -Check                        | 06/13/2017 | 9683 | Palm Springs Disposal Services Inc | (2,039)         |
| Bill Pmt -Check                        | 06/13/2017 | 9684 | Stericycle, Inc.                   | (1,326)         |
| Bill Pmt -Check                        | 06/16/2017 | 9685 | Frazier Pest Control, Inc.         | (180)           |
| Bill Pmt -Check                        | 06/16/2017 | 9686 | Frontier Communications            | (209)           |
| Bill Pmt -Check                        | 06/16/2017 | 9687 | Imperial Security                  | (1,424)         |
| Bill Pmt -Check                        | 06/16/2017 | 9688 | Southern California Edison         | (1,493)         |
| Check                                  | 06/30/2017 |      | Service Charge                     | (790)           |
| <b>TOTAL</b>                           |            |      |                                    | <b>(22,828)</b> |



Date: July 25, 2017

To: Board of Directors

Subject: Las Palmas Medical Plaza – Fire Sprinkler

---

**Staff recommendation:** Consideration to approve the cost estimate for the fire sprinkler installation at the Las Palmas Medical Plaza.

**Background:**

- Building code requires overhead fire sprinklers to be installed at the Las Palmas Medical Plaza.
- At the April 18, 2017 F&A Committee meeting, Staff was directed to provide an estimate of the cost to install the infrastructure for the stub outs for future fire sprinklers. This will put the fire sprinkler infrastructure in place to complete future interior fire sprinklers.
- The fire sprinkler infrastructure for Buildings 1E & 2E was previously completed for the UCR Family Medical Clinic tenant improvement in 2013.
- Staff recommends approval of the cost estimate and to proceed with installation.
- At the July 11, 2017 F&A Committee meeting, the Committee recommended forwarding to the full Board for approval.
- Included is a cost estimate from Prest Vuksic Architects.

**Fiscal Impact:**

Estimated \$32,000 expense to complete stub out in Building 3E.

Estimated \$101,000 expense to complete stub out of West Buildings.



PREST • VUKSIC  
ARCHITECTS

**COST ESTIMATE FOR  
PARTIAL FIRE SPRINKLER ADDITION TO**

**LAS PALMAS MEDICAL PLAZA  
555 TACHEVAH  
PALM SPRINGS, CA**

**FOR DESERT HEALTHCARE DISTRICT**

**May 10, 2017 (Revised)**

*Note: Estimate assumes prevailing wage*

Building 3E

Scope:

Tap off the existing fire line at Tachevah and provide a 4" riser into the suite 101-E ceiling, stub out for future fire sprinklers.

|                            |                 |
|----------------------------|-----------------|
| Fire Sprinklers            | \$20,000        |
| Landscape Repair           | 2,500           |
| Interior Furring           | 5,000           |
| Permits/Misc.              | 2,000           |
| Architectural/Coordination | 2,500           |
| <b>Total</b>               | <b>\$32,000</b> |

Building 3E/LabCorp

Scope:

Tap off the existing stub out in 101-E (as noted above) and sprinkler existing LabCorp space.

|                 |                 |
|-----------------|-----------------|
| Fire Sprinklers | \$10,000        |
| Permits/Misc.   | 500             |
| <b>Total</b>    | <b>\$10,500</b> |

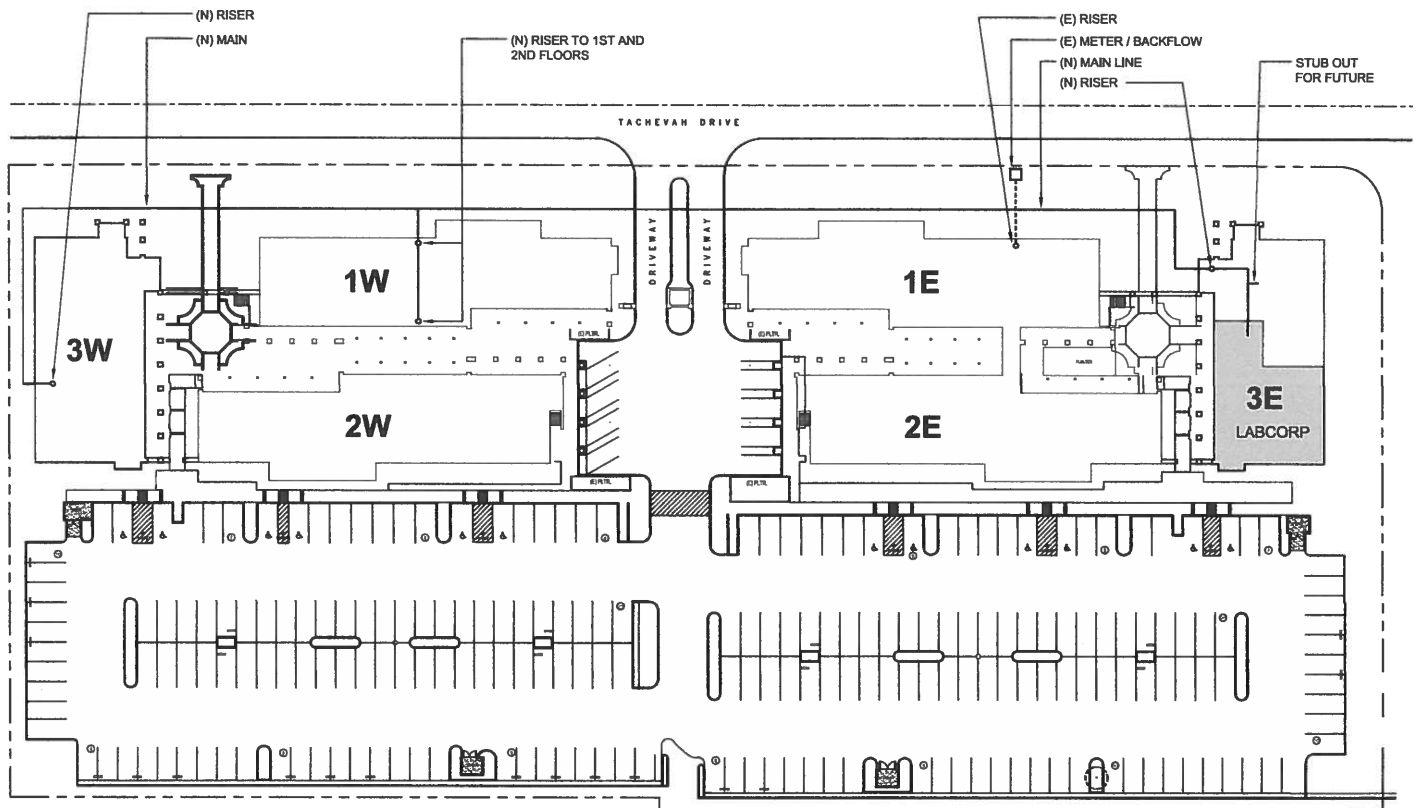
West Buildings

Scope:

Tap off the existing fire line at the East Buildings. Extend under the entry drive parallel to Tachevah to the middle of Building 1W and enter that building providing stub outs for future fire sprinklers at the first and second floors. Continue the line parallel to Tachevah and south to the existing vacant space in Building 3W and stub into the ceiling for future construction in that building.

|                            |                  |
|----------------------------|------------------|
| Fire Sprinklers            | \$82,000         |
| Landscape Repair           | 3,500            |
| Interior Furring           | 7,500            |
| Permits/Misc.              | 3,000            |
| Architectural/Coordination | 5,000            |
| <b>Total</b>               | <b>\$101,000</b> |





LAS PALMAS MEDICAL PLAZA - SITE PLAN 



Date: July 25, 2017

To: Board of Directors

Subject: Lease Agreement – Palmtree Clinical Research Inc (PCR) - Las Palmas Medical Plaza Suite #1E 201-203

---

**Staff recommendation:** Consideration to approve the lease agreement proposal for Palmtree Clinical Research Inc at the Las Palmas Medical Plaza.

**Background:**

- Suite 1E 201-203 has been vacant for several months.
- PCR is a potential new tenant at the medical plaza.
- PCR is interested in a 5 year lease.
- PCR is currently working with an architect to design the floor plan and cost estimate.
- The suite is a former physical therapy suite and is in need of much improvement to convert to clinical use and to meet current building code.
- The proposed lease includes a proposed Tenant Improvement Allowance of \$33/sq ft (approximately \$99,000).
- PCR is currently reviewing the proposed lease agreement along with the work from the Architect.
- Staff recommends approval of the draft lease agreement subject to PCR's approval.
- At the July 11, 2017 F&A Committee meeting, the Committee recommended forwarding to the full Board for approval with included revisions.
- Draft lease agreement is attached for your review.

**Fiscal Impact:**

Estimated revenue from Rent and CAMs for life of the lease - \$385,137

Estimated cost of Tenant Improvement Allowance - \$99,000.

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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 Palmtree Clinical Research Inc, referred to as "Tenant", and is dated August 1, 2017.

### 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-Two Thousand, Two Hundred 00/100 Dollars (\$52,200.00) per year.
- b. *Base Year*: The calendar year of August-November 1 to July-October 31.
- c. *Broker(s)*:  
Landlord's: N/A  
Tenant's: N/A  
In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: August 1<sup>st</sup>, 2017 The earlier of Certificate of Occupancy or November 1, 2017.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: July 31<sup>st</sup>, 2022, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Canyon Dr., Palm Springs, CA 92262  
*Tenant's Mailing Address*: 555 E. Tachevah Dr. 3W-103, Palm Springs, CA 92262
- h. *Monthly Installments of Base Rent (initial)*: Four Thousand, Three Hundred Fifty and 00/100 Dollars (\$4,350.00) per month.
- i. *Project Operating Costs (CAMs)*: Currently Sixty Cents (\$.60) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Thirty-Three Fifty Dollars (\$3350) per square foot or Ninety-Nine One Hundred Fifty Thousand and 00/100 Dollars (\$15099,000.00). Landlord will reimburse up to five (5) monthly progress payments.
- k. *Parking*: Tenant shall be permitted, to park 15 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 3,000 square feet of Rentable Area, located in Building 1E and known as Suite 201-203.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.

- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- o. *Security Deposit (Section 7)*: \$ Four Thousand, Three Hundred, Fifty and 00/100 Dollars (\$4,350.00).
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 6.08%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

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

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

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

4. DELIVERY OF POSSESSION.

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

5. RENT.

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

5.2 *Adjusted Base Rent*:

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

5.3 *Project Operating Costs (CAMs)*:

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

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

- (a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies,

assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

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

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

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

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

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

- (d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.
- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

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

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

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

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

## 6. INTEREST AND LATE CHARGES.

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

## 7. SECURITY DEPOSIT.

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

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

## 8. TENANT'S USE OF THE PREMISES

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

## 9. SERVICES AND UTILITIES.

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

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts,



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

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

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

## 10. CONDITION OF THE PREMISES.

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

## 11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

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

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

## 12. ALTERATIONS AND ADDITIONS.

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

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

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

## 13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.

- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

#### 14. RULES AND REGULATIONS.

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

#### 15. CERTAIN RIGHTS RESERVED BY LANDLORD.

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

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

#### 16. ASSIGNMENT AND SUBLETTING.

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

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

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

(5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

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

#### 17. HOLDING OVER.

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

#### 18. SURRENDER OF PREMISES.

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

#### 19. DESTRUCTION OR DAMAGE.

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

days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

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

## 20. EMINENT DOMAIN.

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

## 21. INDEMNIFICATION.

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

## 22. TENANT'S INSURANCE.

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

## 23. WAIVER OF SUBROGATION.

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

## 24. SUBORDINATION AND ATTORNMENT.

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

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

#### 25. TENANT ESTOPPEL CERTIFICATE.

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

#### 26. TRANSFER OF LANDLORD'S INTEREST.

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

#### 27. DEFAULT.

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

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

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

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

- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

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

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

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

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

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

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



## 28. BROKERAGE FEES.

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

## 29. NOTICES.

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

## 30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

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

## 31. RELOCATION OF PREMISES.

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

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

## 32. QUIET ENJOYMENT.

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

## 33. OBSERVANCE OF LAW.

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

### 34. FORCE MAJEURE.

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

### 35. CURING TENANT'S DEFAULTS.

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

### 36. SIGN CONTROL.

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

### 37. MISCELLANEOUS.

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

Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

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

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

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

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

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

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

|           |                                      |         |       |
|-----------|--------------------------------------|---------|-------|
| Date:     | _____                                | Date:   | _____ |
| Landlord: | <u>Desert Healthcare District</u>    | Tenant: | _____ |
|           | <u>dba: Las Palmas Medical Plaza</u> |         |       |

By: Herb K. Schultz

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.

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## EXHIBIT "A"

### RULES AND REGULATIONS

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

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

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

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

\_\_\_\_\_  
Landlord's Initials

\_\_\_\_\_  
Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated August 1, 2017 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Palmtree Clinical Research Inc, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

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

- 1. Commencement Date: August 1, 2017
- 2. Expiration Date: July 31, 2022
- 3. Rent Schedule:
 

|                      |            |                                 |
|----------------------|------------|---------------------------------|
| 8/1/2017 – 7/31/2018 | \$4,350.00 |                                 |
| 8/1/2018 – 7/31/2019 | \$4,480.50 | Greater of or <del>FMVCPI</del> |
| 8/1/2019 – 7/31/2020 | \$4,614.92 | Greater of or <del>FMVCPI</del> |
| 8/1/2020 – 7/31/2021 | \$4,753.36 | Greater of or <del>FMVCPI</del> |
| 8/1/2021 – 7/31/2022 | \$4,895.96 | Greater of or <del>FMVCPI</del> |
- 4. CAMs: Currently \$.60 per square foot.
- 5. Security Deposit: Four Thousand, Three Hundred, Fifty and 00/100 Dollars (\$4,350.00).

*The foregoing is hereby agreed to and accepted:*

|   |                  |
|---|------------------|
| Date: _____                                 | Date: _____      |
| Landlord: <u>Desert Healthcare District</u> | Tenant: _____    |
| <u>dba: Las Palmas Medical Plaza</u>        |                  |
| By: <u>Herb K. Schultz</u>                  | By: _____        |
| Signature: _____                            | Signature: _____ |
| Title: <u>CEO</u>                           | Title: _____     |



Date: July 25, 2017

To: Board of Directors

Subject: Lease Agreement – Laboratory Corporation of America  
(LabCorp) - Las Palmas Medical Plaza Suite #3E 104-105

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**Staff recommendation:** Consideration to approve the lease agreement proposal for LabCorp at the Las Palmas Medical Plaza.

**Background:**

- LabCorp has been a long standing tenant of the Las Palmas Medical Plaza
- LabCorp would like to renew a 5 year lease.
- At the April 18, 2017 F&A Committee meeting, Staff presented a draft lease agreement utilizing the master lease agreement previously used by the District.
- The Committee directed Staff to implement the new AIR lease agreement form, which was approved at the June 27, 2017 Board of Director's meeting, and bring back to the Committee for review.
- LabCorp is currently reviewing the proposed lease agreement.
- Staff recommends approval of the draft lease agreement subject to LabCorp's approval.
- At the July 11, 2017 F&A Committee meeting, the Committee recommended forwarding to the full Board for approval.
- Draft lease agreement is attached for your review.

**Fiscal Impact:**

Estimated revenue from Rent and CAMs for life of the lease - \$289,442

Estimated cost of Tenant Improvement Allowance (\$15/sf) - \$33,000.



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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 Laboratory Corporation of America, referred to as "Tenant", and is dated August 1, 2017.

1. LEASE OF PREMISES.

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

2. DEFINITIONS.

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

- a. *Base Rent (Initial)*: \$ **Thirty-Nine Thousand, Six Hundred Dollars 00/100 (\$39,600.00)** per year.
- b. *Base Year*: The calendar year of **August 1 to July 31**.
- c. *Broker(s)*:  
 Landlord's: N/A  
 Tenant's: N/A  
 In the event that N/A, represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: **August 1<sup>st</sup>, 2017**.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: **July 31<sup>st</sup>, 2022**, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: **1140 N. Indian Canyon Dr., Palm Springs, CA 92262**  
*Tenant's Mailing Address*: **555 E. Tachevah Dr. 3W-103, Palm Springs, CA 92262**
- h. *Monthly Installments of Base Rent (initial)*: **Three Thousand and 00/100 Dollars (\$3,000.00)** per month.
- i. *Project Operating Costs (CAMs)*: Currently **Sixty Cents (\$.60)** per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: **Fifteen Dollars (\$15)** per square foot or **Thirty-Three Thousand and 00/100 Dollars (\$33,000.00)**.
- k. *Parking*: Tenant shall be permitted, to park **11** cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately **2,200** square feet of Rentable Area, located in Building **3E** and known as Suite **104-105**.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at **555 E. Tachevah Drive, Palm Springs, California 92262**. The Project is known as **The Las Palmas Medical Plaza**.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

- o. *Security Deposit (Section 7)*: \$ Tenant will carry over from previous lease in the amount of Three Thousand, Six Hundred Thirty and 00/100 Dollars (\$3,630.00).
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 4.46%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

### 3. EXHIBITS AND ADDENDA.

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

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

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

### 4. DELIVERY OF POSSESSION.

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

### 5. RENT.

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

#### 5.2 *Adjusted Base Rent*:

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

#### 5.3 *Project Operating Costs (CAMs)*:

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

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

- (a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer,

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

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

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

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

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

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

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

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

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

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

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

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

## 6. INTEREST AND LATE CHARGES.

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

## 7. SECURITY DEPOSIT.

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

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

## 8. TENANT'S USE OF THE PREMISES

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

## 9. SERVICES AND UTILITIES.

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

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied

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

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

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

## 10. CONDITION OF THE PREMISES.

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

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

The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

## 12. ALTERATIONS AND ADDITIONS.

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

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

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

## 13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's



Property”) shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant’s Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

#### 14. RULES AND REGULATIONS.

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

#### 15. CERTAIN RIGHTS RESERVED BY LANDLORD.

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

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

#### 16. ASSIGNMENT AND SUBLETTING.

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

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

which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

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

#### 17. HOLDING OVER.

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

#### 18. SURRENDER OF PREMISES.

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

#### 19. DESTRUCTION OR DAMAGE.

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

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

## 20. EMINENT DOMAIN.

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

## 21. INDEMNIFICATION.

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

## 22. TENANT'S INSURANCE.

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

### 23. WAIVER OF SUBROGATION.

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

### 24. SUBORDINATION AND ATTORNMENT.

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

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

## 25. TENANT ESTOPPEL CERTIFICATE.

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

## 26. TRANSFER OF LANDLORD'S INTEREST.

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

## 27. DEFAULT.

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

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

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

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

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

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

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

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

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

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

## 28. BROKERAGE FEES.

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

## 29. NOTICES.

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

## 30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

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

## 31. RELOCATION OF PREMISES.

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

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

## 32. QUIET ENJOYMENT.

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

## 33. OBSERVANCE OF LAW.

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

## 34. FORCE MAJEURE.

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

### 35. CURING TENANT'S DEFAULTS.

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

### 36. SIGN CONTROL.

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

### 37. MISCELLANEOUS.

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



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

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

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

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

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

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

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

|           |                                      |         |       |
|-----------|--------------------------------------|---------|-------|
| Date:     | _____                                | Date:   | _____ |
| Landlord: | <u>Desert Healthcare District</u>    | Tenant: | _____ |
|           | <u>dba: Las Palmas Medical Plaza</u> |         |       |
| By:       | <u>Herb K. Schultz</u>               | 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.

DRAFT

## EXHIBIT "A"

### RULES AND REGULATIONS

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

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

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

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

\_\_\_\_\_  
Landlord's Initials

\_\_\_\_\_  
Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated August 1, 2017 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Laboratory Corporation of America, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

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

- 1. Commencement Date: August 1, 2017
- 2. Expiration Date: July 31, 2022
- 3. Rent Schedule:
 

|                      |            |                   |
|----------------------|------------|-------------------|
| 8/1/2017 – 7/31/2018 | \$3,300.00 |                   |
| 8/1/2018 – 7/31/2019 | \$3,399.00 | Greater of or CPI |
| 8/1/2019 – 7/31/2020 | \$3,500.97 | Greater of or CPI |
| 8/1/2020 – 7/31/2021 | \$4,224.21 | Greater of or CPI |
| 8/1/2021 – 7/31/2022 | \$4,350.94 | Greater of or CPI |
- 4. CAMs: \$ .60 per square foot.
- 5. Security Deposit: Carry over from previous lease in the amount of \$3,630.00.

The foregoing is hereby agreed to and accepted:

|   |                  |
|---|------------------|
| Date: _____                                 | Date: _____      |
| Landlord: <u>Desert Healthcare District</u> | Tenant: _____    |
| <u>dba: Las Palmas Medical Plaza</u>        |                  |
| By: <u>Herb K. Schultz</u>                  | By: _____        |
| Signature: _____                            | Signature: _____ |
| Title: <u>CEO</u>                           | Title: _____     |



Date: July 25, 2017

To: Board of Directors

Subject: Lease Agreement – Dr. Steven R. Gundry dba: The International Heart and Lung Institute - Las Palmas Medical Plaza Suite #3W 103-104

---

**Staff recommendation:** Consideration to approve the lease agreement proposal for Dr. Steven Gundry at the Las Palmas Medical Plaza.

**Background:**

- Dr Gundry has been a long standing tenant of the Las Palmas Medical Plaza
- Dr. Gundry would like to renew a 5 year lease.
- Dr Gundry is currently reviewing the proposed lease agreement.
- Staff recommends approval of the draft lease agreement subject to Dr Gundry's approval.
- At the July 11, 2017 F&A Committee meeting, the Committee recommended forwarding to the full Board for approval with included revisions.
- Draft lease agreement is attached for your review.

**Fiscal Impact:**

Estimated revenue from Rent and CAMs for life of the lease - \$325,810

Estimated cost of Tenant Improvement Allowance (\$7/sf) - \$15,463.

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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 Steven R. Gundry, dba: The International Heart and Lung Institute hereinafter referred to as "Tenant", and is dated August 1, 2017.

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)*: \$ Forty-Six Thousand, Three Hundred and Eighty-Nine Dollars 00/100 (\$46,389.00) per year.
- b. *Base Year*: The calendar year of August 1 to July 31.
- c. *Broker(s)*:  
Landlord's: N/A  
Tenant's: N/A  
In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: August 1<sup>st</sup>, 2017.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: July 31<sup>st</sup>, 2022, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Canyon Dr., Palm Springs, CA 92262  
*Tenant's Mailing Address*: 555 E. Tachevah Dr. 3W-103, Palm Springs, CA 92262
- h. *Monthly Installments of Base Rent (initial)*: Three Thousand, Eight hundred Sixty-Five and 75/100 Dollars (\$3,865.75) per month.
- i. *Project Operating Costs (CAMs)*: Currently Sixty Cents (\$.60) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: Seven Dollars (\$7) per square foot or Fifteen Thousand, Four Hundred Sixty-Three and 00/100 Dollars (\$15,463.00).
- k. *Parking*: Tenant shall be permitted, to park 11 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 2,209 square feet of Rentable Area, located in Building 3W and known as Suite 103-104.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.



- o. Security Deposit (Section 7): \$ **Tenant will carry over from previous lease dated 3/1/2006 in the amount of Three Thousand, Four Hundred Twenty-Three and 95/100 Dollars (\$3,423.95)**.
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 4.48%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

**3. EXHIBITS AND ADDENDA.**

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

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

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

**4. DELIVERY OF POSSESSION.**

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

**5. RENT.**

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

5.2 *Adjusted Base Rent*:

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

5.3 *Project Operating Costs (CAMs)*:

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

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

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

other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

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

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

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

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

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

- (d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.
- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

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

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

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

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

## 6. INTEREST AND LATE CHARGES.

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

## 7. SECURITY DEPOSIT.

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

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

## 8. TENANT'S USE OF THE PREMISES

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

## 9. SERVICES AND UTILITIES.

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

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts,

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

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

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

## 10. CONDITION OF THE PREMISES.

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

## 11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

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

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

## 12. ALTERATIONS AND ADDITIONS.

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

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

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

## 13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.

- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

#### 14. RULES AND REGULATIONS.

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

#### 15. CERTAIN RIGHTS RESERVED BY LANDLORD.

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

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

#### 16. ASSIGNMENT AND SUBLETTING.

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

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

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

(5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

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

#### 17. HOLDING OVER.

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

#### 18. SURRENDER OF PREMISES.

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

#### 19. DESTRUCTION OR DAMAGE.

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



days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

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

## 20. EMINENT DOMAIN.

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

## 21. INDEMNIFICATION.

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

## 22. TENANT'S INSURANCE.

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

## 23. WAIVER OF SUBROGATION.

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

## 24. SUBORDINATION AND ATTORNMENT.

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

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

## 25. TENANT ESTOPPEL CERTIFICATE.

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

## 26. TRANSFER OF LANDLORD'S INTEREST.

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

## 27. DEFAULT.

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

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

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

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

- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

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

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

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

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

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

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

## 28. BROKERAGE FEES.

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

## 29. NOTICES.

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

## 30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

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

## 31. RELOCATION OF PREMISES.

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

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

## 32. QUIET ENJOYMENT.

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

## 33. OBSERVANCE OF LAW.

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

### 34. FORCE MAJEURE.

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

### 35. CURING TENANT'S DEFAULTS.

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

### 36. SIGN CONTROL.

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

### 37. MISCELLANEOUS.

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

Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

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

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

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

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

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

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

|           |                                      |         |       |
|-----------|--------------------------------------|---------|-------|
| Date:     | _____                                | Date:   | _____ |
| Landlord: | <u>Desert Healthcare District</u>    | Tenant: | _____ |
|           | <u>dba: Las Palmas Medical Plaza</u> |         |       |

By: Herb K. Schultz

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.

DRAFT



## EXHIBIT "A"

### RULES AND REGULATIONS

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

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

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

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

\_\_\_\_\_  
Landlord's Initials

\_\_\_\_\_  
Tenant's Initials

DRAFT

ADDENDUM

Addendum to that certain Office Building Lease dated August 1, 2017 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Steven R. Gundry, dba: The International Heart and Lung Institute, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

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

- 1. Commencement Date: August 1, 2017
- 2. Expiration Date: July 31, 2022
- 3. Rent Schedule:
 

|                      |                               |
|----------------------|-------------------------------|
| 8/1/2017 – 7/31/2018 | \$3,865.75                    |
| 8/1/2018 – 7/31/2019 | <del>\$3,981.723,865.75</del> |
| 8/1/2019 – 7/31/2020 | <del>\$4,101.173,865.75</del> |
| 8/1/2020 – 7/31/2021 | <del>\$4,224.214,101.17</del> |
| 8/1/2021 – 7/31/2022 | <del>\$4,350.944,101.17</del> |
- 4. CAMs: \$ .60 per square foot.
- 5. Security Deposit: Carry over from previous lease dated 3/1/2006 in the amount of \$3,423.95.

The foregoing is hereby agreed to and accepted:

|   |                  |
|---|------------------|
| Date: _____                                 | Date: _____      |
| Landlord: <u>Desert Healthcare District</u> | Tenant: _____    |
| <u>dba: Las Palmas Medical Plaza</u>        |                  |
| By: <u>Herb K. Schultz</u>                  | By: _____        |
| Signature: _____                            | Signature: _____ |
| Title: <u>CEO</u>                           | Title: _____     |



Date: July 25, 2017

To: Board of Directors

Subject: Lease Agreement – Derakhsh Fozouni MD - Las Palmas Medical Plaza Suite #2W 102

---

**Staff recommendation:** Consideration to approve the lease agreement proposal for Derakhsh Fozouni MD at the Las Palmas Medical Plaza.

**Background:**

- Dr. Fozouni has been a long standing tenant of the Las Palmas Medical Plaza.
- Dr. Fozouni leases two separate suites at the medical plaza. 1W 104 (1,024 sf) and 2W 103-104 both with lease expiration dates of February 28, 2018.
- Suite 2W 102 (640 sf), which is currently vacant, is adjacent to the current leased suites 2W 103-104.
- Dr Fouzoni would like to terminate the lease for suite 1W 104 and execute a new short term lease for suite 2W 102 for the remainder of the lease period, followed by renewing a long term lease for both suites concurrently.
- An advantage exists for the transfer. The smaller 640 sf suite has been more difficult to lease. The 1,024 sf suite is traditional more marketable
- Dr Fouzoni is currently reviewing the proposed lease agreement.
- Staff recommends approval of the draft lease agreement for suite 2W 102 subject to Dr Fouzoni's approval and to terminate the existing lease for suite 1W 104.
- At the July 11, 2017 F&A Committee meeting, the Committee recommended forwarding to the full Board for approval.
- Draft lease agreement is attached for your review.

**Fiscal Impact:**

Estimated difference in revenue **reduction** from Rent and CAMs for remaining 7 months of the lease - \$(6,055)

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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 Deraksh Fozouni, MD. A Medical Corporation, hereinafter referred to as "Tenant", and is dated August 1, 2017.

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)*: \$ Eight Thousand, Three Hundred Ninety-Six 80/100 Dollars (\$8,396.80) per year.
- b. *Base Year*: The calendar year of August 1 to February 28 – Transfer suites from IW 104 \_\_\_\_\_.
- c. *Broker(s)*:  
Landlord's: N/A  
Tenant's: N/A  
In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- d. *Commencement Date*: August 1<sup>st</sup>, 2017.
- e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expiration Date*: February 28, 2018, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- g. *Landlord's Mailing Address*: 1140 N. Indian Canyon Dr., Palm Springs, CA 92262  
*Tenant's Mailing Address*: 555 E. Tachevah Dr. 3W-103, Palm Springs, CA 92262
- h. *Monthly Installments of Base Rent (initial)*: One Thousand, Forty-Nine and 60/100 Dollars (\$1,049.60) per month.
- i. *Project Operating Costs (CAMS)*: Currently Sixty Cents (\$.60) per square foot per month.
- j. *Tenant Improvement Allowance (TI)*: \$0 per square foot or \$0.
- k. *Parking*: Tenant shall be permitted, to park 2 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 640 square feet of Rentable Area, located in Building 2W and known as Suite 102.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262 and further described at Exhibit "B" The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

- o. *Security Deposit (Section 7)*: \$ Tenant will carry over from previous lease in the amount of One Thousand, Six Hundred, Thirty-Eight and 40/100 Dollars (\$1,638.40).
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 1.30 %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: General office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

### 3. EXHIBITS AND ADDENDA.

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

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

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

### 4. DELIVERY OF POSSESSION.

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

### 5. RENT.

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

5.2 *Adjusted Base Rent*:

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

5.3 *Project Operating Costs (CAMs)*:

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

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

- (a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer,

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

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

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

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

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

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

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



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

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

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

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

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

## 6. INTEREST AND LATE CHARGES.

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

## 7. SECURITY DEPOSIT.

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

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

## 8. TENANT'S USE OF THE PREMISES

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

## 9. SERVICES AND UTILITIES.

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

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied

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

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

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

## 10. CONDITION OF THE PREMISES.

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

## II. CONSTRUCTION, REPAIRS AND MAINTENANCE.

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

The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

## 12. ALTERATIONS AND ADDITIONS.

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

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

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

## 13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's

Property”) shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant’s Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

#### 14. RULES AND REGULATIONS.

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

#### 15. CERTAIN RIGHTS RESERVED BY LANDLORD.

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

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

#### 16. ASSIGNMENT AND SUBLETTING.

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

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

which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

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

#### 17. HOLDING OVER.

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

#### 18. SURRENDER OF PREMISES.

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

#### 19. DESTRUCTION OR DAMAGE.

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

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

## 20. EMINENT DOMAIN.

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

## 21. INDEMNIFICATION.

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

## 22. TENANT'S INSURANCE.

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

### 23. WAIVER OF SUBROGATION.

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

### 24. SUBORDINATION AND ATTORNMENT.

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

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



## 25. TENANT ESTOPPEL CERTIFICATE.

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

## 26. TRANSFER OF LANDLORD'S INTEREST.

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

## 27. DEFAULT.

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

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

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

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

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

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

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

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

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

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

## 28. BROKERAGE FEES.

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

## 29. NOTICES.

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

## 30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

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

## 31. RELOCATION OF PREMISES.

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

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

## 32. QUIET ENJOYMENT.

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

## 33. OBSERVANCE OF LAW.

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

## 34. FORCE MAJEURE.

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

### 35. CURING TENANT'S DEFAULTS.

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

### 36. SIGN CONTROL.

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

### 37. MISCELLANEOUS.

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

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

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

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

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

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

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

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

|           |                                      |         |       |
|-----------|--------------------------------------|---------|-------|
| Date:     | _____                                | Date:   | _____ |
| Landlord: | <u>Desert Healthcare District</u>    | Tenant: | _____ |
|           | <u>dba: Las Palmas Medical Plaza</u> |         |       |
| By:       | <u>Herb K. Schultz</u>               | 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.

DRAFT

## EXHIBIT "A"

### RULES AND REGULATIONS

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

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

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

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

\_\_\_\_\_  
Landlord's Initials

\_\_\_\_\_  
Tenant's Initials

DRAFT



ADDENDUM

Addendum to that certain Office Building Lease dated August 1, 2017 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Deraksh Fozouni, MD. A Medical Corporation, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

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

- 1. Commencement Date: August 1, 2017
- 2. Expiration Date: February 28, 2018
- 3. Rent Schedule: 8/1/2017 – 2/28/2017 \$1,049.60
- 4. CAMs: Currently \$.60 per square foot.
- 5. Security Deposit: Shall continue with previous deposit of \$1,638.40.

The foregoing is hereby agreed to and accepted:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Landlord: Desert Healthcare District

Tenant: \_\_\_\_\_

dba: Las Palmas Medical Plaza

By: Herb K. Schultz

By: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: CEO

Title: \_\_\_\_\_

## DESERT HEALTHCARE DISTRICT GRANT AGREEMENT

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

1. **Grant**

Purpose and Use of Grant: To fund and establish the West Valley Homelessness Initiative Collective Fund Matching Dollar for Dollar towards rapid re-housing with wrap-around services for District residents, proven solutions to address homelessness.

Amount: UP to \$2,000,000

2. **Term of Agreement**

The term of this agreement is from June 27, 2017 through June 26, 2018, subject, however, to earlier termination as provided in this agreement.

3. **Legal Responsibility/Liability**

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

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

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

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

waives any and all claims against DISTRICT for damages that may arise from the termination, suspension, or reduction of the grant funds provided by DISTRICT.

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

5. **Other Funding Sources**

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

6. **Attribution Policy**

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

7. **Payment Schedule**

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

8. **Program Budget**

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

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

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

10. **Evaluation/Outcomes Reporting**

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

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

11. **Use of Subcontractors**

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

12. **Use of Funds**

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

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

13. **Prevailing Wages**

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

14. **Independent Contractor Status**

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

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

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

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

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

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

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

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

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

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

18. **No-Cost Grant Extensions**

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

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

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

20. **Indemnity and Hold Harmless**

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

21. **Fiscal/Accounting Principles**

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

22. **Documentation of Revenues and Expenses**

RECIPIENT shall maintain full and complete documentation of all revenue and expenses (including subcontracted, overhead, and indirect expenses) associated with use of the grant funds covered by this agreement. During the term of this agreement and thereafter, DISTRICT or its authorized representative(s) shall have the right to review all RECIPIENT financial records including records related to the use or disbursement of the grant funds, upon request by DISTRICT. DISTRICT shall also have the right to audit, if necessary, RECIPIENT'S use of grant funds and any and all programs or services that were provided through the use of the DISTRICT funds. In the event of an audit or financial review,

RECIPIENT agrees to provide DISTRICT access to all of RECIPIENT'S books and records.

23. **Records Retention**

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

24. **Governing Law**

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

25. **Assignment or Transfer**

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

26. **Entire Agreement, Amendment**

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

27. **Notices**

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

28. **Signatories**

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

**RECIPIENT:**

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

**Name:** President/Chair of RECIPIENT  
Governing Body

**Name:** Executive Director

\_\_\_\_\_  
PLEASE PRINT

\_\_\_\_\_  
PLEASE PRINT

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE



Authorized Signatory for Desert Healthcare District:

Name: Herb K. Schultz

Title: Chief Executive Officer

---

SIGNATURE

---

DATE

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

## EXHIBIT A

### DESERT HEALTHCARE DISTRICT ATTRIBUTION POLICY

1. **Attribution Wording**

Attribution for District-funded programs shall be as follows:

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

2. **Educational Materials**

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

3. **Promotional Materials**

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

4. **Media Materials and Activities**

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

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

5. **Logo Usage**

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

6. **Photograph Consent**

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

**EXHIBIT B**

**EXHIBIT C**

**PROGRAM BUDGET ATTACHED AS SUPPLEMENTAL PAGE(S)**

**DESERT HEALTHCARE DISTRICT  
PROGRAM COMMITTEE  
MEETING MINUTES  
July 10, 2017**

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Attendance:

Members

Vice-President Kay Hazen – Chair

Staff

Herb K. Schultz, Chief Executive Officer – Telephonic

Chris Christensen, CFO

Donna Craig, Senior Program Officer

Alejandro Espinoza, Program Officer and Outreach Director

Mary Pannoni, Accounting/Admin Support

Andrea S. Hayles, Clerk to the Board

Committee Members

Bev Greer, CEO, Neuro Vitality Center

Linda Levinson, Community Member

Milt Levinson, Community Member

Kim McNulty, CVEP

Linda Shestock, Community Member

Ronald Willison, Community Member

Absent

Director Jennifer Wortham

Allen Howe, Community Member

Guests

**CALL TO ORDER**

The meeting was called to order at 12:05 pm by Chairman Hazen.

Chair Hazen, on behalf of the Board of Directors, thanked, acknowledged, and presented Committee Members Bev Greer and Kim McNulty with appreciation plaque for their distinguished nine years of service on the Program Committee.

**APPROVAL OF AGENDA**

No committee members requested additions or corrections to the agenda.

**PUBLIC COMMENT**

No public comments

## **APPROVAL OF MINUTES**

May 9, 2017 Meeting

June 13, 2017 no meeting/no minutes

**A Motion was made by Community Member Linda Shestock and seconded by Community Member Ronald Willison to approve the minutes of May 9, 2017. Motion passed unanimously.**

**Kim McNulty abstained due to her absence.**

## **GRANTS**

### a. Outstanding Grants & Grant Payment Schedule – Discussion

- Donna Craig, Senior Program Officer presented the details of the outstanding grants and grant payment schedule.

### b. Pipeline FYE June 30, 2017 – Discussion

- Donna Craig, Senior Officer will email the pipeline report to the Committee members.

### c. Progress Reports

1. Grant #899 HARC – 3<sup>rd</sup> report
  2. Grant #910 FIND Food Bank – 3<sup>rd</sup> report
  3. Grant #907 Volunteers in Medicine – 2<sup>nd</sup> report
  4. Grant #908 Angel View – 2<sup>nd</sup> report
  5. Grant #870 Mizell Senior Center – 4<sup>th</sup> report
- There were no comments or inquiries about the Progress Reports

### c. Final Reports

1. Grant #907 Volunteers in Medicine
  2. Grant #870 Mizell Senior Center
- There were no comments or inquiries about the Final Reports.

### d. Pending Requests for Consideration

1. Grant #907 Well in the Desert: New Vans for Client Pick-up & Deliveries: \$84,570
  - Donna Craig, Senior Program Officer explained the Well in the Desert pending grant request for consideration.
  - Arlene Rosenthal, CEO, Well in the Desert conveyed her thanks to the City of Palm Springs City Council members and the District for their assistance with the opening of the new homelessness cooling center. Ms. Rosenthal also explained the aspects of the new cooling center related to pick-ups and deliveries of clients.

**A Motion was made by Community Member Milt Levinson and seconded by Community Member Linda Levinson to approve Grant #907 Well in the Desert: New Vans for Client Pick-up and Deliveries - \$84,570. Motion passed unanimously.**

2. Grant #935 RAP, 2017 Nonprofit Conference & Desert Fast Pitch: \$10,000
  - Linda Shestock, Committee Member, inquired how the grant falls into the priorities of the Strategic Plan.
  - Donna Craig, Senior Program Officer, explained that the grant is being requested to support an event designed to assist nonprofits throughout the valley with capacity building resources.
  - Bev Greer, Committee Member, also inquired on the reason for the grant funding since RAP has a grant giving program.
  - Letitia Delara, CEO, RAP Foundation explained that last year and the year prior the District supported a mini-grant for \$5k - further detailing that her meeting with Herb K. Schultz, CEO and his support for the grant submission.
  - Chair Hazen inquired on the gap in funding for speaker fees. Ms. Delara explained that the Foundation would utilize sponsorship funding to support the speaker fees.
  - Ronald Willison, Community Member inquired on the itemization of the speaker fees. Ms. Delara explained that one significant speaker would be paid for their services which consists of travel and overnight accommodations. Additional speakers include 50 students from various areas throughout the Valley.
  - There were questions regarding the policy around sponsorship for events as this seemed more sponsorship than grant request.

**A Motion was made by Community Member Linda Shestock and seconded by Community Member Ronald Willison for staff to process the request as per event sponsorship policies and practices.**

3. Grant #936 Hidden Harvest: Senior Markets & Healthy Fairs: \$95,000
  - Donna Craig, Senior Program Officer, explained the aspects of the Hidden Harvest Senior Markets & Health Fairs \$95,000 consideration for a grant.
  - Sandra Carroll, Hidden Harvest provided details of the Senior Markets and Health Fairs and stated that there is a correction to her grant submission. The program distributes 75,000 – 80,000 pounds of food distribution as opposed to 20,000 pounds.

**A Motion was made by Community Member Bev Greer and seconded by Community Member Linda Shestock to approve Hidden Harvest: Senior Markets & Healthy Fairs. Motion passed unanimously.**

4. Grant #938 Mizell Senior Center: A Matter of Balance – Phase 2: \$400,300 for 24 months
  - Jack Newby, Director of Development, described the second phase of A Matter of Balance program explaining that the Senior Fall Program is now Valley wide.
  - Mr. Newby introduced the Mizell Center staff present that included Ginny Foat, Executive Director; Susie Spencer, Falls Prevention Program Director; and Mark Marshall, Program Coordinator.

- Chair Hazen inquired on Mizell’s promotion and marketing of the Program and the various referral sources. Mr. Newby explained the prescription program and the Desert Sun are used to promote the Program. Additionally, Mizell is reaching out to the local television stations and banners are under development.
- Chair Hazen requested that Staff collaborate with Mizell to strengthen the program with outreach to the Spanish speaking community and other special populations.
- Linda Levinson suggested that efforts be made to bring Desert Regional Medical Center on board. Mr. Newby also explained that Mizell had difficulty with the transition between the previous and new CEO, and the transition of the new Chief Nursing Officer. Chair Hazen suggested that the District might be able to assist in making a connection .
- Kim McNulty, Community Member, explained that the program is a great workplace training opportunity for students seeking healthcare careers.

**A Motion was made by Community Member Milt Levinson and seconded by Community Member Ronald Willison to approve Mizell Senior Center – A Matter of Balance, Phase 2 \$400,300 for 24 months. Motion passed unanimously.**

5. Grant #939 Loma Linda University: Dream Homes Initiative: \$178,016 for 16 months
  - Donna Craig, Senior Program Officer, outlined the program explaining that the Cathedral City Dream Homes Initiative is a replication of the Health Needs Assessment Initiative in the Palm Springs neighborhood Desert Highland Gateway. The Cathedral City Initiative will also include working with the neighborhood, city and school district partners to develop a wellness park in the neighborhood, adjacent to the CVLink trail now under construction in the area.

**A Motion was made by Community Member Bev Greer and seconded by Community Member Linda Levinson to approve Grant #939 Loma Linda University – Dream Homes Initiative \$178,016 for 16 months. Motion passed unanimously.**

## **OLD BUSINESS**

- a. West Valley Homelessness Initiative Update
  1. Narrative and short-term recommendations presented for discussion and approval at 06/27/17 Board meeting.
    - Herb K. Schultz, CEO explained the West Valley Homelessness Initiative describing the collective fund of up-to \$2M.
- b. 3 Year Strategic Plan approved at 06/27/17 Board meeting
  - Herb K. Schultz, CEO described the Board’s newly adopted 3 Year Strategic Plan.
  - Linda Shestock thanked the Board and conveyed that the Plan is exceptional.
  1. Recommendation to Board of Directors to consider approval of Mary Odell’s Scope of Work for Strategic Plan Implementation.



- Chairman Hazen explained Ms. Odell's role for assistance of the implementation of the Strategic Plan and the grant process.

**A Motion was made by Community Member Shestock and seconded by Community Member Milt Levinson to approve the Mary Odell's Scope of Work for Strategic Plan Implementation. Motion passed unanimously.**

#### **NEW BUSINESS**

- a. RFP for a Behavioral Health Consultant – draft review
  - Donna Craig, Senior Program Officer explained the justification of the RFP for a Behavioral health consultant.

**A Motion was made by Community Member Linda Levinson and seconded by Community Member Linda Shestock to approve the Behavioral Health Consultant RFP for consideration to the Board. Motion passed unanimously.**

- b. RFP for a Homelessness consultant – draft review
  - Donna Craig, Senior Program Officer explained the justification of the RFP for a homelessness consultant.

**A Motion was made by Community Member Linda Levinson and seconded by Community Member Linda Shestock to approve the Homelessness Consultant RFP for consideration to the Board. Motion passed unanimously.**

#### **COMMITTEE MEMBERS COMMENTS**

Chairman Hazen once again thanked Bev Greer and Kim McNulty.

#### **STAFF COMMENTS**

- a. cvHIP presentation: Alejandro Espinoza, Program Officer and Outreach Director
  - Mr. Espinoza will provide details of cvHIP at the next scheduled Program Committee Meeting.

#### **ADJOURNMENT**

The meeting was adjourned at 1:41 pm.

| DESERT HEALTHCARE DISTRICT   |  |                                |                         |                          |                         |                      |
|--|--|--------------------------------|-------------------------|--------------------------|-------------------------|----------------------|
| OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE                                  |  |                                |                         |                          |                         |                      |
| As of 06/30/17   |  |                                |                         |                          |                         |                      |
| TWELVE MONTHS ENDED JUNE 30, 2017  |  |                                |                         |                          |                         |                      |
| Grant ID Nos.  | Name   | Approved<br>Grants - Prior Yrs | Current Yr<br>2016-2017 | 6/30/2017<br>Bal Fwd/New | Total Paid<br>July-June | Open<br>BALANCE      |
| 2013-759-BOD 02/26/13  | Desert Hot Springs Wellness FDN - Oversampling - HARC -3yr                             | \$ 30,000                      |                         | \$ 15,000                | \$ -                    | \$ 15,000            |
| 2013-765-BOD 5/28/13   | HARC - Health Evaluation Component of the @LIKE program                                | \$ 11,425                      |                         | \$ 1,143                 | \$ 589                  | \$ 554               |
|  | Unexpended funds - Grant 765 - November 2016   |                                |                         |                          |                         | \$ (554)             |
| 2013-782-BOD 6/25/13   | CVEP - CV/iHub Accelerator Campus 3 years  | \$ 500,000                     |                         | \$ 25,000                | \$ -                    | \$ 25,000            |
| 2014-MOU-BOD-11/21/13  | Memo of Understanding CVAG CV Link Support   | \$ 10,000,000                  |                         | \$ 10,000,000            | \$ -                    | \$ 10,000,000        |
| 2014-821-BOD-4/22/14   | HealthCorps-24 mos support Coordinator proj - High Schools                             | \$ 555,968                     |                         | \$ 55,597                | \$ 55,597               | \$ -                 |
| 2014-852-BOD-11-19-14  | Desert AIDS Project - Get Tested Coachella Valley - 3 yr                               | \$ 498,625                     |                         | \$ 274,244               | \$ 149,588              | \$ 124,656           |
| 2015-862-BOD-3-24-15   | Visiting Nurses Association of California - Point-of-Care McKesson Technology Upgrade  | \$ 125,000                     |                         | \$ 12,500                | \$ 12,500               | \$ -                 |
| 2015-866-BOD-4-28-15   | The LGBT Center of PS - Desert Low-Cost Counseling Clinic - 3 yr                       | \$ 140,000                     |                         | \$ 104,000               | \$ 36,000               | \$ 68,000            |
| 2015-870-BOD-5-26-15   | Mizell Senior Center - CV Senior Fall Prevention Program - 2 Yr                        | \$ 403,300                     |                         | \$ 221,815               | \$ 181,485              | \$ 40,330            |
| 2015-874-BOD-6-23-15   | United Cerebral Palsy - Skill-builders Community Integration - 2 Yr                    | \$ 178,894                     |                         | \$ 98,392                | \$ 80,502               | \$ 17,889            |
| 2015-875-BOD-6-23-15   | Desert AIDS Project - Sexually Transmitted Infection Clinic - 3 Yr                     | \$ 800,000                     |                         | \$ 450,000               | \$ 275,000              | \$ 175,000           |
| 2015-876-BOD-6-23-15   | Arrowhead Neuroscience Frndtn-NeuroInterventional & NeuroCritical Care Fellowship 2 Yr | \$ 373,540                     |                         | \$ 289,494               | \$ -                    | \$ 289,494           |
| 2016-885-BOD-9-22-15   | Hidden Harvest - Senior Markets & Healthy Fairs - 1 Yr                                 | \$ 102,800                     |                         | \$ 10,280                | \$ 10,280               | \$ -                 |
| 2016-886-BOD-9-22-15   | B&G Club of Cathedral City - Main Club House Capital Improvements - 1 Yr               | \$ 150,000                     |                         | \$ 116,250               | \$ 67,500               | \$ 48,750            |
| 2016-887-BOD-9-22-15   | CVEP - Mental Health College & Career Pathways Development Initiative - 2 Yr           | \$ 737,900                     |                         | \$ 405,845               | \$ 166,028              | \$ 239,818           |
| 2016-889-BOD-10-27-15  | HARC - 2016 Community Health Monitor - 3 Yr  | \$ 499,955                     |                         | \$ 349,969               | \$ 149,987              | \$ 199,982           |
| 2016-891-BOD-11-17-15  | Jewish Family Services of the Desert - Mental Health Outpatient Treatment - 3 Yr       | \$ 570,000                     |                         | \$ 450,000               | \$ 152,310              | \$ 297,691           |
|  | Unexpended funds from Year 1 of Grant #891   |                                |                         |                          |                         | \$ (75,792)          |
| 2016-893-BOD-12-15-15  | The Ranch Recovery Center - Purchase Electronic Records Management                     | \$ 21,500                      |                         | \$ 2,150                 | \$ 2,150                | \$ -                 |
| 2016-894-BOD-12-15-15  | Act for MS - Enhanced health Training, Flexibility and Circulation Therapy - 2 Yr      | \$ 368,228                     |                         | \$ 285,377               | \$ 165,703              | \$ 119,674           |
| 2016-899-BOD-02-23-16  | Pegasus Therapeutic Riding - Hippo Therapy Helping to Heal Program - 1 Yr              | \$ 102,544                     |                         | \$ 56,399                | \$ 51,551               | \$ 4,848             |
|  | Unexpended Funds - Grant 899 - April 2017  |                                |                         |                          |                         | \$ (4,848)           |
| 2016-907-BOD-05-24-16  | CV Volunteers in Medicine - Access to Healthcare Post Implementation of the ACA 1 Yr   | \$ 120,798                     |                         | \$ 66,439                | \$ 54,359               | \$ 12,080            |
| 2016-908-BOD-06-28-16  | Angel View Support for the Outreach Stabilization Program - 2 Yr                       | \$ 144,600                     |                         | \$ 144,600               | \$ 65,070               | \$ 79,530            |
| 2016-909-BOD-06-28-16  | Desert Cancer Foundation Support for the Patient Assistance Care - 1 Yr                | \$ 187,000                     |                         | \$ 187,000               | \$ 168,300              | \$ 18,700            |
| 2016-910-BOD-06-28-16  | FIND Food Bank Support for the Hunger to Health Program - 1 Yr                         | \$ 390,151                     |                         | \$ 390,151               | \$ 351,136              | \$ 39,015            |
| 2016-911-BOD-07-26-16  | Well in the Desert - Support Assistance With Projects and Saving Lives - 1 Yr          |                                | \$ 44,800               | \$ 44,800                | \$ 40,320               | \$ 4,480             |
| 2016-913-BOD-07-26-16  | Neuro-Vitality Center - Core Program Operations - 1 Yr                                 |                                | \$ 261,340              | \$ 261,340               | \$ 235,206              | \$ 26,134            |
| 2016-916-BOD-09-27-16  | UCRSOM - Street Medicine Clinic - 1 Yr   |                                | \$ 70,899               | \$ 70,899                | \$ 63,809               | \$ 7,090             |
| 2016-918-BOD-09-27-16  | Desert Healthcare Foundation-NTE Desert Highland Gateway Community Health & Wellness   | \$ 110,000                     |                         | \$ 110,000               | \$ 110,000              | \$ -                 |
| 2016-920-BOD-10-25-16  | LifeStream Blood Bank - Support Protate Cancer Treatment Program                       | \$ 60,000                      |                         | \$ 60,000                | \$ 54,000               | \$ 6,000             |
| 2016-926-BOD-12-20-16  | Ranch Recovery Center - Purchase and Installation of Emergency Generator               | \$ 27,969                      |                         | \$ 27,969                | \$ 25,172               | \$ 2,797             |
| 2016-927-BOD-12-20-16  | SafeHouse of the Desert - "What's Up" Crisis Texting Application - 3 Yr                | \$ 679,357                     |                         | \$ 679,357               | \$ 101,904              | \$ 577,453           |
| 2017-937 BOD-06-27-17  | West Valley Homelessness Initiative Challenge Grant - DHCF - 1 Yr                      | \$ 2,000,000                   |                         | \$ 2,000,000             | \$ 2,000,000            | \$ -                 |
| 2017-929-BOD-05-23-17  | Gilda's Club Desert Cities: HeLP - Healthy Living Program - 1 Yr                       | \$ 142,000                     |                         | \$ 142,000               | \$ 63,900               | \$ 78,100            |
|  |  |                                |                         | \$ -                     | \$ -                    | \$ -                 |
|  |  |                                |                         | \$ -                     | \$ -                    | \$ -                 |
| <b>TOTAL GRANTS</b>  |  | <b>\$ 17,012,228</b>           | <b>\$ 3,396,365</b>     | <b>\$ 17,408,008</b>     | <b>\$ 4,889,943</b>     | <b>\$ 12,436,871</b> |
| <b>Amts available/remaining for Grant/Programs - FY 2016-17:</b>               |  |                                |                         |                          |                         |                      |
| <b>Amount budgeted 2016-2017</b>   |  |                                | \$ 4,500,000            |                          | G/L Balance:            | 6/30/2017            |
| <b>Amount granted through June 30, 2017:</b>                                   |  |                                | \$ (3,396,365)          |                          | 2131                    | \$ 1,118,848         |
| Mini Grants: 912,914,917,919,922,923,924,928,931,933                           |  |                                | \$ (35,082)             |                          | 2281                    | \$ 11,318,023        |
| Net adj - Grants not used: 896, 765, 891, 899                                  |  |                                | \$ 81,398               |                          | <b>Total</b>            | <b>\$ 12,436,870</b> |
| <b>Balance available for Grants/Programs INCLDG \$1,000,000 for pulmonary.</b> |  |                                | <b>\$ 1,149,951</b>     |                          | <b>Difference - Rdg</b> | <b>\$ 0</b>          |

PROPOSALS UNDER DEVELOPMENT – REMAINING BUDGET IMPACT  
As of 07/01/2017 Balance Available for Grants/Programs:  
(Total \$4,700,000 less \$1,000,000 Avery Trust) =**\$3,700,000**

- Mini grants applications sent to:
  - Foundation for Palm Springs Unified School District \$5,000 –“Wellbeing 2018”
- LOI’s received:
  - Coachella Valley Rescue Mission – \$103,000 to support 105 District clients receiving services
  - Transgender Community Coalition – \$5,000 mini grant to provide health education and advocacy to the local transgender community during Trans Pride at PS Greater Pride & during Transgender Day of Remembrance (both in November)
  - Alliance for a Healthier Generation - \$459,105 for 3 years for Healthy Out of School Time Implementation Plan and Healthy Schools Program Sustainability Model Implementation Plan
  - Variety of the Desert - \$5,000 mini grant to purchase 5 adaptive bicycles for children with physical disabilities
  - Pegasus Therapeutic Riding - \$100,128 for therapeutic riding for 112 clients living in District service area
  - FIND Food Bank – no dollar amount requested but asking to pursue a multi-year grant fund opportunity for fresh produce transport; CalFresh & Medi-Cal outreach and case management; and a shared client-service tracking database for clients accessing food assistance & related programs
  - Hanson House - \$5,000 mini grant provide no cost housing to parents with babies in NICU at DRMC
- Grant & Applications sent to:
  - Borrego Health Foundation – 1<sup>st</sup> draft application received for renovation of 3,600 square feet of additional clinic space at Centro Medico Cathedral City for primary care residency program: \$572,000
- Applications before Program Committee/Board of Directors (July):
  - Well In The Desert - \$84,570
  - Hidden Harvest - \$95,000
  - Mizell Senior Center - \$400,300
  - Loma Linda University - \$178,016

# Progress Report

Health Assessment & Research for Communities, Grant#: 889

## 2016 Community Health Monitor (CHM)

Jenna LeComte-Hinely

Tel: (760) 404-1945

Fax: 760-610-6110

jlecomte-hinely@HARCdata.org

**Grant Amount:** \$499,955

**Paid to date:** \$224,980

**Balance:** \$274,975

**3rd report, from 11/1/16 to 4/30/17**

*Due Date: 5/1/2017*

### ***The specific benefits or tangible effects to be achieved by the end of the grant period (10/31/2018):***

The deliverables of this project include:

- Conduct a triennial health assessment in 2016.
- Produce an Executive Report that summarizes the results of the 2016 CHM.
- Provide a web-based resource so that data users can access the results of the 2016 CHM online.
- Publicize the availability of the data to the public. Publicity efforts will include at least two radio interviews, at least two television interviews, at least two invited presentations to interested groups, and at least two written pieces in newspapers.
- Conduct at least 12 personalized trainings/outreach meetings with potential data users to introduce them to the data and demonstrate how it can be used to assist their work.
- Make at least 20 potential funders aware of the opportunity to commission special reports based on the 2016 CHM data to provide more in-depth analyses of target groups.
- Issue at least 12 health-related press releases based on the 2016 CHM data.
- Conduct one stakeholder survey of those who have used the 2016 CHM data to assess the impact it has had.

### **PROGRESS:**

*The measurements to be utilized throughout the grant period:*

Please see attached document "CHM 2016 Tracking.xlsx"

### *Progress this period:*

#### Data Analysis and Reporting

HARC staff cleaned and analyzed the data, and conducted thorough proofing. Staff wrote the Executive Report, and gathered success stories from funders to include. HARC coordinated with CVEP to procure a map for the report. Ace Printing printed the reports.

#### Data Release Event

The Executive Report was released at a data release event on 1/31/17 at UCR Palm Desert. Approximately 180 people attended the event. HARC utilized live polling to engage the audience; approximately 100 people participated in each poll. The first poll (110 votes) asked participants to share where they were from; the majority represented nonprofits (40%), followed by healthcare (30%), education (19%), County (19%), cities (7%), media (2%), and other (17%). The last poll asked the audience to prioritize which special reports they wanted to see first. Responses (112 votes) indicated that mental health was the most desired (38%), followed closely by an East/West report (37%). Other topics that also garnered a lot of interest included poverty (30%), LGBTQ (26%), Hispanic health (24%), and seniors (24%). Approximately 200 hard-copy Executive Reports were given out at the event, and about 150 more have been given out since then.

#### Online Data

HARC staff entered 2016 data into the template required by the programmers, and uploaded it to the searchable database, HARCsearch. Proofing was the next step, and HARC staff deemed the beta site to be accurate. To enhance usability, a keyword search function was added, as well as a "How to Use HARCsearch video". HARC also added more detailed tracking capabilities to HARCsearch, so that staff can see not only how many people use the site, but also which variables they tend to look at. This will help HARC to determine which topics are of greatest interest to the community. Similarly, HARC added a brief survey that is required in order for people to download the PDF of the Executive Report, which will help HARC track how many people use it and what they plan to use it for. This will help HARC with future stakeholder surveys and in tracking impact and reach. To date, 41 individual users have searched for data on HARCsearch, and 116 unique individuals have downloaded the PDF of the Executive Report.

#### Publicity and Dissemination

The results of the survey were featured on the radio (Bill Feingold Show on Knews 970 AM, 94.3 FM, 2/27/17). Results were featured on television three times: KESQ on 1/31/17 about the data release (<http://www.kesq.com/news/politics/how-repealing-aca-may-impact-local-residents/302735158>), Entravision on 2/24/17 about the impact of the ACA (Spanish language) and on KMIR on 4/2/17 about women's health (<http://www.kmir.com/story/35052839/locals-gather-prior-to-equal-pay-day>). Survey results were also featured in the Desert Sun on 1/31/17 (<http://www.desertsun.com/story/news/health/2017/01/31/coachella-valley-health-insurance-obamacare/97290062/>) and on page 4 of Desert Health News' May/June issue ([https://issuu.com/awodigitaledition/docs/desert\\_health\\_news\\_may\\_june\\_2017?e=2076238/47870298](https://issuu.com/awodigitaledition/docs/desert_health_news_may_june_2017?e=2076238/47870298)).

HARC has been invited to present the results to special interest groups three times: to leader of RAP's revamped Center for Nonprofit Advancement on 2/23/17, to the staff of the Annenberg Center at Eisenhower on 3/20/17, and to the community as a part of the "Women in Action" event put on by Action for Societal Change on 4/2/17. Slides were also provided to Desert Oasis Healthcare upon request to disseminate throughout their staff.

Upon request, HARC will be collaborating with CVEP to map the 2016 data, producing one "map of the week" (a new weekly feature in the Public Record) per month using HARC's data. MOU has been signed with CVEP, and data will be shared this week. Updates on the monthly maps using HARC's data will be included in the next progress report.

Paid advertising is in place on Facebook, directing people in the Coachella Valley who need local data to HARC's CHM website. HARC's data users are usually leaders in the community-- such as Executive Directors and CEOs of nonprofits and healthcare organizations, etc. As such, HARC staff decided to mail copies of the Executive Report to local leaders, along with a brief handwritten note stating that we thought it would be of interest to them, given the fact that they are a leader in the community. To date, HARC has mailed out 31 Executive Reports to local leaders. This includes all of the local tribes, several nonprofits, funders and foundations, etc. In the coming months, HARC plans to continue this approach, and send reports to each of the cities, the chambers of commerce, the rotary clubs, etc., in an effort to ensure that all community leaders who could benefit from the information know that it exists.

HARC reached out to the C4C organization to ensure Dr. Gary Painter is still the key contact person to send the data to, and has not yet received a response. HARC will check back in with C4C via various methods to get a response in the coming week.

#### Seeking Funding for Special Reports

HARC has received \$10,000 from Auen Foundation to support a senior report. Additionally, HARC has asked eight funders to support special reports:

1. First 5 Riverside: 0 to 5 Report
2. Molina: Disability Report
3. Betty Ford Center: Binge Drinking Report
4. RUHS -- Behavioral Health: Mental Health Report
5. Riverside County Office on Aging: Senior Health Report
6. RUHS -- Public Health: Report of their choosing
7. IEHP: Report of their choosing
8. Desert Oasis Healthcare: Report of their choosing

HARC Board and staff members are working on personal follow-ups to these asks, but have not confirmed any funding yet.

#### Tracking:

*Is the project/program on track?* **Yes**

*On-Track Issues:*

HARC has not yet shared the data with the C4C as originally written in the grant proposal. Heather Vaikona, the liaison for C4C, has not responded to emails from HARC's CEO regarding sharing the data.

HARCsearch has not been utilized as much as we had hoped (wanted 100 users, have about 41).

*Course correction if the project/program is not on track:*

Regarding C4C data sharing: HARC wants to ensure that Dr. Gary Painter is still the one to share the data with, as the data should not be shared lightly nor indiscriminately. Once HARC receives confirmation that this is still a desired part of the C4C project and that Gary Painter is the one to shepherd the data, HARC will pass the data over.

Regarding HARCsearch: To rectify the relatively few users, HARC plans to run an email campaign to with a "question of the month" that people must use HARCsearch to answer, rewarded with a small Starbucks giftcard for one lucky winner. HARC has used this technique in the past to encourage data use and has seen moderate success. HARC also plans to encourage HARCsearch use in upcoming trainings, which will be documented on Progress Report 4.

# Achievement Building – Progress Report

FIND Food Bank, Grant#: 910

## From Hunger to Health

Lisa Houston

Tel: (760) 775-3663 ext. 110

Fax: (760) 775-0252

lhouston@findfoodbank.org

|                      |           |
|----------------------|-----------|
| <b>Grant Amount:</b> | \$390,151 |
| <b>Paid to date:</b> | \$263,352 |
| <b>Balance</b>       | \$126,799 |

**01/01/17 -- 03/31/17**

*Due Date: 4/1/2017*

### **PROGRESS:**

#### ***The new capacity and/or improvement in capacity by the end of the grant period:***

The new capacity FIND seeks with our grant proposal will be achieved by working with greater efficiency and in greater partnership for the purpose of broader gains for FIND, those we serve, and the community at large. Along with our food-assistance and community-based partners, we seek to establish a shared operating space where we can meet the nutrition needs of food-insecure residents as well as collaborate with other stakeholders to combat the multiple disadvantages low-income, food-insecure residents face on a regular basis. In collaborating with other community-based organizations in support of our mission, we seek to connect the dots between offering more nutritious food assistance through our regional distribution network and food-insecure residents making use of food assistance and other resources to make choices that support their health and well-being. In doing so we are not only continuing to help meet immediate needs, we are also working the preventive side of the hunger equation (connecting people to resources that can help reduce household food insecurity) as well as the "bigger picture" of complexities and factors that make food insecurity just another part of everyday life for tens of thousands of District and Coachella Valley residents.

#### ***Progress this period:***

One of the areas of greatest potential in building needed capacity to deliver food assistance in underserved communities -- especially when no other community-based partners are available to help -- is through partnerships with local schools. With 4 in 5 local school children eligible for



Free/Reduced-Price Meals at school, the imperative to offer supplemental nutrition to children is a priority for a majority of schools across the Coachella Valley, meaning we have found school sites to be enthusiastic partners. We use our regular examination of area food-assistance distributions (i.e. communities/areas served, gaps in service, etc.) to identify areas that may benefit from a school-based distribution and then we develop a relationship with that school. Recent examples include DHS/Sky Valley and Thousand Palms, where we started with "gap" distributions that are moving to school-based distributions as a more effective means of getting supplemental food to low-income families by sending it home with school children.

As we will discuss in our upcoming mtg w/DHCD, while this is a good example of capacity building to meet local needs, it does not address the availability and sustainability of funding of such programming in terms of local community-based capacity, as described in this grant.

*The milestones to be utilized to indicate if the project/program is on-track:*

FIND offers the following milestones for proposed "Hunger to Health" grant funding:

- Quarterly distribution of fresh produce toward annual goal of 2.5 million pounds within District (and another 2.5 million pounds beyond District service area), FY1617
- Each quarter, engage in C-Level meeting with agency partners to encourage capacity building
- Each quarter, engage in relationship development and planning meetings with community partners with whom we hope to work in establishing connection between the value of nutritional food assistance in the lives of food-insecure residents
- Each quarter, engage in ongoing Leadership Table activities of local "Collaborating for Clients" initiative
- BY SEPTEMBER 2016
  - o Complete 15 C-Level meetings between FIND and agency partners; explore potential to enter into organization-level agreements that support their participation in healthy food banking
  - o Participate in "Collaborating for Clients" Collective Action Network (CAN) related to food insecurity
- BY DECEMBER 2016
  - o Consider the feasibility of a fundraising opportunity to support Project Produce (and all partner agencies, not just FIND)
  - o Report to DHCD on information gleaned from C-Level meetings to date, including input from agency partners on the potential to coordinate in implementing a client-level data tracking program among regional food-serving organizations
  - o Report what we've learned about potential partnerships with community-based organizations to "connect the dots" between nutritional value of nutritious, fresh produce and positive health information and decision-making
- BY MARCH 2017
  - o Continue with plans to develop and implement pilot to test the connection we hypothesize exists between providing food-insecure residents with nutritious food assistance, including large amounts of fresh produce, and a proven clinical/educational model that

encourages nutrition literacy and individual/family decision-making that support positive health outcomes

- BY MAY 2017
  - o Complete 15-20 C-Level meetings between FIND and agency partners; explore potential to enter into organization-level agreements that support their participation in healthy food banking
- BY JUNE 2017
  - o Conclude proposed grant-related activities
- BY JULY-AUGUST 2017 (post-grant period)
  - o Complete final reporting to DHCD on "Hunger to Health" grant accomplishments, challenges, sustainability, and potential plans to partner with other community-based programs for mutual benefit

*Progress this period:*

As reported in previous quarters, discussions of this potential demonstration project were initiated and encouraged by DHCD, with great interest by FIND. Unfortunately, in the midst of discussions, the other potential partner, El Sol, became unavailable to continue discussions; DHCD staff have additional info. FIND has been building a partnership with Borrego Health as a potential partner in this endeavor. We look forward to discussing this possibility further, as well as other items, with DHCD CEO in an upcoming meeting.

During this quarter, FIND made good progress (420,015 pounds) toward our annual goal of distributing 2.5 million pounds of fresh produce within District boundaries.

*Is the program on-track?* **Yes**

*On-track Issues:*

While primarily on-track thus far in our 12-month grant, we look forward to discussing this and previous reporting during our upcoming meeting w/DHCD CEO, as there are a number of issues that have emerged in this grant cycle that impact local food-assistance demand and response, an issue of strategic importance to both of our organizations. Among our discussions, the reality of community-based capacity to meet the demand for healthy, local food assistance among those who continue to struggle to make ends meet, i.e. the 46% of Coachella Valley residents living below 200% of the federal poverty level (ACS data), which is notably higher than elsewhere in CA. As we have reported, FIND's partners do not have the resources to take on a greater share of the financial responsibility for meeting local food assistance needs than they already do. And while FIND continues to strategically distribute fresh-produce expenses across fundable programming areas, we are still faced with a substantial budget deficit and challenge in providing adequate nutritious food assistance to area residents who need it.

*Course correction if the project/program is not on track:*

No course corrections are requested at this time; we will bring previous quarterly reporting to our upcoming meeting to discuss the status of previously requested course corrections regarding this grant.

# Progress Report

Coachella Valley Volunteers In Medicine, Grant#: 907

## Providing continued access to healthcare post implementation of the Affordable Care Act.

Doug J. Morin  
Tel: (760) 837-9066  
Fax: (760) 837-9065

**Grant Amount:** \$120,798  
**Paid to date:** \$108,718  
**Balance:** \$12,080

**12/01/2016 through 05/31/2017**

*Due Date: 6/1/2017*

### ***The specific benefits or tangible effects to be achieved by the end of the grant period (5/31/2017):***

At least 300 distinct District residents will have been provided with a reserved patient visit/appointment for medical or dental care, health education or health navigator assistance.

CVVIM will produce a white paper at close of grant outlining learnings from this second twelve month period of recalibration.

### **PROGRESS:**

#### *The measurements to be utilized throughout the grant period:*

Scheduled patient appointments (medical and dental care service, health education classes, case management, health navigator) will be tracked on regular intervals (monthly, quarterly and annually) and multiplied by \$134.22. This cost of service for these reserved appointments for District residents will be drawn against the award during the grant period.

#### *Progress this period:*

During the period of 12/1/2016 through 5/31/2017, 372 medical and/or dental appointments were scheduled for District residents. An additional 50 appointments were scheduled for Health Navigator services, specialty referrals, and health education classes or specialty clinics, such as hearing screenings. For the period then, 422 total appointments were scheduled for District residents.

Tracking:

*Is the project/program on track?* **Yes**

*On-Track Issues:*

The project is on track.

*Course correction if the project/program is not on track:*

No corrections are necessary.

# Progress Report

Angel View, Inc., Grant#: 908

## Angel View Outreach Family Stabilization Program

Patti Park

Tel: (760) 329-6471

Fax: (760) 329-9024

patti@angelview.org

**Grant Amount:** \$144,600

**Paid to date:** \$65,070

**Balance:** \$79,530

**January 1, 2017 - June 30, 2017**

*Due Date: 7/1/2017*

### ***The specific benefits or tangible effects to be achieved by the end of the grant period (6/30/2018):***

Over a two-year period we are seeking to help stabilize the lives of 50 children with disabilities (all District residents) by ensuring their families receive all allowable safety net services, take advantage of available resources, and learn basic life skills such as calendaring appointments, scheduling transportation, planning for contingencies, budgeting, etc.

For more details on results we have already achieved with the program please see our uploaded file "client stories."

### **PROGRESS:**

#### *The measurements to be utilized throughout the grant period:*

All participants in our family stabilization program will be assessed at the outset. Individual goals will be established. Monthly progress on the individual goals will be tracked and reported. Each time a client is linked to a resource, it will be a reportable outcome. Goals will be continuously assessed. We will provide the District with documented progress reports on the 25 clients assisted in Year 1 and the 25 clients assisted in Year 2. Names and other private information will be redacted.

#### *Progress this period:*

So far this year our team has enrolled 22 families in the family stabilization program; 19 are currently active. As a result of the more intense contact with these clients, the overall number of children we have assisted this year has dropped from 400+ to approximately 300. That was to be expected though -- our goal was to make a more lasting impact on clients' families and we knew that would be labor intensive. In all cases, families' needs are assessed at the outset,

goals are set, and during regular meetings with the families, their progress is monitored and re-assessed as needed. Goals are adjusted along the way. Please see the attached client stories for the types of issues we have been assisting with.

The program is definitely helping many of the families make what we hope will be lasting improvements in their lives.

Tracking:

*Is the project/program on track?* **Yes**

*On-Track Issues:*

We had anticipated enrolling 25 clients in the Family Stabilization program in Year 1. We fell slightly short of that goal, primarily because of staffing issues at the start of the program and when our Outreach Program manager was out for a month on medical leave.

*Course correction if the project/program is not on track:*

No changes were required. The two newest staffers are fully up to speed and our program manager is back at work. All three are busy! We are looking forward to assessing new clients for the family stabilization effort in the coming year and continuing to work with those who still require assistance.

17

4 unsuccessful  
24%

**Family Stabilization Client RM**

A single parent family from Palm Desert came to Angel View seeking help finding resources available to her and her son who has a diagnosis of Autism, Prader-Willi Syndrome, and just recently, Type 1 Diabetes. After conducting initial intake and reviewing other services offered by Angel View Outreach, it was evident the family of two had additional needs.

Case management focus for the family is:

1. Budgeting
  - a. Financial form (monthly expenses)
  - b. TRIP
2. Nutrition
  - a. Review and implement nutritional plan per PCP
3. Scheduling afterschool activities
  - a. After School program through Desert Recreation District
  - b. Study time (learning apps)
  - c. Handwriting exercises
  - d. Daily walks.

This family's end result was unsuccessful. Nutritional planning was something the parent struggled with since the child did not like to consume certain foods. With the doctor's help, a meal preparation plan was created as well as an after school schedule consisting of study time and daily walks/exercise activities both mother and child could actively participate in however, case manager has since then lost contact with family.

**Family Stabilization Client EP**

A family from Palm Springs came to Angel View seeking assistance applying for Medi-Cal and Cal-Fresh benefits after the head of household lost their job. The family has a child with Autism. After conducting the initial intake, it was determined the family was in need of family stabilization services.

Case management focus for the family is:

1. Assist in the application process
  - a. Medi-Cal
  - b. Cal-Fresh

- c. English to Spanish translation

2. Budgeting

- a. Financial form (monthly expenses)
- b. Utility Assistance (CARE)

The family's goals have been met. Case manager assisted family in translating and completing applications and all requested documents for Medi-Cal and Cal-Fresh benefits. Case manager helped the family in budgeting and adjusting to the recent job loss by reviewing their monthly expenses and referring them to local resources like FIND Food Bank. The family was also enrolled in the California Alternative Rate for Energy program (CARE) which provides a monthly discount on utility bills for low to moderate income households.

**Family Stabilization Client ORM**

A single parent family from Palm Springs came to Angel View seeking mileage assistance after being referred by Inland Regional Center. The mother also needed assistance in budgeting due to decrease in work hours and completing SSI forms for her child who has a diagnosis of autism. After completing initial intake, it was evident the family was in need of family stabilization services.

Case management focus for the family is:

1. Assist with application/appeal process
  - a. SSI reconsideration forms
2. Educating client on the importance of completing forms in timely matter
  - a. Help client understand the application process
  - b. Advocating for self and child
3. Budgeting
  - a. Financial form (monthly expenses)
  - b. TRIP
  - c. Utility Assistance (CARE)
4. Employment
  - a. Help mother build resume
  - b. Apply online through multiple search engines



Some of the family's goals were met but the end result was unsuccessful. SSI benefits that were pending were granted. Case manager assisted and successfully enrolled the family in the California Alternative Rate for Energy program (CARE) which provides a monthly discount on utility bills. Employment was obtained but mother then needed help finding affordable child care. Mother was linked to agencies providing this service but mother failed to follow up regarding this matter.

### **Family Stabilization Client AV**

A family from Desert Hot Springs came to Angel View seeking advocacy services for their child who has a diagnosis of Down Syndrome. This is the child's third year in school and was removed from a high functioning class to lower level. Parent's needed assistance in the IEP process as well as other areas.

Case management focus for the family is:

1. Advocating for client and ensuring child succeeds academically
  - a. Working with school district/IEP team
  - b. Translate from English to Spanish
  - c. Understand assessment process
2. Scheduling
  - a. Making a calendar to set and keep appointments
3. Budgeting
  - a. TRIP

The goals for this family have been met. Case manager assisted family through the IEP and assessment process which measured the child's functioning. Child was moved back from low level to higher level class. Case manager is actively working with parents in scheduling appointments for child because parents feel they are unable to due to their language barrier. Case manager is also helping family fill out TRIP forms on a monthly basis.

### **Family Stabilization Client SC**

A family from Desert Hot Springs came to Angel View for assistance with completing TRIP form as well for seeking a Speech therapist. When Case manager conducted the initial intake it was determined that the family was in need of further case management. This family has a child with Autism.

Case management focus for the family is:

1. Assist with Speech therapist
  - a. Seeking to obtain more speech assistance
  - b. Assisting mother obtain a behavioral therapist to evaluate client
2. Budgeting
  - a. Assisting family with TRIP

This family's progress is ongoing. The child was granted speech therapy and the trips are being covered through TRIP. Case manager has been assisting in completing forms and submitting in timely manner.

#### **Family Stabilization clients LW**

A family from Thousand Palms came to Angel View for assistance with completing Inland Regional Center form. When Case manager conducted the initial intake it was determined that the family had additional needs. This family has a child with Autism. This family is also seeking assistance with completing TRIP form due to missing deadline as well as Activity sponsorship.

Case management focus for the family:

1. Assist with application process
  - a. Application for IRC, TRIP, and Activity Sponsorship
  - b. Assist with IRC appeal
2. Educating client on the importance of completing forms in timely matter.
  - a. Advocating for self
3. Budgeting
  - a. TRIP

This family's progress is ongoing. Client was approved for Inland Regional Center services after 6 long months. Case manager is still assisting parent in completing TRIP forms and submitting in timely manner.

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**March 2017**

### **Family Stabilization Client JG**

A family from Desert Hot Springs came to Angel View seeking assistance with mileage reimbursement. The family has a child with Autism and a child with Diabetes. The family was granted TRIP but needed further assistance with advocacy and resource and referral.

Case management focus for the family:

1. Advocating for client regarding health services
  - a. Work with client's PCP
2. Nutrition
  - a. Educate family in healthy eating.
  - b. Link to nutrition programs/agencies offering nutrition services/info
  - c. Implement nutrition plan per PCP.

The family's end result was unsuccessful. Case manager evaluated case and made appropriate recommendations and referrals based on need. Case manager has lost contact with family.

### **Family Stabilization Client JRG**

A family from Desert Hot Springs came to Angel View seeking services for their four year old son who was recently diagnosed with Autism. After completing the intake interview, it was evident the family needed assistance in multiple areas.

Case management focus for the family:

1. Assist in application process
  - a. IHSS
  - b. Educate family in application process
2. Educate client on the importance of completing forms in timely matter
  - a. Advocating for self and client
3. Budgeting
  - a. Financial expense sheet
  - b. TRIP
4. Resources
  - a. Link and refer family to community resources
  - b. Advocacy for client
  - c. Support groups for parents

The family's progress was unsuccessful. Case manager assisted family by linking them up with IHSS and educated them in the services that are available to their child in the community and surrounding areas. TRIP was granted to cover traveling expenses. Parent's failed to follow up with case manager.

### **Family Stabilization Client EC**

A family from Desert Hot Springs came to Angel View seeking assistance with purchasing diapers. The family of six has a child with Down Syndrome and were struggling financially. After conducting the intake, it was evident the family needed further assistance.

Case management focus for the family:

1. Budgeting
  - a. Financial Expense Sheet
  - b. Mini-Grant
  - c. Utility Assistance (CARE)
  
2. Resources
  - a. Link family to local resources (FIND Food Bank, Catholic Charities, etc.)
  - b. Parent Support Groups

The family did not qualify for any type of financial assistance through the Department of Social Services because the father's income fluctuates monthly. Because of this, the case manager has assisted family in creating and implementing a budgeting plan per financial expense sheet. A mini-grant was also granted to cover diaper expenses not covered through insurance. Case manager tried registering family under a utility assistance program which provides a monthly discount on utility bills but was unsuccessful. Case manager has linked family to local resources to assist them in other areas.

### **Family Stabilization Client LRV**

A family from Desert Hot Springs came to Angel View seeking mileage reimbursement services. The family of 5 has a daughter with Down Syndrome who was denied speech therapy services. After conducting the intake interview, it was determined the family needed further assistance.

Case management focus for the family:

1. Assist with insurance claim process for speech therapy
  - a. English to Spanish Translation
  - b. Encourage parent to submit needed documents/information in a timely manner.

- c. Client advocacy
  
- 2. Assist with Unemployment Insurance (UI) benefits (father)
  - a. Educate parent on UI application process via EDD website
  - b. English to Spanish translation
  - c. Encourage parent to submit needed documents/information in a timely manner
  
- 3. Budgeting
  - a. Financial Expense sheet
  - b. TRIP

The progress for this family was successful. Speech therapy was granted after working closely with the client's insurance.. One need was met, a new one came about. Father lost employment and needed assistance applying for unemployment benefits. Benefits were granted to father. TRIP was granted to cover the miles traveled to and from medical appointments including speech therapy. Case manager also assisted family in budgeting to help during this time of need.

#### **Family Stabilization Client DV, DR, & FS**

A family from Whitewater came to Angel View seeking mileage assistance after being referred by Inland Regional Center. The family of seven has three children with disabilities and special needs and lost their fourth child who had a diagnosis of Cerebral Palsy, summer of 2016. The mother also has a delay. After completing the intake process, it was evident the family needed further assistance.

Case management focus for the family:

- 1. Assist in application process
  - a. Cal-Fresh
  - b. SSI
  
- 2. Educate client on the importance of completing forms in timely matter
  - a. Advocating for self and client
  
- 3. Resources
  - a. Link family to local resources
  - b. Parent Support Groups (Grief)
  
- 4. Scheduling

- a. Making a calendar to set and keep appointments

The progress with this family is ongoing. Case manager assisted family in applying and obtaining Cal-fresh benefits, need met. Case manager is assisting mother obtain SSI benefits for one of the children. Need was met. TRIP was granted and case manager helps parent complete TRIP forms on a monthly basis. Case manager is working with family to obtain services for children and parents. A calendar is also being created to meet the needs of each child.

### **Family Stabilization Client RS**

A family from Palm Springs came to Angel View seeking assistance with child care within a budget. When Case manager conducted the initial intake it was determined that the family had additional needs. This family has a child with Autism and speech delay; this family is also seeking assistance with enrolling into TRIP program.

Case management focus for the family:

1. Assist with application process
  - a. Child Care Resource and Referral (Children Services Unit)
  - b. Alternative Payment Program
  - c. TRIP
2. Resource assistance
  - a. Link family to local resources
3. Budgeting
  - a. Expense sheet

This family's progress is complete in regards to child care within budget. Case manager assisted family in application process to locate licensed child care providers for low income families through Riverside County's Children Services Unit (CSU). The family has been granted TRIP and case manager has assisted family in creating a budgeting plan to incorporate the new expense of child care.

### **Family Stabilization Client JDP**

A single mother of five came to Angel View seeking financial assistance after being referred by the community liaison at one of the child's school. The family resides in Cathedral City and has a son with Down Syndrome. The family has been struggling financially since parents' divorce. After conducting the initial intake it was determined that the family had additional needs.

Case management focus for the family:

1. Assist with application process
  - a. Birth Certificates
  - b. Identification Cards (Low cost)
  - c. Social Security Cards
2. Educating client on the importance of completing forms in timely matter.
  - a. Advocating for self
3. Budgeting/Financial Assistance
  - a. Cash-Aid Benefits
  - b. Cal-Fresh
  - c. Expense Sheet
  - d. TRIP

This family's progress is ongoing. Case manager assisted family in obtaining needed documents that were taken by father after divorce. Need met. Needed documents were required to apply and obtain Cash-Aid/Cal-Fresh benefits. Process is pending. Case manager also assisted family in with transferring case to local DPSS office. The family has been granted TRIP.

#### **Family Stabilization Client AR**

A family from Thousand Palms came to Angel View seeking assistance with family activities within a budget. The family has been struggling financially and has lost family cohesion due to constant doctor appointments and life stressors. This family has a child with Autism. When Case manager conducted the initial intake it was determined that the family had additional needs.

Case management focus for the family:

1. Resources
  - a. Link family to local resources
  - b. Desert Recreation District (Activities)
  - c. Parent Support Groups (CVASA)
  - d. Possible family therapy services
2. Budgeting
  - a. Expense Sheet
  - b. TRIP

The progress with this family is ongoing. Case manager has referred family to local agencies providing support services and activities in hopes to help reunify family. Family therapy is being considered. Case manager has assisted family in formulating an activity schedule for the family within a budget per expense sheet. TRIP was granted to ease family's traveling expenses.

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June 2017

### **Family Stabilization Client VQ**

A parent from Whitewater came to Angel View after attending a meeting held at her son's school regarding Angel View Outreach services. The family of four has a child with a diagnosis of specific learning disability and speech impairment and was in need of mileage assistance. After conducting the initial intake, it was determined the family needed further assistance.

Case management focus for the family:

1. Creating a support system through:
  - a. Resource & Referrals
  - b. Link parent to local parent support groups
  - c. Parent workshops (CVASA, Desert Arc, Easy Speech)
  - d. Social Skills training for child and parent (All Desert Wellness)
  
2. Promoting self-care
  - a. Enhancing self-care techniques within a budget
  - b. Exercise, Daily walks, Meditation
  - c. Possible therapeutic services through local agencies

The progress for this family has been successful. The family was granted TRIP to cover the miles travelled to and from speech therapy appointments. The mother was also assisted in finding local resources to help her during stressful times. Mother is a single parent and was having difficulty managing life's stressors. Parent has begun attending parent support groups and social skills training workshops to help her better interact with her children. Parent has also been actively participating in meditation and daily walks which has enhanced her self-care.

### **Family Stabilization Client HS**

A single mother from Desert Hot Springs came to Angel View seeking assistance for her 10 year old daughter who has a medical condition known as congenital atresia and stenosis of the large intestine. The mother recently relocated from Texas with her two children after losing her



husband. Without anyone to rely on back home, the family moved to California and was in need of assistance.

Case management focus for the family:

1. Maximize resources for daughter and assist in applying for:
  - a. Inland Regional Center
  - b. California Children Services
  - c. DPSS
  
2. Resources
  - a. Link family to local resources (Catholic Charities, Jewish Family Services)
  - b. Parent Support Groups (Grief)
  
3. Budgeting
  - a. TRIP
  - b. Expense Sheet

The progress for this family is ongoing. The family was enrolled in TRIP and has been assisted in completing and submitting forms in a timely manner. Mother has also been referred to local agencies for financial assistance and support groups but has not been able to follow up with this specific matter at this moment in time. Case manager will continue to work with parent with budgeting and maximizing resources for the family.

### **Family Stabilization Client KG**

A single mother from Desert Hot Springs came to Angel View after attending a meeting held at her daughter's school regarding Angel View Outreach services. The family of four has a 6 year old daughter who has a diagnosis of autism and was seeking assistance in purchasing diapers. After conducting the initial intake, it was determined the family was in need of further assistance.

Case management focus for the family:

1. Budgeting
  - a. Mini Grant (Diapers)
  - b. Expense Sheet
  - c. Utility Assistance (CARE Program)
  
2. Resources
  - a. Link family to local resources (FIND Food Bank, Catholic Charities, etc.)

The progress with this family is ongoing. The family has been granted the mini grant program to cover the expense of diapers for special needs child. A case manager has assisted parent in completing an expense sheet to create a monthly budgeting plan that will help monitor their family's expenses. The family has been linked with local resources and is still awaiting approval for utility assistance program.

# Progress Report

Mizell Senior Center, Grant#: 870

## Coachella Valley Senior Fall Prevention Program

Ginny Foat

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Fax: (760) 320-9373

ginnyf@mizell.org

**Grant Amount:** \$403,300

**Paid to date:** \$362,970

**Balance:** \$40,330

**125/1/2017 to 5/31/2017**

*Due Date:* 6/1/2017

***The specific benefits or tangible effects to be achieved by the end of the grant period (5/30/2017):***

**Expanded Capacity:** Currently, Mizell Senior Center offers the only community based senior fall prevention program that utilizes an evidence based program A Matter of Balance. The purpose of this program is to expand this program district-wide through a "Train the Trainer" model that will bring this award-winning program to senior centers, senior living communities and community based senior programs. Through this program, we anticipate training at least 12 program coaches and certifying two additional Master Trainers in the program. Similar to the Fit After Fifty model, there will be on-going evidence based fall prevention courses throughout the Valley. Mizell Senior Center proposes becoming the resource for the training, continuing education, and quality control for the coaches in order to ensure that the program maintains the integrity of the A Matter of Balance Model. The goal is to create programs that become a part of the regular programming of the various sites with technical support, and evaluation conducted and coordinated by Mizell Senior Center. This expanded capacity will significantly expand the number of at-risk seniors and older adults who will learn about fall prevention and make the necessary life style changes to continue a regular exercise program.

**Expanded Program:** At the end of year one, we will have established the program in at least seven (7) sites. Ten Coaches will be trained and certified to begin conducting the A Matter of Balance program with supervision of the Master Trainers. There will be a total of ten (10) program sites district-wide by the end of year two with additional training of program coaches to have a total of at least 12 coaches available to conduct the A Matter of Balance Training by the end of year two.

By the end of year two, we will have graduated 400 seniors over age 60 from the A Matter of Balance Program with 75% of those seniors continuing in an exercise program at least three

months following their graduation from the A Matter of Balance Program  
By the end of year two, we will be conducting follow-up Get Balanced programs at all of the program sites utilizing trained volunteer instructors and coaches.

Fall Prevention Education: Falls are not an inevitable consequence of aging and are preventable. The use of an evidence based program such as A Matter of Balance can help reduce falls among older adults. A significant component of the proposal is to develop a comprehensive educational campaign to educate seniors, medical providers, and the general community about fall prevention, risk factors, and specific steps seniors and older adults can make to prevent falls. The educational component will be addressed to two constituencies: Senior Service and Healthcare Providers: Outreach to senior service and healthcare providers will be accomplished by small informational seminars to healthcare professionals and to geriatric physicians in the Coachella Valley who treat seniors within the District. By the end of program year one, we will have conducted at least one educational outreach to physicians at each of the two hospitals in the Valley. Our board of directors includes the Directors of Nursing of both Desert Regional Medical Center and Eisenhower Medical Center. In addition, we will have conducted at least one outreach and education presentation to major medical providers including Desert Oasis Medical Group, Inland Empire Health Plan, Eisenhower Medical Health Centers, Empire Physician Medical Group, and older adults and their caregivers through in home assisted care organizations. The Fall Prevention Education Campaign will consist of direct outreach to medical and senior service providers to educate them about the program and where they can refer patients or clients for the program.

Media Outreach and Education: This purpose of the media outreach through both broadcast and print media will be to increase the general knowledge in the community and begin to change the myth that falling is an inevitable part of growing older. In addition, education will be provided through seminars, public media such as newspaper, television, and social media to reach and educate older adults, their caregivers and families. The ultimate result of this campaign is to spread awareness of fall prevention programs and how it can change the lives of the seniors and older adults who participate. The following deliverables will be provided through the media campaign:

1. Print ads will be developed and published in local newspapers and publications with a high readership among the senior (over age 60) population. This includes The Desert Sun, The Beacon, and Desert Mobile Home News. Ads will be run weekly during the beginning three months of the program and then prior to scheduled programs.
2. Television advertising will be developed and run during programs with high viewing audiences of older adults which include news shows, daytime talk shows, and golf and sports shows to reach the male demographic. The initial campaign will be more frequent during the first three months of the program to provide education and knowledge about fall prevention. Subsequent advertising will be directed to upcoming programs and how individuals can register.

While the most recent HARC report does not specifically delineate the district population of seniors, it estimates that there are approximately 169,000 adults over age 55 in the Coachella

Valley with an estimated 128,000 of that population being over age 65. Based upon media demographic reports and the anticipated scope of the advertising and educational program, we anticipate reaching at least 20% of this population with two or more fall prevention education messages.

Home Inspection and Repair: All the participants of the program will be offered an in-home inspection of potential fall risks in their home. It is anticipated that 85% of the participants will participate in this inspection and make a commitment to at least one recommended safety improvement in their home. For lower income participants we will provide limited assistance with home repair and will provide such assistance to at least 150 participants during the two year program period.

#### Summary:

1. Total Program participants: Year One: 175 Year Two: 225 for a total of 400 participants
2. Program Sites: Year One: 7 sites established Year Two: A total 10 program sites
3. Master Trainers: Two additional Master Trainers will complete their training by the end of year one.
4. Trained Coaches: Year One: 10 coaches completed training program Year Two: A total of 12 coaches will be trained and able to conduct classes at various sites
5. Get Balanced Classes: By the end of year two, there will be on-going Get Balanced Classes established at all training sites.
6. Education: Year One: At least one educational program/seminar at Desert Regional Medical Center, Eisenhower Medical Center, Desert Oasis Healthcare, Inland Empire Health Plan, Eisenhower Medical Health Centers, Empire Physician Medical Group and UCR Family Health Clinic. Media Outreach and education will be conducted through print and media advertising throughout the program utilizing established media tools to measure reach of the program. An annual advertising program is estimated to reach 84,000 unduplicated individuals over age 65 and is estimated to reach 70,000 persons over age 65 three (3) or more times.
7. Each participant in the A Matter of Balance training will be offered an in-home inspection for potential fall risks and hazards. 85% of participants will participate in this inspection and make at least one recommended safety improvement in their home. Limited home repairs assistance will be provided to at least 150 low income participants during the two year program period.

Reduction of Isolation Among Older Adults: According to the HARC Community Health Monitor Report (2013) 29.8% of Coachella Valley seniors (49,249) age 55 and older have a fear or concern that they may fall. As our community ages, the fear of falling and resulting isolation increases. In an article Physical Activity and Mobility in Older Age (2005) the American Journal of Preventative Medicine found that limited mobility is a key factor affecting the quality of life of older Americans. The Centers for Disease Control finds many older adults, even if they have not fallen, become afraid of falling and limit their activity, which drastically decreases their quality of life. According to the HARC report, the proportion of seniors who fear falling are significantly higher in 2013 than in 2010 (29.8% vs. 20.5%) A fear of falling can significantly reduce activity, thereby leading to a higher risk of falls and limit mobility. For some seniors, this can mean they will no longer be able to live independently in their own home.

8. We will measure the reduction of isolation through the HARC assessment of program participants both at the end of the first year and at the end of year two. We will also assess any changes reported in subsequent HARC studies that measure the proportion of seniors who fear falling and measure that against previous years.

## **PROGRESS:**

*The measurements to be utilized throughout the grant period:*

Implementation Timeline:

5/2015: Approval of funding request by Desert Healthcare District

6/2015: Secure necessary office space. Hire Fall Prevention Program Director. Begin recruiting and training course coaches. Visit potential program sites and develop MOU's with site. Begin working on establishing calendar for remainder of 2015 to include six sites by the end of 2015 calendar year. Hire Program Support and Outreach Coordinator. Develop media outreach plan. Work with HARC in developing supplemental evaluation materials.

6/2015: Recruit ancillary medical professionals to assist with pre-testing of related fall risks. Establish foundation to launch program at first satellite site. Master trainers assess classes. At conclusion of first site program assess and review possible areas of improvement and lessons learned. Begin training of CERT volunteers for home inspections. Evaluate home inspections and coordinate repairs. Implement media plan for valley-wide coverage and education about falls and their prevention.

7/2015: Continue recruitment and training of coaches. Complete MOU's with additional sites and confirm calendar for sites. Complete training for two additional Master Trainers based upon training class availability. Begin offering classes at two to three additional sites. Hire Senior Master Trainer. Master Trainers visit and evaluate coaches at least two times during courses at sites. Each site to conduct between four (4) to (6) A Matter of Balance Trainings throughout the year for a total of at least 175 participants in the first year and an additional 225 participants in the second year for a total of 400 participants. Each site will also offer regular exercise classes for class participant follow-up. Recruit medical professionals to form a community advisory committee to help assess the program that would meet quarterly.

8-12/2015: Master Trainers implement Balance Training exercise classes at satellite sites to provide continuing balance training and exercise programs specifically designed for fall prevention. Additional sites are recruited for offering A Matter of Balance for a total of seven (7) sites with signed MOU's by the end of 2015 in the District. Additional coaches are recruited and trained as needed. Program coordinator visits all sites, offers suggestions, and assists where required. Master Trainers continue monitoring classes and offering updated training and information to coaches. Evaluate effectiveness of media plan and make any necessary

adjustments to insure sufficient participation by clients. Begin developing plan for program continuation and development of additional funding sources for program sustainability beyond initial implementation.

3/2016: Begin to collect and analyze data from classes and follow-up with participants to determine continued exercise program and completion of any recommended home safety improvements. Review data with HARC for preparation of evaluation report for first year. Monitor classes and schedules to make sure classes are being offered. Assist with coaches and monitor media plan to determine effectiveness.

4 -- 8/2016: Ongoing: Review and make sure classes are continuing to be scheduled at all sites. Recruit at least three additional sites for a total of 10 sites in the District by the end of year two. Recruit and train additional coaches to have at least twelve (12) coaches trained and able to conduct A Matter of Balance classes by the end of year two. Continue with evaluation of coaches and coach training as needed. Follow-up and coordinate home inspections with each client and schedule any assistance for completing work in the home. Review and analyze data from all participants and begin preparation of evaluation report. Continue monitoring sites and classes offered. Provide assistance as needed to sites for coordinating coaches. Expand to additional sites as feasible.

9/2016: Work with HARC in developing paper for presentation at conferences detailing plan implementation, outcomes and evaluation.

Mizell Senior Center has solicited a proposal from HARC to assist with the evaluation of this program. It would include reviewing and collating the evaluations that are a part of the A Matter of Balance Program and include a statistical analysis of the results and measuring any behavior change among the participants. In addition, HARC would conduct site evaluations and assist in developing a survey or interview tool to measure host site experiences with the program. The tool will include measures such as number of Matter of Balance cohorts, total number of participants, perceptions about the program, ease of program implementation, ways to improve the administration of the program, increase in site traffic and public awareness of the program at the site.

These evaluations will be conducted following the first year of the program and again following the second-year measuring participant's continued attendance at regular on-going exercise programs as well as informing any modifications to the program administration based on the program sites.

Finally, HARC would create and submit up to two conference papers to top tier conferences such as the Aging in America National Summit or the Healthy Aging Summit. It is anticipated that the successful submission of conference papers on the implementation of this district-wide program would also assist in securing additional funding and on-going sustainability of the program.

5-2017: Review program and papers presented for implementation of third year sustaining program.

*Progress this period:*

During this reporting period, outreach continued to secure new sites, coach trainings continued, and an additional 20 courses were offered at fourteen sites. We began focusing efforts on sustainability and have been working with Desert Oasis Healthcare in providing classes at sites outside the District on a contract basis. This is a model that we will be exploring further with additional medical providers for long-term sustainability of the program. We held two workshops for course graduates to encourage them to continue exercising and to participate in a Challenge Course, which measures balance, provides learning opportunities on how to navigate obstacles and improves confidence.

In addition to the coach trainings outlined in the previous report, additional coach trainings occurred resulting in a total of 106 trained coaches:

January 21, 2017 -- 7 Coaches

March 4, 2017 -- 6 Coaches

April 29, 2017 -- 7 Coaches

As a result of the coach trainings, we have coaches assigned to the course sites that have on-going programs as well as 18 coaches that can be utilized as "roamers" to help offer courses at sites that are just starting and need an experienced coach to begin offering courses.

During this reporting period, we have offered 20 A Matter of Balance Courses for a total of 66 courses offered to date. The recap of courses offered during this reporting period include:

1. Cathedral Center -- 1 course
2. Desert Oasis Healthcare -- 4 courses
3. Eisenhower Annenberg -- 3 courses
4. Joslyn Center -- 2 courses
5. Mizell Senior Center -- 4 courses
6. The Braille Institute -- 1 course
7. The Colony -- 1 course
8. James O. Jessie Unity Center -- 1 course
9. Desert Regional Medical Center -- 1 course
10. Desert Hot Springs Senior Center -- 2 courses

During this reporting period, we graduated 163 individuals for a total of 561 course graduates to date. Courses offered during this time with the number of graduates from each site include:

1. Cathedral Center -- 13
2. Desert Oasis Healthcare -- 34
3. Eisenhower Annenberg -- 14



4. Braille Institute -- 6
5. James O. Jessie Unity Center -- 11
6. The Colony -- 9
7. Joslyn Center -- 19
8. Mizell Senior Center -- 33
9. Desert Regional Medical Center -- 8
10. Desert Hot Springs Senior Center - 16

Home Assessments: 86 In Home Assessments were completed during this reporting period which shows an increase to 52% of participants engaging in an In-Home Assessment. This represents a nearly 30% increase of participants taking advantage of this opportunity. Our efforts in working with course participants have resulted in a steady increase taking advantage of the in-home assessment. As a part of the course, every participant is provided with a self-assessment form which is identical to the In-Home Assessment tool. 64% of those participating in the in-home assessment completed making one or more changes. Examples include installing grab bars, raising toilet seats, removing throw rugs, placing non-skid mats in the shower or bath tub, improving lighting and changes in the kitchen to avoid using step stools.

From program implementation, there have been a total of 232 home assessments representing a 41% overall participation rate.

Included below are some graduate responses from the most recent three-month surveys:

? Joane S. DHS

My husband is ill and I found myself not leaving the house.  
After taking the AMOB class I now know how important my own health is.  
I am starting to line dance again.

? Rene C. Cathedral City

Before I took the AMOB class I was strictly using  
a walker. now I am able to rely on a cane and  
am continuing to exercise three times per week @ Mizell.

? Janine Y. DHS

My husband and I both took the AMOB course.  
He has Parkinson's. He is no longer able to speak.  
He does still try to exercise in our pool. I am able to care for him easier now that I have  
become stronger from the exercises.

? Alice T. PS

I live alone and thanks to the AMOB class I decided to get a lifeline alert necklace.  
I fell off the treadmill in my home and was able to get help fast. I did not break any bones  
due to my flexibility from the AMOB exercises.

? Jim B PS

I was just sitting around my house feeling down and frail.

I could no longer drive safely so I sold my car.

A friend brought me to the AMOB class where I learned that I needed to help myself and I now get myself to exercise classes several times a week.

Taking the AMOB course helped me feel more confident by sharing my fears and experiences with other seniors.

I loved the way the AMOB class setting made me feel encouraged to enjoy my life to the fullest.

I felt like I was with a group of close friends, it enabled me to open up.

Advertising and Publicity:

During this contract period, we did the following advertising and publicity for the program:

December - KMIR - 22 spots

January - KESQ - 16 spots

February - KMIT - 41 spots

Desert Sun Print Advertising: January through April: 50 print ads in the Weekly Health Section

HARC Reports: Our first-year evaluation by HARC found that the program was effective, that participants continued in a regular exercise program following graduation, and made significant changes in their home environment to help reduce the potential of falling. In fact, the HARC results have been selected as poster presentations at two California symposiums on aging. These presentations are: Leier, C.R., Spencer, S., & Newby, J. (2017). Mizell Senior Center: A Matter of Balance (AMOB). Paper to be presented at the 2nd International Aging and Gerontology Conference 2017, San Diego, California, June 26-28, 2017 and Leier, C.R., Spencer, S., & Newby, J. (2017)

Tracking:

*Is the project/program on track?* **Yes**

*On-Track Issues:*

The program exceeded all metrics related to the number of graduates, number of sites, number of courses offered, number of coaches trained, and number of "roamer" coaches. We continued to offer coach trainings to build the number of available coaches at each site. There is some "burnout" among the volunteer coaches if they do too many courses in sequence. We are providing additional support to the volunteer sites and training "roamer" coaches to assist

in areas where trained coaches need a break. In addition to the eight sessions, each session requires preparation by the coach in order to deliver the class subject matter properly. The Master Trainers visited all the classes and provided support and assistance to the coaches. As stated in previous reports, we are finding that the goal of 85% participation in the in-home assessment was too optimistic. However, each participant is given a self-assessment tool that is the same as the tool used for the in-home assessment. Every participant is encouraged to complete the assessment. Additionally, one of the course sessions is dedicated to the home safety assessment. After emphasizing this aspect of the course, we have continued to increase the number of individuals taking advantage of the in-home assessment with 52% of recent graduates completing the in-home assessment. Following the HARC Assessment, we wanted to focus on the Spanish speaking population in the District. We obtained course materials in Spanish and trained Spanish speaking bi-lingual coaches. As a result of this effort, we graduated 12 Spanish speaking individuals which accounted for over 8% of the graduates. Additionally, we have increased Spanish language courses in the East Valley, outside of District boundaries.

*Course correction if the project/program is not on track:*

As previously stated, we have met or exceeded the deliverables for this contract and are have exceeded the number of graduates by 41% over expectations. We addressed the issue of the lack of Spanish language participants. Since receiving the HARC report, we have increased our outreach to Desert Hot Springs, offering two courses and have been working more closely with Desert Oasis Healthcare that has a large Hispanic population. We have secured course materials in Spanish and were able to begin training Spanish speaking participants. We also increased our efforts with the Desert Highland Unity Center in order to offer classes to the African American community in that neighborhood. We were able to offer a course with 11 graduates at Desert Highland. We have made it a priority to increase participation among the Hispanic and African American communities and will continue to monitor our efforts in this regard.

**Coachella Valley Volunteers In Medicine, Grant#: 907**

**Providing continued access to healthcare post implementation of the Affordable Care Act.**

Doug J. Morin  
Tel: (760) 837-9066  
Fax: (760) 837-9065

**Grant Amount:** \$120,798  
**Paid to date:** \$108,718  
**Balance:** \$12,080

*Due Date: 6/30/2017*

**FINAL PROGRESS:**

Total number of District Residents to be served by this grant: **300**  
Actual number served: **282**

**FINAL SUCCESS:**

Grantee's Self Rating of Final Success: **Achieved less than projected results**

*The specific benefits or tangible effects to be achieved by the end of the grant period:*

At least 300 distinct District residents will have been provided with a reserved patient visit/appointment for medical or dental care, health education or health navigator assistance.

CVVIM will produce a white paper at close of grant outlining learnings from this second twelve month period of recalibration.

*Were the above benefits or tangible effects achieved? Explain:*

While we missed our target goal of providing service to 300 District residents, falling short by just 18 patients, we exceeded our service goal of providing more than 900 visits and encounters.

*Impediments encountered in achieving the benefits or tangible effects:*

Since January of 2017, we have noticed a definite decline in overall patient volume, we suspect, and have reasons to believe, because of increased immigration enforcement.

A community fear has developed, and continues, resultant from individual personal experiences and also as reported in local, regional and national news stories. One such local television news story quoted Father Howard Lincoln of Sacred Heart Catholic Church, discussing a parishioner who was arrested in front of his family and detained because he did

not have legal residency status. This was despite no criminal, or even a poor driving, record. Our patients comment on these concerns and we regularly have patients who, diagnosed with a serious medical issue, refuse to apply for emergency medical insurance (MISP or Emergency MediCal) as they are concerned their personal information will be used to locate them, or other family members, for arrest and deportation. Patients regularly comment they will see us in a few months, unless they are deported back to their home country. Potentially eligible patients are hesitant to become a CVVIM patient, again because of the concerns they have over being arrested and detained. We are aware of several patients referred from desert hospitals' Emergency Department (and therefore likely District residents) for follow-up care, who have not called to schedule an appointment. In at least three instances when we were able to contact the patient, and after some discussion, the potential patient admitted they were afraid to come to Indio because they knew ICE and CBP patrolled the eastern Valley more readily than the western Valley.

*After the initial investment, the project/program is to be financially sustained by (from the grant application):*

CVVIM is committed to working a strategic fund development plan to diversify revenue sources and broaden our donor base at all levels - individual, community, corporate and foundations.

We continue to monitor expenses carefully and seek out partnerships to assist in lessening our program costs. (Two such partnerships were formed in 2015, one with Kaiser Permanente who now provides our plain film x-rays at no cost, and another with the Tracy Lane Foundation who reimburses all costs related to PAP smears. Together, the annual savings to CVVIM is anticipated to be \$20,000.)

*Will the project/program be financially sustained in the manner described above? Explain:*

CVVIM remains committed to providing no-charge healthcare to low-income, adult residents of Coachella Valley who are medically underserved. In 2017, our per patient, average visit cost remains below \$130, as it was in 2016, despite cost increases for clinical supplies, laboratory testing and imaging costs, and operations. This is the result of prudent cost containment and management, relationships with providers for discount services, continued and new grant opportunities, underwriting efforts, and CVVIM fundraising efforts.

*List five things to be done differently if this project/program were to be implemented again:*

We will continue our efforts to provide quality medical and dental care to adult residents of the entire Coachella Valley, increasing our focus on patient-centered care and integration of services. Specifically to the issues we are currently experiencing regarding a decline in patient volume, we are able to make some strategic plans to demonstrate that CVVIM is a safe place, to target our marketing and outreach efforts, and further our community networking and build trusted relationships among other organizations.

Largely, we have already begun to implement different procedures internally to respond to this fear, and to the manner and type of increased outreach efforts.

- 1) Internally, information from ACLU has been placed in our lobby and all exam rooms, indicating CVVIM is a safe place for everyone, regardless of their residency status. Patient Privacy procedures are now reviewed with every patient at every visit, emphasizing our policy to never release patient information without a patient's consent, or a signed warrant.
- 2) Increased outreach efforts have begun and will continue, targeting the Latino/Hispanic population wherever they reside, and through several new and expanded efforts. Over the past several months, CVVIM pushed stories to local media (television and newspapers) discussing CVVIM as a safe place everyone. These were done to both English and Spanish language outlets and have had some positive affect. 10,000 bilingual flyers for patient recruitment were distributed at numerous locations throughout the Valley through direct newspaper insertions and rack displays with the Spanish language newspaper, El Informador del Valle. These efforts will continue as long as they are required. Also, summer interns from two local programs will be utilized to promote CVVIM services over the summer, to potential patients where they live, work and congregate.
- 3) We will continue increased efforts of patient communications, as begun earlier when a decrease in patient volume was noted, with all patients to a) remind them of an upcoming scheduled appointment (a mailed appointment card reminder was initiated in addition to telephone reminder calls), b) when a scheduled appointment was missed, or c) when a regular follow-up appointment has not been scheduled or a referral for laboratory testing or imaging has not been completed.
- 4) Existing and new relationships are being enriched and developed with community partners to align ourselves even further with trusted community organizations who serve a similar clientele as we do, to encourage and promote our services. Outreach efforts to agriculture growers have begun and local farmers are being engaged to distribute service information directly to their workers without insurance. Contact with the local housing authority has begun to promote services among their residents as well.
- 5) We will continue to monitor, and respond accordingly, to changes at the Federal level that impact the Affordable Care Act and Federal funding to the State for MediCal coverage and eligibility. If cutbacks are foreseen, we will respond strategically to recruit new medical providers and other volunteers, increase marketing and outreach efforts across all patient populations, and review and adjust Clinic hours and days of operation to effectively meet, as we are able, any increase in service need.

**Coachella Valley Volunteers in Medicine**

Desert Healthcare District

Grant No: 907

**BUDGET PROGRESS REPORT – 12/31/2016 – 5/31/2017**

The following numbers of District residents were provided reserved appointments for medical and/or dental care visits, health navigator services, case management services, disease education or other services from Coachella Valley Volunteers in Medicine during the above period.

| <b>Month</b>                        | <b># of appointments</b> | <b>Amount earned @ \$134.22/appointment</b> | <b>Unexpended Balance</b> |
|-------------------------------------|--------------------------|---|---------------------------|
|                                     |                          |   | \$55,567.08               |
| December 2016                       | 61                       | \$8,187.42                                  | \$47,379.66               |
| January 2017                        | 85                       | \$11,408.70                                 | \$35,970.96               |
| February 2017                       | 70                       | \$9,395.40                                  | \$26,575.56               |
| March 2017                          | 55                       | \$7,382.10                                  | \$19,193.46               |
| April 2017                          | 77                       | \$10,334.94                                 | \$8,858.52                |
| May 2017                            | 74                       | \$9,932.28                                  | (\$1,073.76)              |
| <b>2<sup>nd</sup> 6-month Total</b> | <b>422</b>               | <b>\$56,640.84</b>                          | <b>(\$1,073.76)</b>       |

## Coachella Valley Volunteers in Medicine

### **Findings from implementation of DHCD Grant Award, post ACA implementation, to provide health and dental care services to Western Coachella Valley Residents – June 1, 2016 through May 31, 2017**

In our second year of providing healthcare services to low-income residents of the Coachella Valley, post implementation of the Affordable Care Act, healthcare is again in flux, leaving us once again unsure of how CVVIM will continue to respond to the need for healthcare access in the Coachella Valley, and in what ways.

First and foremost is the uncertain future of the ACA. Will it be repealed and replaced? And if so, what will it be replaced with? Will federal funding to states for Medicaid programs remain in place, and if so, at what levels? Will there be insurance providers in the markets, and if there are, what will their plans look like? Will the State of California pick up any losses in coverage? Will there be universal health coverage for all Californians?

On a more positive note is recently available local research which confirms the need for affordable healthcare for tens of thousands of Coachella Valley residents who are below federal poverty levels and without medical or dental insurance. This research allows us to plan for continued service need, not only for East Valley residents, but for the entire Valley.

Making all of this even more challenging however, is a growing concern and fear in the community, particularly among the Latino/Hispanic communities, regarding new and changing immigration enforcement policies which are seeing residents being arrested, detained and deported.

And finally, as CVVIM itself becomes more involved with other community organizations and other Volunteer in Medicine clinics across the country, we begin to have more access to information, programs, and strategic planning by other clinics which we can consider for implementation at a local level.

#### *Access to healthcare in the Coachella Valley*

In February of 2017, HARC (Health Assessment and Research for Communities) released their long awaited Community Health Survey 2016 for the Coachella Valley. Several findings from their report are relevant to our mission of providing affordable healthcare to low-income adults in the Coachella Valley.

First, as we only serve those individuals who are at or below 200% of Federal Poverty Guidelines (FPL), it is apparent we potentially have a large patient population to target. Over a quarter (26.8%) of all Coachella Valley adults live in homes that fall at or below FPL, and more than half (55.6% or 128,371 adults) are at 200% of FPL. While not all of these individuals lack health insurance coverage, the numbers demonstrate a large number of the population who are at-risk for needing no-charge primary healthcare services such as CVVIM provides, if they lose a job with employer sponsored health insurance, or if eligibility for MediCal or Covered California changes in a negative way, as they have little expendable income to pay privately for health insurance coverage or for direct medical care.



Further, 7.3% of the population (22,005 adult residents) are non-citizens and do not have legal residency. As CVVIM does not require legal residency status to receive services, this population is all potentially eligible for service, assuming other eligibility requirements are met.

Finally, approximately 13.9% (30,965 adult residents) lacked medical health insurance in 2016. 39.8% (84,967 adult residents) lacked dental health insurance. As our primary services, we primarily screen for insurance for medical health insurance, however a greater number of adult residents lack dental insurance. Increasingly, linkages are being made between primary health and oral health, especially among diabetic and hypertensive patients, two diagnoses where CVVIM is actively integrating care efforts among care providers to provide better overall health.

#### *Current immigration policy and a growing fear among the undocumented for deportation*

With growing reports of undocumented residents across the country, in surrounding communities and locally, being arrested, detained and deported for not having legal residency status in the US, CVVIM needs to promote itself as a “safe” place where these individuals can receive primary healthcare services without fear of being reported to Immigration and Customs Enforcement (ICE) or for their personal information being provided to anyone, ICE officials or otherwise, without their written consent.

We will continue to emphasize our patient privacy policies with all patients and to promote our Clinic as a safe place for undocumented residents. Information will continue to be placed in our Clinic from reliable and trusted sources that provides information not only our related policies, but also to inform and educate our patients around their legal rights.

Combating the growing fear over immigration detentions and deportations is a primary concern for CVVIM to ensure our part in providing healthcare to everyone, and supports our value and belief that healthcare is a human right, that individual health is community health.

#### *Responses for no-charge healthcare from other organizations in the changing political environment*

CVVIM is a member of a national alliance of Volunteer in Medicine Clinics. One of 91 clinics that adhere to a volunteer provider model of care provision, we are in frequent contact with other VIM clinics from across the country through webinars, conference calls, blogs and personal, clinic-to-clinic communications. Uncertainty as to the future of the Affordable Care Act (ACA), and possible funding cutbacks from the federal government to states for Medicaid coverage, are, not surprisingly, unknown by all of us, as they are to everyone. Most of us agree that trying to even gain a consistent understanding is not possible, and therefore all anyone can do is take a “wait and see” approach.

The concerns CVVIM had just a year ago around whether the need for a no-charge clinic such as CVVIM would continue to be necessary in a post ACA world, or who our patient population would become as more people gained insurance, are meaningless today. Certainly, most of us agree the need for services to undocumented individuals will continue, though how a clinic such as ours will increase awareness of those services without ourselves becoming a target for immigration officials, is uncertain. We all agree that in all likelihood, we will see more individuals requiring our services, not less, as funding cutbacks and changes in current healthcare legislation seem likely. Will the numbers of persons without

insurance return to rates similar to those seen prior to the Affordable Care Act? We simply do not know.

Through communications with other VIM clinics, as well as local providers of healthcare services and elected officials from all levels of government, CVVIM remains committed to pursuing our mission of providing primary healthcare services to adult, low-income residents of the Coachella Valley who are medically underserved. Individual discussions with VIM Clinics in San Diego and San Bernardino have shown us we are ahead of these clinics in volunteer utilization, available services, and access in our business hours. In some areas, particularly support from local hospitals, we are in a better place than many of our sister clinics. The CVVIM signature fundraising event – the WineLover’s Auction – after only two years, has raised more money than any one single event sponsored by any other CVVIM nationwide. We are also fortunate among other VIM clinics to have a greater number of local foundations who support healthcare in the local community, though other areas have greater access to larger foundations who serve their metropolitan location, as well as more regional foundations to approach for funding.

### Summary

Financial stability and capacity building remain among our top organizational priorities in the current climate. We continue to develop the WineLover’s Auction as our signature fundraising event to improve our financial stability with unrestricted funding, and strategically consider other events we can develop when a reasonable rate of return can be expected. As with many organizations, we view the Auction as both *fund-raiser* and a *friend-raiser*, recognizing that awareness of CVVIM is low and needs to be improved for both financial and service reasons.

With that in mind, we have created a part-time development position, for the first time in our history, to manage and conduct another successful Auction in 2018, and also to improve donor stewardship generally. Our hope is this position will become a full-time position and assume additional and ongoing responsibilities in the area of fund development, such as managing and promoting a planned giving program to be kicked off in the fall, resulting from efforts undertaken over the past year by our Fund Development Committee. Other programs and campaigns in development include a business alliance program, expanding a golf tournament already in existence for two years, and a sustaining membership program. This effort relates directly to our goal of increasing financial stability and capacity for continued services, expanded services, and new services (such as our Homeless Medical Outreach program in eastern Coachella Valley undertaken in May of 2016, in part from the success of our first WineLover’s Auction).

As discussed in our last report to the District, we have made significant strides in promoting our services in the community with increased media advertisements, primarily through public service announcements. Two, 20-second commercials for radio and television, in both English and Spanish languages, were released over the past year to the local markets, one targeting volunteer recruitment and the other patient recruitment. These efforts have realized some better-than-normal coverage, largely due to increasing media relations. CVVIM was represented at more health and community fairs than any prior year, and two paid distributions of patient information materials were arranged for through Spanish newspapers. A newly formed committee of the Board of Directors was established this

spring – the PR & Communications committee – charged with developing an annual communications plan to consider all communications to our constituents – donors, patients, and the general community, including local and regional elected officials. The plan will include existing and new opportunities, and involve greater Board participation than prior years.

Our efforts to improve our qualitative outcomes continue, as originally identified in our goals for 2016. As part of this, we are identifying means to provide more patient-centered care both in consideration of our current services, and community referrals and networking. Case management services are being honed to better monitor patients with chronic medical conditions and new volunteer opportunities targeting registered nurses are being promoted to manage them. Integration of our medical and dental care programs has begun, whereby medical providers make priority referrals to our dental program, specifically targeting patients with a diagnoses of diabetes or hypertension. Dental only patients will be monitored for blood pressure and body weight, and offered testing for HIV and flu vaccination, independent of their medical care. Visit sheets for both medical and dental visits will be available to both medical and dental providers, and routine follow-up appointments will be arranged for dental and medical care visits. Finally, our intake process will be improved for all new patients to include not only verification of eligibility, but also a social needs assessment to arrange referrals for housing, financial, legal and food security assistance. Current patients will be assessed annually, at a regular visit, or as they request referrals.

In conclusion, CVVIM recognizes an ongoing need exists for no-charge primary healthcare services, now supported by local research, regardless of the political climate, government funding or availability of health care insurance. We will continue to respond to the changing environment as much and as quickly as we are able, adjusting and revising our volunteer, clinical and marketing programs accordingly.

**Mizell Senior Center, Grant#: 870**

**Coachella Valley Senior Fall Prevention Program**

Ginny Foat

Tel: 760-323-5689 ext. 102

Fax: (760) 320-9373

ginnyf@mizell.org

**Grant Amount:** \$403,300

**Paid to date:** \$362,970

**Balance:** \$40,330

*Due Date: 6/30/2017*

**FINAL PROGRESS:**

Total number of District Residents to be served by this grant: **400**

Actual number served: **561**

**FINAL SUCCESS:**

Grantee's Self Rating of Final Success: **Achieved more than projected results**

*The specific benefits or tangible effects to be achieved by the end of the grant period:*

Expanded Capacity: Currently, Mizell Senior Center offers the only community based senior fall prevention program that utilizes an evidence based program A Matter of Balance. The purpose of this program is to expand this program district-wide through a "Train the Trainer" model that will bring this award winning program to senior centers, senior living communities and community based senior programs. Through this program, we anticipate training at least 12 program coaches and certifying two additional Master Trainers in the program. Similar to the Fit After Fifty model, there will be on-going evidence based fall prevention courses throughout the Valley. Mizell Senior Center proposes becoming the resource for the training, continuing education, and quality control for the coaches in order to ensure that the program maintains the integrity of the A Matter of Balance Model. The goal is to create programs that become a part of the regular programming of the various sites with technical support, and evaluation conducted and coordinated by Mizell Senior Center. This expanded capacity will significantly expand the number of at-risk seniors and older adults who will learn about fall prevention and make the necessary life style changes to continue a regular exercise program.

Expanded Program: At the end of year one, we will have established the program in at least seven (7) sites. Ten Coaches will be trained and certified to begin conducting the A Matter of Balance program with supervision of the Master Trainers. There will be a total of ten (10) program sites district-wide by the end of year two with additional training of program coaches to have a total of at least 12 coaches available to conduct the A Matter of Balance Training by

the end of year two.

By the end of year two, we will have graduated 400 seniors over age 60 from the A Matter of Balance Program with 75% of those seniors continuing in an exercise program at least three months following their graduation from the A Matter of Balance Program

By the end of year two, we will be conducting follow-up Get Balanced programs at all of the program sites utilizing trained volunteer instructors and coaches.

Fall Prevention Education: Falls are not an inevitable consequence of aging and are preventable. The use of an evidence based program such as A Matter of Balance can help reduce falls among older adults. A significant component of the proposal is to develop a comprehensive educational campaign to educate seniors, medical providers, and the general community about fall prevention, risk factors, and specific steps seniors and older adults can make to prevent falls. The educational component will be addressed to two constituencies: Senior Service and Healthcare Providers: Outreach to senior service and healthcare providers will be accomplished by small informational seminars to healthcare professionals and to geriatric physicians in the Coachella Valley who treat seniors within the District. By the end of program year one, we will have conducted at least one educational outreach to physicians at each of the two hospitals in the Valley. Our board of directors includes the Directors of Nursing of both Desert Regional Medical Center and Eisenhower Medical Center. In addition, we will have conducted at least one outreach and education presentation to major medical providers including Desert Oasis Medical Group, Inland Empire Health Plan, Eisenhower Medical Health Centers, Empire Physician Medical Group, and older adults and their caregivers through in home assisted care organizations. The Fall Prevention Education Campaign will consist of direct outreach to medical and senior service providers to educate them about the program and where they can refer patients or clients for the program.

Media Outreach and Education: This purpose of the media outreach through both broadcast and print media will be to increase the general knowledge in the community and begin to change the myth that falling is an inevitable part of growing older. In addition, education will be provided through seminars, public media such as newspaper, television, and social media to reach and educate older adults, their caregivers and families. The ultimate result of this campaign is to spread awareness of fall prevention programs and how it can change the lives of the seniors and older adults who participate. The following deliverables will be provided through the media campaign:

1. Print ads will be developed and published in local newspapers and publications with a high readership among the senior (over age 60) population. This includes The Desert Sun, The Beacon, and Desert Mobile Home News. Ads will be run weekly during the beginning three months of the program and then prior to scheduled programs.
2. Television advertising will be developed and run during programs with high viewing audiences of older adults which include news shows, daytime talk shows, and golf and sports shows to reach the male demographic. The initial campaign will be more frequent during the first three months of the program to provide education and knowledge about fall prevention.

Subsequent advertising will be directed to upcoming programs and how individuals can register.

While the most recent HARC report does not specifically delineate the district population of seniors, it estimates that there are approximately 169,000 adults over age 55 in the Coachella Valley with an estimated 128,000 of that population being over age 65. Based upon media demographic reports and the anticipated scope of the advertising and educational program, we anticipate reaching at least 20% of this population with two or more fall prevention education messages.

Home Inspection and Repair: All the participants of the program will be offered an in-home inspection of potential fall risks in their home. It is anticipated that 85% of the participants will participate in this inspection and make a commitment to at least one recommended safety improvement in their home. For lower income participants we will provide limited assistance with home repair and will provide such assistance to at least 150 participants during the two year program period.

Summary:

1. Total Program participants: Year One: 175 Year Two: 225 for a total of 400 participants
2. Program Sites: Year One: 7 sites established Year Two: A total 10 program sites
3. Master Trainers: Two additional Master Trainers will complete their training by the end of year one.
4. Trained Coaches: Year One: 10 coaches completed training program Year Two: A total of 12 coaches will be trained and able to conduct classes at various sites
5. Get Balanced Classes: By the end of year two, there will be on-going Get Balanced Classes established at all training sites.
6. Education: Year One: At least one educational program/seminar at Desert Regional Medical Center, Eisenhower Medical Center, Desert Oasis Healthcare, Inland Empire Health Plan, Eisenhower Medical Health Centers, Empire Physician Medical Group and UCR Family Health Clinic. Media Outreach and education will be conducted through print and media advertising throughout the program utilizing established media tools to measure reach of the program. An annual advertising program is estimated to reach 84,000 unduplicated individuals over age 65 and is estimated to reach 70,000 persons over age 65 three (3) or more times.
7. Each participant in the A Matter of Balance training will be offered an in-home inspection for potential fall risks and hazards. 85% of participants will participate in this inspection and make at least one recommended safety improvement in their home. Limited home repairs assistance will be provided to at least 150 low income participants during the two year program period.

Reduction of Isolation Among Older Adults: According to the HARC Community Health Monitor Report (2013) 29.8% of Coachella Valley seniors (49,249) age 55 and older have a fear or concern that they may fall. As our community ages, the fear of falling and resulting isolation increases. In an article Physical Activity and Mobility in Older Age (2005) the American Journal

of Preventative Medicine found that limited mobility is a key factor affecting the quality of life of older Americans. The Centers for Disease Control finds many older adults, even if they have not fallen, become afraid of falling and limit their activity, which drastically decreases their quality of life. According to the HARC report, the proportion of seniors who fear falling are significantly higher in 2013 than in 2010 (29.8% vs. 20.5%) A fear of falling can significantly reduce activity, thereby leading to a higher risk of falls and limit mobility. For some seniors, this can mean they will no longer be able to live independently in their own home.

8. We will measure the reduction of isolation through the HARC assessment of program participants both at the end of the first year and at the end of year two. We will also assess any changes reported in subsequent HARC studies that measure the proportion of seniors who fear falling and measure that against previous years.

*Were the above benefits or tangible effects achieved? Explain:*

Yes. We exceeded most goals that were set for this program in terms of sites, number of graduates, number of trained coaches and education and outreach.

Total number of host sites/locations - 13

- o Braille Institute/Rancho Mirage
- o Cathedral Center/Cathedral City
- o Desert Hot Springs Senior Center/Desert Hot Springs
- o Desert Oasis Healthcare/Palm Springs
- o Desert Cove Assisted Living/Desert Hot Springs
- o Desert Regional Medical Center/Palm Springs
- o Eisenhower Medical Ctr@ Annenberg/Rancho Mirage
- o James O Jessie Highland Unity Center/Palm Springs
- o Joslyn Center/Palm Desert
- o Mizell Senior Center/Palm Springs
- o The Center/Palm Springs
- o The Colony/Rancho Mirage
- o The Springs Country Club/Rancho Mirage

Total number of trained Certified Coaches -- 106

- o October 17, 2015 - 9
- o December, 12, 2015 - 17
- o January 16, 2016 - 7
- o March 12, 2016 - 19
- o April 23, 2016 - 8
- o May 21, 2016 - 7
- o August 20 2016 - 12
- o November 12, 2016 - 7
- o January 21, 2017 - 7

- o March 4, 2017 - 6
- o April 29, 2017 - 7

Total number of Courses - 66

- o Braille Institute: - 1
- o Cathedral Center: - 5
- o Desert Cove Assisted Living:- 1
- o Desert Hot Spring Senior Center: - 2
- o Desert Regional Med Center: - 3
- o Desert Oasis Healthcare Palm Springs: - 12
- o Eisenhower Med Ctr @ Annenberg: - 13
- o James O Jessie Highland Unity Ctr: - 1
- o Joslyn Center: - 9
- o Mizell Senior Center: - 14
- o The Center: - 1
- o The Colony: - 2
- o The Springs Country Club: - 2

Total number of Graduates - 561

- o Braille Institute: - 6
- o Cathedral Center: - 40
- o Desert Cove Assisted Living: - 3
- o Desert Hot Springs Senior Center: - 16
- o Desert Regional Medical Center: - 25
- o Desert Oasis Healthcare Palm Springs: - 101
- o Eisenhower Medical Ctr @ Annenberg: - 110
- o James O Jessie Highland Unity Ctr: - 11
- o Joslyn Center: - 82
- o Mizell Senior Center: - 123
- o The Center: - 9
- o The Colony : - 15
- o The Springs Country Club: - 20

Home Assessments - 232

- o Total Home Assessments Completed - 232 (41%)
- o Total Installs/Changes Completed - 159 (69%)

Three Master Trainers were trained and began working with the program.



An extensive advertising program was implemented with weekly advertising in The Desert Sun Health Section as well as television advertising on KMIR and KESQ. Total advertising is as follows:

6/1/15 -- 5/31/17

|              |     |
|--------------|-----|
| Desert Sun - | 64  |
| KESQ -       | 110 |
| KMIR -       | 170 |

The advertising helped recruit prospective graduates for the course.

Desert Sun - Course Graduates: 138  
Television Advertising Course Graduates: 50

The HARC report and participant comments supported that there was a measurable reduction of isolation among program participants with over 80% engaging in a regular exercise program and 100% positive comments from participants on how the program changed their lives. Recent examples include:

? Joane S. DHS

My husband is ill and I found myself not leaving the house.  
After taking the AMOB class I now know how important my own health is.  
I am starting to line dance again.

? Rene C. Cathedral City

Before I took the AMOB class I was strictly using  
a walker . now I am able to rely on a cane and  
am continuing to exercise three times per week @ Mizell.

? Janine Y. DHS

My husband and I both took the AMOB course.  
He has Parkinson's. He is no longer able to speak .  
He does still try to exercise in our pool. I am able to care for him easier now that I have  
become stronger from the exercises.

? Alice T. PS

I live alone and thanks to the AMOB class I decided to get a lifeline alert necklace.  
I fell off the treadmill in my home and was able to get help fast. I did not break any bones  
due to my flexibility form the AMOB exercises.

? Jim B PS

I was just sitting around my house feeling down and frail.

I could no longer drive safely so I sold my car.

A friend brought me to the AMOB class where I learned that I needed to help myself and I now get myself to exercise classes several times a week.

Taking the AMOB course helped me feel more confident by sharing my fears and experiences with other seniors.

I loved the way the AMOB class setting made me feel encouraged to enjoy my life to the fullest.

I felt like I was with a group of close friends, it enabled me to open up.

*Impediments encountered in achieving the benefits or tangible effects:*

While not impediments, we learned as we progressed with additional courses and feedback from Master Trainers, course participants, coaches and course sites.

1. The projection of the number of individuals who would agree to participate in in-home visits was too optimistic in our initial application. What we learned from participants is that many were reluctant to have a stranger in their home. We addressed this by training our program assistant to conduct site visits, making in home improvements a greater focus of coaches and the importance of removing dangerous conditions in the home. Addressing these issues resulted in significant improvements on the number of course participants that agreed to an in home safety assessment. Additionally, we originally thought that CERT volunteers with the various fire departments could be used for in-home assessments. Although the Fire Chief at the time of the initial needs assessment seemed amenable to this, the new Palm Springs Fire Chief was not. Although a good deal of time was spent in attempting to utilize the CERT volunteers, we learned that this approach was not supported by the city and county fire chiefs that would have to be involved.

2. The initial needs assessment found support among assisted living facilities, senior living communities, and other senior communities for this program. However, we met a great deal of resistance from the "corporate" level for many of these locations regarding the level of commitment they were willing to provide by their employees for this program. We addressed this concern by marketing the course to these facilities and encouraging residents to participate at a convenient location.

3. New site initiation: We learned that newly trained coaches are reluctant to be "left on their own" following the coach training. We addressed this issue by conducting early courses with an experienced coach or a Master Trainer. We also learned that some sites do not have the capacity to provide coaches for their site. Therefore, in our sustainability plan, we are focusing on "roamers" for coaches that are able to conduct a course at new sites. Finally, we are developing a "How To" kit of lessons learned for new sites to help them have successful courses. This includes course pricing, recruitment of participants, marketing, and helping them overcome their concerns about implementing a new program.

4. We had proposed having additional Balance courses at various sites to help insure that participants engaged in a regular exercise program. We learned that the senior center sites already had exercise and other activity programs that would meet this goal and were designed

for the needs and schedules of their participants. The HARC evaluation found that over 80% of graduates continued an exercise program of at least two times per week after three months. Again, while some aspects of our initial program did not result in the outcome we originally anticipated, we utilized our feedback to meet the evolving and changing needs we encountered. Mizell Senior Center is proud of the results of this two year pilot program and the outcomes we have experienced. Visioning a Coachella Valley-wide program and implementing it are two vastly different things. At the end however, we exceeded our major program goals, established the ONLY community-wide evidence based senior falls prevention program in the Coachella Valley and have garnered interest and support to expand the program beyond the District boundaries.

*After the initial investment, the project/program is to be financially sustained by (from the grant application):*

The Board of Directors of Mizell Senior Center has determined that our two core areas of programming are the Meals on Wheels Program and our Senior Exercise and Fall Prevention Programming. As a result, we have developed the only community based senior fall prevention program in the Coachella Valley and invested in training and program licensing for the A Matter of Balance Fall Prevention Program. Our exercise programming has grown by 63% in the past three years. We have also graduated 167 seniors from our specific fall prevention courses in the past three years. In addition, our Meals on Wheels Program has grown by 300% in the past three years and expanded from Palm Springs to Salton Sea. In order to sustain this core programming, we have raised over \$350,000 in foundation funding for core operating support over the past three years for these programs as well as significant program support from local and regional foundations as well as individual donors. In order to sustain our core programming, Mizell Senior Center has established an annual giving program called the Stars Club and grown our annual gala from 218 attendees in 2012 to 487 attendees in 2015. Our gross revenue from this event has increased from \$118,000 to nearly \$400,000 in the same time period. Our Strategic Plan is focused on developing revenue sources from new foundation funding and increasing major donor support of our core programs.

Finally, we have contacted HARC in order to assist in a full evaluation of this project, its implementation, and participant impact. As a part of this evaluation, HARC will help prepare and submit two conference papers to major conferences outlining the program and the expansion to a regional program. It is expected that these reports and presentations will generate interest in additional funding for maintaining the program in coming years. Finally, this request is to provide funding to firmly establish a district-wide fall prevention program through a "train the trainer" model and increasing the education and knowledge of the benefits of fall prevention in the community. Following year two, the costs would be reduced significantly because of the corps of trained coaches and the support aspects of the program would be able to be reduced to provide the essential support and ongoing training to sustain the program.

*Will the project/program be financially sustained in the manner described above? Explain:*  
Final Sustainability

1. The Board of Directors of Mizell Senior Center is embarking on an ambitious Strategic Planning initiative that strengthens our focus on our two core programs of Senior Nutrition and Senior Falls Prevention. The planning will also include expanded funding for programs via board efforts, board training, marketing and branding of the senior center and programs to improve visibility throughout the Coachella Valley market.
2. Mizell is focusing on securing Core Operating Support funding for our core programs and is currently working with the S. Mark Taper Foundation on a \$50,000 core support application. We are also initiating discussions with the Weingart Foundation that previously provided core support. Weingart Foundation has a waiting period between additional funding and we have satisfied that requirement.
3. Our 2017 Annual Gala was the most successful in our history. Attendance has continued to increase as well as generating funding for our core programs. In 2017, the event had gross revenue of over \$500,000, a 25% increase over 2015. In addition, our concentration on securing funding from major donors for general operating and core program support has generated over \$175,000.00 in major gifts and a projected additional \$75,000.00 in support from our Stars Club annual donor program.
4. Mizell Senior Center has focused our efforts on grant funding on our current core programming. As a result, we have secured new funding for our nutrition programs. In the past year, we also secured \$100,000.00 in commitments from the Auen Foundation and the Regional Access Project Foundation to support the program in the District and expand it East of Cook Street.  

Part of our efforts related to Sustainability was to have peer reviewed presentations based on our initial evaluations from HARC. Our first year evaluation by HARC found that the program was effective, that participants continued in a regular exercise program following graduation, and made significant changes in their home environment to help reduce the potential of falling. In fact, the HARC results have been selected as poster presentations at two California symposiums on aging. These presentations are: Leier, C.R., Spencer, S., & Newby, J. (2017). Mizell Senior Center: A Matter of Balance (AMOB). Paper to be presented at the 2nd International Aging and Gerontology Conference 2017, San Diego, California, June 26-28, 2017 and Leier, C.R., Spencer, S., & Newby, J. (2017) The Widespread Impact of a Community-Based Senior Falls Prevention Program. Paper to be presented at the Seventh Interdisciplinary Aging and Society Conference 2017, Berkeley, California, November 3-4, 2017. These papers have generated interest in the program among prospective funders as well a new funders for the program such as the Auen Foundation and the Regional Access Project Foundation. This is consistent with our goal to support the ongoing program sustainability.
5. Mizell Senior Center has worked with Desert Oasis Healthcare in developing courses and sustaining courses through contract funding. This has been especially important in expanding to the East Valley and even to their location in the high desert. This "fee for service" model is something that can result in long-term sustainability.

*List five things to be done differently if this project/program were to be implemented again:*

1. We would have incorporated Spanish speaking participant outreach, coach training, and course materials earlier in order to reach this community with the course.
2. Improve coach vetting for training and assess their understanding of the commitment required for coaches. We found that many coaches were reluctant to take on a course without assistance from an experienced coach or Master Trainer. In addition, many coaches did not realize the preparation time required for teaching a course. New coach trainings are improving the recruitment process for prospective coaches.
3. Engage a graphic designer for newspaper advertising to improve their impact and expand their focus on both educating the community and informing them of the program. While the Desert Sun offered some ad layout, we feel the impact of the advertising could be improved with an outside graphic designer.
4. Improve the integration of new sites into the program. We are developing a "How To" kit to assist sites with implementing a new program and will devote more staff time to working with new sites in getting the program started. In addition, we would devote more time to acknowledging the sites for their accomplishments and recognize them for their achievements. This would improve site "buy-in" to the program.
5. Improve and expand communication among Master Trainers, Coaches, participants, sites, and stakeholders in order to maintain excitement and knowledge about the program and how each site is performing and how they can work together to improve the program for the participants.

## DELIVERABLES:

1. Total Program participants: Year One: 175 Year Two: 225 for a total of 400 participants  
**Program Participants: There were 561 total program graduates over the two year period**
  
1. Program Sites: Year One: 7 sites established. Year Two: A total 10 program sites  
**By the end of Year Two, there were 13 total active program sites**
  
3. Master Trainers: Two additional Master Trainers will complete their training by the end of year one.  
**Two additional Master Trainers completed the training for a total of four (4) Certified Master Trainers**
  
4. Trained Coaches: Year One: 10 coaches completed training program. Year Two: A total of 12 coaches will be trained and able to conduct classes at various sites  
**Certified Coaches: There were a total of 106 Coaches Trained for the Program. There are currently 60 coaches that are available for on-going courses at various sites.**
  
5. Get Balanced Classes: By the end of year two, there will be on-going Get Balanced Classes established at all training sites.  
**All training sites have on-going exercise classes with Improve My Balance ( Formerly Get Balanced) or, on-going exercise classes such a Fit After Fifty or similar programs. Improve my balance is now at Mizell, The Joslyn Center, and at the Cathedral City Senior Center. Eisenhower Medical and Desert Oasis Healthcare either refer individuals to the classes at the senior centers or have their own follow-up exercise classes. Other sites are either referring to these three local community center sites or offering similar exercise programs along with their other wellness programming.**
  
6. Education: Year One: At least one educational program/seminar at Desert Regional Medical Center, Eisenhower Medical Center, Desert Oasis Healthcare, Inland Empire Health Plan, Eisenhower Medical Health Centers, Empire Physician Medical Group and UCR Family Health Clinic. Media Outreach and education will be conducted through print and media advertising throughout the program utilizing established media tools to measure reach of the program. An annual advertising program is estimated to reach 84,000 unduplicated individuals over age 65 and is estimated to reach 70,000 persons over age 65 three (3) or more times.  
**Outreach and educational in-services were held at Desert Regional Medical Center, Eisenhower Medical Center, Desert Oasis Healthcare, UCR Family Health James O. Jessie Unity Center and the Palm Springs Sun-up Rotary. Prescription pads for the program were distributed to physicians and office staff and program sites were established at Desert Regional Medical Center, Eisenhower Medical Center and Desert Oasis Healthcare. Total paid media was as follows:**  
  
**Desert Sun – 64 insertions in the Weekly Health Section  
KESQ – 110 - :30 second spots**

KMIR - 170 - :30 second spots

The Desert Sun reaches 135,000 adults weekly. Over 50% of the readers are considered “seniors”.

KESQ provided ratings and audience reach information indicating that the unduplicated reach was 84,326 for individuals age 65+ and that 70,109 persons were reached three or more times.

KMIR provided ratings and audience reach information indicating that the unduplicated reach was 60,438 for individuals age 65+ and that 60,500 persons were reached three or more times.

7. Each participant in the A Matter of Balance training will be offered an in-home inspection for potential fall risks and hazards. 85% of participants will participate in this inspection and make at least one recommended safety improvement in their home. Limited home repairs assistance will be provided to at least 150 low income participants during the two year program period.

Each participant in the program was offered an in-home inspection and assessment. As indicated in the progress reports, the initial estimates of 85% participation was too optimistic. Each course includes a section on home safety assessments and each class participant is given a comprehensive in-home assessment form. Working with the participants and encouraging the home inspections, the number of participants with an in-home inspection increased throughout the course of the program. At the start of the program, approximately 30% of the participants agreed to an in-home inspection. By the conclusion of the program, approximately 50% agreed to an in-home inspection with an overall participation rate of 41% by the conclusion of the program for a total number of 232 home inspections.

8. We will measure the reduction of isolation through the HARC assessment of program participants both at the end of the first year and at the end of year two. We will also assess any changes reported in subsequent HARC studies that measure the proportion of seniors who fear falling and measure that against previous years.

At the conclusion of the first year, HARC completed the study of program graduates. These results were delivered to the community in conjunction with National Senior Falls Prevention Day. The HARC evaluation showed that there was a decreased concern about engaging socially and that over 69% of graduates were exercising at least three times per week and over 80% continued a regular exercise routine. The results of the first year survey of graduates were so compelling that the HARC Report was accepted at two peer reviewed conferences for poster presentations. HARC is currently working on the final report and has all the information and survey forms from the course graduates. The draft report is expected to be released in August with the final report presentation scheduled for National Senior Falls Prevention Day in September.

# District's Attribution Policy

- **Copies of News/PR releases, etc.**  
*(Only a sampling of Desert Sun Ads)*
- **(2) Television Ads (Commercials)**  
**Linked to YouTube**

*Video One:* <https://www.youtube.com/watch?v=IYzrQBZzDdE>

*Video Two:* <https://www.youtube.com/5qKNw6AmDlo>



## A Matter of Balance Volunteer Lay Leader Model



MANAGING CONCERNS ABOUT FALLS

This award winning\* program is designed to reduce the fear of falling and increase the activity levels of older adults who have concerns about falls.

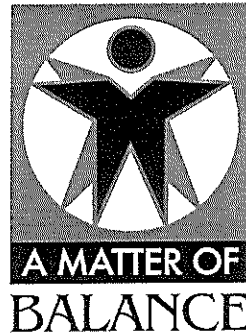
This program utilizes volunteer coaches to teach the eight two-hour sessions.



### \*Awards

**2006** Healthcare and Aging Award  
*American Society on Aging*

**2006** Innovations and Achievements Award  
*National Association of Area Agencies on Aging*



MANAGING CONCERNS ABOUT FALLS

A Matter of Balance: Managing Concerns About Falls Volunteer Lay Leader Model ©2006. This program is based on Fear of Falling: A Matter of Balance. Copyright ©1995 Trustees of Boston University. All rights reserved. Used and adapted by permission of Boston University.

For more information about  
A Matter of Balance,  
please call:

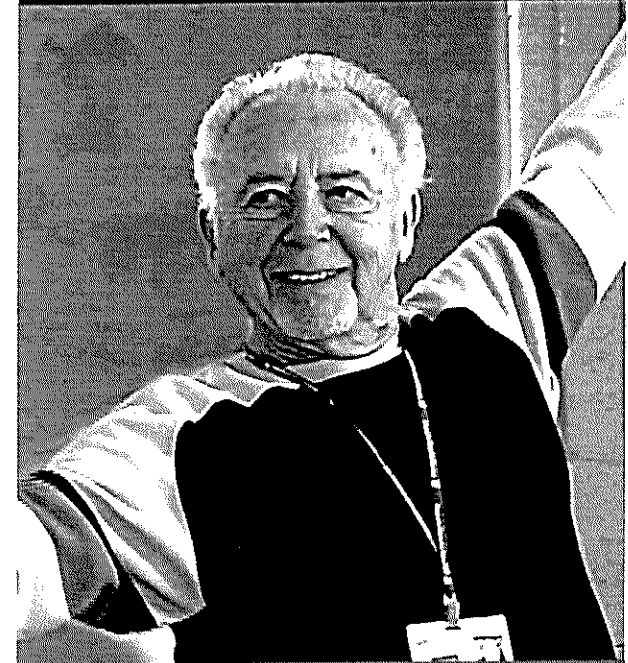


For information about this  
Program in your area, call  
Suzanne Spencer  
760-323-5689 ext. 110

This project funded in part by the Desert  
Healthcare District, The Auen  
Foundation and Private Contributions

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## AN AWARD WINNING PROGRAM



Do you have  
concerns about  
falling?

## A Matter of Balance

An evidence based program that helps older adults reduce the fear of falling and address the physical and psychological barriers that may prevent them from maintaining a healthy level of activity as they age.

## CLASSES HELP

### PARTICIPANTS LEARN TO:

- view falls and fear of falling as controllable
- set realistic goals for increasing activity
- change their environment to reduce fall risk factors
- promote exercise to increase strength and balance

### DESIGNED TO BENEFIT COMMUNITY-DWELLING OLDER ADULTS WHO:

- are concerned about falls
- have sustained a fall in the past
- restrict activities because of concerns about falling
- are interested in improving flexibility, balance and strength
- are age 60 or older, ambulatory and able to problem-solve

Here's what participants say about

### A MATTER OF BALANCE:

"I am already noticing a difference in my physical being. I plan to continue these exercises. Hopefully I'll be jumping over the moon soon."

"I seem to be more aware of every situation for my safety. I now 'stop, look and listen' to my surroundings."



### A MATTER OF BALANCE OUTCOMES AT 6 MONTHS

#### PARTICIPANT SATISFACTION:

**97%** are more comfortable talking about fear of falling

**97%** feel comfortable increasing activity

**99%** plan to continue exercising

**98%** would recommend A Matter of Balance

#### PARTICIPANT IMPROVEMENT:

Falls Efficacy

Falls Management

Falls Control

Exercise Level

Monthly Falls

INSIDE THIS SECTION Health Calendar 3D • Unions 6D • Gear Abby 7D • Television 7D

**14%**  
number of Coachella valley seniors who reported falling at least once in the past 12 months

## Fight against falls



Kay Palmer performs an exercise during a balance and coordination class at the Mizell Senior Center.

A popular program to keep seniors on their feet is expanding in valley

Seniors participate in a fall prevention class at the Mizell Senior Center.  
PHOTOS BY JAY CALDRERON/ THE DESERT SUN

Barrett Newkirk  
The Desert Sun

**A** hip fracture from a fall in January forced Carl Hansen to begin using a walker, a tough life adjustment for the 83-year-old. Instead of physical therapy, Hansen signed up for a popular fall prevention class that's set to expand across the Coachella Valley.

By summer he'd traded his walker for a cane. "I can do fine without the cane," said Hansen of Palm Springs, "but then there are times when I miss it, so it's really just better that I carry it." "A Matter of Balance" at Mizell Senior Center in Palm Springs is a mix of exercise and information. People learn simple routines to help build strength, balance and confidence. They also hear suggestions for removing trip hazards at home and can receive consultations for adding supports like grip bars in their home. They also confront their underlying fears of falling, which can keep older adults from venturing away from home.

Please see FALLS, 4D

OCT 11 2015

# Falls

Continued from 1D

"It really helps prevent an epidemic of falls in the Coachella Valley," said Jack Newby, Mizell's director of development.

At a recent class, Hansen and about 30 other people were lead through a session of exercises that challenged them to shift their balance while working muscles in their legs and feet. For additional support, they could grip or lightly touch a chair next to them.

Responses to the course have been overwhelmingly positive since Mizell began them over a year ago. Mizell even added an advanced course called "Getting Balanced" to keep the momentum going.

Every year, around 2.5 million American ages 65 and older are treated in emergency rooms for injuries stemming from falls, resulting in direct medical costs of \$34 million, according to The Centers for Disease Control and Prevention.

In the Coachella Valley, 14 percent of seniors reported falling at least once in the past three months and nearly a third of seniors say they fear falling, according to a survey by Health Assessment and Research for Communities in

## "A MATTER OF BALANCE" AT MIZELL SENIOR CENTER

» A new eight-class course on preventing falls begins at Mizell Senior Center, 480 N. Sunrise Way, Palm Springs, on Oct. 21. Classes last two hours and are held on Wednesdays and Fridays for four weeks.

» The cost is \$20 for members and \$30 for non-members.

» For more information, call Suzanne Spencer at (760) 323-5689 extension 110.

Palm Desert.

Plans are underway to bring the "Matter of Balance" classes to other valley sites, including the Joslyn Center in Palm Desert, the Desert Hot Springs Senior Center and the Cathedral Center in Cathedral City, through a \$403,300 grant from the Desert Healthcare District that will pay to train instructors over the next two years.

The program is an adoption of a course developed at Boston University and recommended by the National Council on Aging.

A new session begins at Mizell on Oct. 21 and at the Cathedral Center on Oct. 9, but schedules for other locations have not been announced.



JAY CALDERON/THE DESERT SUN

Dr. Stephen Matthews guides seniors across a balance beam during a fall prevention class last week at the Mizell Senior Center as part of the center's "National Fall Prevention Day" activities.

At the Joslyn Center, program director Daniel Coover said, the course should begin in about the next month or "by the time the snowbirds are back for the season."

The course will join other classes at the center that improve people's core strength, allowing them to stay balanced and catch themselves if they start to

fall.

"It keeps people out of the hospital, and it keeps orthopedic surgeons out of business," Coover said.

As part of Fall Prevention Awareness Day at Mizell on Sept. 23, class participants tested their progress on an obstacle course meant to simulate everyday challenges.

Instructors reminded people to think about their movements and work to raise their knees as they stepped.

Ann O'Keefe, 80, of Rancho Mirage wobbled

slightly as she stepped over bamboo rods in a box-step pattern.

She said the classes have trained her to be aware of her body and to move slowly with purpose. Even as someone with an active lifestyle, O'Keefe said the classes have helped boost her confidence.

"They do make a difference," she said.

Health and wellness reporter Barrett Newkirk can be reached at (760) 778-4767, barrett.newkirk@desertsun.com or on Twitter @barrettnewkirk.

## Do you suffer from the pain of NEUROPATHY?



You may be a candidate for a breakthrough treatment!

**Call Now!**  
**Free Consultation**  
**760.469.4411**

Desert Nerve Center  
42080 State St., Unit B  
Palm Desert, CA 92211  
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## Desert Vision Center Optical Boutique

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# Valley Voice: Mizell working to prevent senior falls

Ginny Foat, Special to The Desert Sun 11:28 a.m. PST November 11, 2015



(Photo: Jay Calderon/The Desert Sun)

Imagine there is a serious and sometimes life-threatening epidemic raging through the Coachella Valley that has affected thousands of seniors. In fact, there is such an epidemic. According to a recent study by the Health Assessment and Research for Communities, (HARC), approximately 23,575 local seniors fell once or more in a three-month period and 9,245 of those falls resulted in serious injury.

This year, on the National Council on Aging's "Fall Prevention Awareness Day," Mizell Senior Center announced plans to begin an award-winning evidence-based fall prevention program, "A Matter of Balance." Mizell fall prevention staff will be training volunteers and personnel in other senior centers, skilled nursing facilities, and hospitals across the Coachella Valley on how to offer the program at their facility.

With primary funding from The Desert Healthcare District and strong support from the Auen Foundation, this is the only evidence-based senior fall prevention program being offered in our valley.

Some may be surprised to learn that injuries from falls are a leading cause of death among seniors. Each year one of three older adults experiences a fall, which often causes severe disability. Injuries can lead to fear of falling, sedentary behavior and impaired function. When older adults fear falling, they tend to limit their activities as a result. This limitation of activity can lead to isolation, depression and a decreased quality of life. In California, 25 percent of older adults who fall and break a hip die within a year, and falls among older adults are the most common cause of trauma injuries and hospital admissions nationwide. Mizell hopes these efforts significantly prevent and reduce falls and the fear of falling among our large population of older adults.

The nationally recognized "A Matter of Balance" program was developed at the Roybal Center at Boston University, and consists of eight two-hour sessions, a home safety visit, review of medications by a pharmacist and other issues that may be contributing factors to falling. For the past year Mizell has run a pilot program where we gathered statistics and feedback from participants. The series has proven to be very effective, with participants showing significant improvements in fall management, fall control, exercise, and social limitations with regard to concerns about falling. Over 90 percent of program graduates continue with a regular exercise regimen when before they never exercised regularly. Dr. Marc Eisman, D.C. and Dr. Stephen Matthews, D.C. have been certified as Master Trainers and will be teaching at participating facilities.

"Get Balanced," the second fall prevention class offered at Mizell, was created as an extension of the original "A Matter of Balance" program to meet the demand for a regular exercise class focused on balance. Utilizing evidence-based components, the course is a continuing education program for graduates of the "Get Balanced" class, offering practical strategies to help seniors manage falls and increase activity levels.

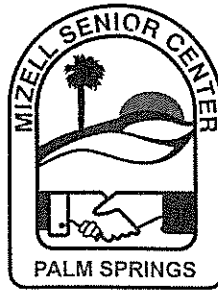
"A Matter of Balance" classes are currently scheduled for January at Mizell Senior Center, Desert Regional Medical Center, Eisenhower Medical Center, Joslyn Center, and Desert Cove Assisted Living in Desert Hot Springs, with new class locations being developed.

For information about a class near you, contact Suzanne Spencer, Fall Prevention Program director at (760) 323-5689 Ext. 110.

Ginny Foat is executive director of Mizell Senior Center and is a member of the Palm Springs City Council. Email her at [ginnyf@mizell.org](mailto:ginnyf@mizell.org).

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## NEWS RELEASE

MEDIA Contact: O'Bayley Communications – Bob Bogard 760/778-3525 • bob@obayley.net or  
Mizell Senior Center – Jack Newby, Director of Development 760/323-5689 x118 • jackn@mizell.org

### **Mizell Senior Center Falls Prevention Classes Exceed Goals**

*Attendance of Award-Winning 'A Matter of Balance' Program was Nearly Double*

PALM SPRINGS, CA – September 22, 2016: Mizell Senior Center announced that the award-winning 'A Matter of Balance' (AMOB) falls prevention course it has offered since the program debuted last year has had just shy of 300 graduates, nearly double the amount originally forecasted. Mizell commissioned a survey to assess the impact and success of the program, and released the survey results at a special event at the center on the National Council on Aging's 'Falls Prevention Awareness Day.' The survey revealed that graduates who took the course at Mizell and seven other host sites across the Coachella Valley, learned to change their mindset about falling, changed their environment to reduce the risk of falling, and participated in a regular exercise program as a way of increasing strength and balance as a preventative measure.

Falls by seniors can be extremely traumatic and often lead to serious injuries. 'A Matter of Balance' has taught participants how to avoid falls and reduce the likelihood of head trauma if they do fall. AMOB is funded by the Desert Healthcare District and The Auen Foundation.

Mizell worked with Health Assessment and Research for Communities (HARC) to evaluate the effectiveness of the 'A Matter of Balance' courses. They found that of the 266 graduates, 75% of participants were 75 years and older. Isolation due to fear of falling is a major issue facing seniors, but after taking the "A Matter of Balance" course, participants were able to reduce their fear of falling, which significantly improved their social lives. Staying fit and exercising regularly is key to preventing falls, and the research showed that after taking AMOB, 65% of the class participants exercised 3 or more times per week. Many participants viewed the program as educational, fun, non-threatening, and they noted that the course provided good exercise and fostered socialization.

"After falling, seniors often become isolated at home, which reduces their sociability and quality of life," said Suzanne Spencer, Director of the Falls Prevention Program at Mizell Senior Center. "The 'A Matter of Balance' course helps participants learn to see falling as controllable and offer practical strategies on how to manage falls and increase activity levels. Our goal with this course is to help modify and minimize the physical and psychological ramifications of falling, which helps our participants maintain a healthy level of activity as they age."

Mizell Senior Center has taken the lead in offering 'A Matter of Balance' with other host sites, including Cathedral Center, Desert Oasis Healthcare, Desert Regional Medical Center, Annenberg Center for Health Sciences at Eisenhower Medical Center, Eisenhower Renker Wellness Center, Joslyn Center, and The Springs Country Club. There will be other host sites implementing the course in 2016-2017 including Desert Cove Assisted Living, Mercy Housing, Stonewall Gardens Assisted Living, The Center and The Colony of Rancho Mirage.

"Our goal of sharing this award-winning falls prevention course with other organizations, is to significantly prevent and reduce falls and the fear of falling among the large population of older adults in the greater Palm Springs area," said Jack Newby, Mizell Senior Center's Director of Development.

#### About 'A Matter of Balance'

'A Matter of Balance' is an award winning, nationally recognized program developed at the Roybal Center at Boston University that helps attendees reduce the fear of falling and increase the activity levels of older adults. The course, which consists of eight two-hour sessions led by certified coaches, teaches participants about falls management, falls control, exercise, and social limitations with regard to concerns about falling.

As an extension of the 'A Matter of Balance' program, Mizell also offers a strength and balance training class called "Improve My Balance," taught every Wednesday and Friday at 10 a.m. at the center. This endurance exercise class continues the practical strategies from 'A Matter of Balance' to help participants prevent falls and increase activity levels. According to a recent study by HARC, approximately 23,575 local seniors fell once or more in a three-month period. In California, 25% of older adults who fall and break a hip die within one year, and falls among older adults are the most common cause of trauma injuries and hospital admissions nationwide.

#### About Mizell Senior Center

Mizell Senior Center has served Palm Springs and surrounding communities for 40 years, and is the community focal point on healthy and active aging. It is a place where active adults of all ages come together for service and activity, which enhances dignity, supports independence, and encourages involvement in and with the community. For information please call 760-323-5689 or visit [mizell.org](http://mizell.org).

###

Attachment: Agenda – Falls Prevention Awareness Day at Mizell Senior Center

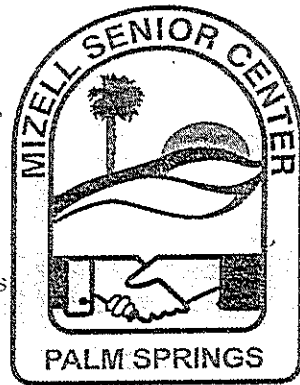
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"After falling, seniors often become isolated at home, which reduces their sociability and quality of life," said Suzanne Spencer, Director of the Falls Prevention Program at Mizell Senior Center. "The 'A Matter of Balance' course helps participants learn to see falling as controllable and offer practical strategies on how to manage falls and increase activity levels. Our goal with this course is to help modify and minimize the physical and psychological ramifications of falling, which helps our participants maintain a healthy level of activity as they age."

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"Our goal of sharing this award-winning falls prevention course with other organizations, is to significantly prevent and reduce falls and the fear of falling among the large population of older adults in the greater Palm Springs area," said Jack Newby, Mizell Senior Center's Director of Development.

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As an extension of the 'A Matter of Balance' program, Mizell also offers a strength and balance training class called "Improve My Balance," taught every Wednesday and Friday at 10 a.m. at the center. This endurance exercise class continues the practical strategies from 'A Matter of Balance' to help participants prevent falls and increase activity levels. According to a recent study by HARC, approximately 23,575 local seniors fell once or more in a three-month period. In California, 25% of older adults who fall and break a hip die within one year, and falls among older adults are the most common cause of trauma injuries and hospital admissions nationwide.

About Mizell Senior Center: Mizell Senior Center has served Palm Springs and surrounding communities for 40 years, and is the community focal point on healthy and active aging. It is a place where active adults of all ages come together for service and activity, which enhances dignity, supports independence, and encourages involvement in and with the community. For information please call 760-323-5689 or visit [mizell.org](http://mizell.org).



# 'A Matter of Balance' classes exceed goal

We have to pay special attention to a program that started in 2011 at Mizell Senior Center in Palm Springs. This year, thanks to generous funding from the Desert Healthcare District, the Auen Foundation and private donors, this program that changes people's lives is offered at 12 locations with five more pending.

It's "A Matter of Balance," an evidence-based course that helps older adults learn not to fear falling. It addresses the physical and psychological barriers that can prevent them from maintaining a healthy level of activity.

Some 382 Coachella Valley seniors who completed the program from September 2015 through October 2016 think it's a good idea. That's nearly double the number of graduates first forecast.

One graduate says the program increased her social activities: "I was isolated in my home for two years because I was afraid of falling. Now, I am out and exercising about two to three times per week, and meeting new friends."

Another graduate has more confidence: "I learned about situational awareness through this class and being aware has given me confidence and I am less fearful of falling."



**FROM THE PUBLISHER**

*By Michael Brachman*

Nationally recognized and award winning, "A Matter of Balance" was developed at Boston University. The course consists of eight, two-hour sessions led by trained coaches. Basic instruction includes fall management, fall control, exercise and social limitations that relate to concern about falling.

The program helps seniors "reduce their fear of falling and addresses the physical and psychological barriers that may prevent them from maintaining a healthy level of activity," according to program literature.

Falls can be serious. Speaking in September at a Mizell program celebrating the program's success, Ann Mostofi, vice president of Patient Care/CNO at Eisenhower Medical Center, said 25 percent of ER admissions at Eisenhower are from falls and that 20 to 30 percent of those who fall suffer injuries.

In California, 25 percent of older adults who fall and break a hip die within one year, and falls among older adults are the most common cause of trauma injuries and hospital admissions nationwide, says a Mizell news release.

Those who should attend meet certain criteria. The course is for those who are concerned about their balance and falls, or have fallen in the past, or are interested in improving their balance or whose activities are restricted because of falling.

Suzanne Spencer, fall prevention director at Mizell, explains that the small classes — a minimum of 8 students, a maximum of 12 — include discussions and some easy exercise, either seated or standing by a chair. Cost is \$20 to \$40, depending on the site.

Typically, she says, each class has two volunteer instructors who have completed an eight-hour coach class. Each session has a theme, starting with getting to know each other to switching negative thoughts to positive ideas. One of the last classes brings in a physical therapist that shows how to safely get up off the floor after a fall.

"A Matter of Balance" also offers home safety assessments that might suggest installing grab bars and eliminating scatter rugs.

You'll hear more about these classes soon. "We'll be advertising after the election," says Spencer.

"We think these classes are important and have listed contact information. It's important to learn to view falls as controllable, make changes to reduce fall risks at home, set goals for increasing activity and exercise to increase strength and balance.

## Take a class

Cathedral Center, Cathedral City, (760) 321-1548

Desert AIDS Project, Palm Springs, (760) 323-2118

Desert Oasis Healthcare, Palm Springs, (760) 969-6560, Ext. 2171

Desert Cove Assisted Living, Desert Hot Springs, (760) 671-7820

Desert Regional Medical Center, Palm Springs, (760) 333-1731

Eisenhower Annenberg Center, Rancho Mirage, (760) 773-4500

Eisenhower Renker Wellness Center, Rancho Mirage, (760) 837-8985

Joslyn Center, Palm Desert, (760) 340-3220

Mizell Senior Center, Palm Springs, (760) 323-5689

The Center, Palm Springs, (760) 416-7790

The Colony, Rancho Mirage, (760) 328-6000

Springs Country Club, Rancho Mirage, (760) 324-8292

Look for these sites to offer classes in the near future: Desert Hot Springs Senior Center, Palm Desert Parks & Recreation, Palm Desert Community Presbyterian Church; and in Rancho Mirage, Tamarisk Country Club and The Braille Institute.

While we are on the subject, here's a quick note of another ongoing balance class: Mizell offers a strength and balance training class called "Improve My Balance" from 10 to 10:45 a.m. and 3 to 3:45 p.m. Wednesday and 10 a.m. to 10:45 a.m. Friday. Cost is \$4 members, \$6 non-members. (760) 323-5689, Ext. 107

The Coachella Valley  
**Beacon**  
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## 'A Matter of Balance' Is Making a Difference

By Lauren Del Sarto

In the Coachella Valley, approximately 23,575 local seniors fell once or more in a three-month period according to a recent survey by HARC. In California, 25% of older adults who fall and break a hip die within one year, and falls among older adults are the most common cause of trauma injuries and hospital admissions nationwide.

So, it's no wonder that 30% of seniors report that their fear of falling has kept them from social activities, which can lead to social isolation – another common concern for the senior population.

These alarming statistics inspired the Mizell Senior Center to bring the nationally recognized *A Matter of Balance* (AMOB) program to the valley. With community support from area foundations and hospitals, the program is expanding to other locations and is scheduled to grow in 2017.

AMOB was developed at the Roybal Center at Boston University to help attendees reduce their fear of falling and increase their activity level. The course, which consists of eight two-hour sessions led by certified coaches, teaches participants about falls management, falls control, exercise, and social limitations with regard to concerns about falling.

"Falls are not a natural part of aging and most falls are preventable," said Ann Mostofi, VP of Patient Care and CNO at Eisenhower Medical Center which, along with Desert Regional Medical Center, is one of eleven host locations. The program is funded locally by the Desert Healthcare District and The Auen Foundation.

Since the program debuted last year, it has seen over 300 graduates. Post-program surveys revealed that graduates who took the course learned to change their mindset about falling, changed their environment to reduce the risk of falling, and participated in a regular exercise program as a way of increasing strength and balance as a preventative measure. Many participants viewed the program as educational, fun, and non-threatening, noting that the course provided good exercise and fostered socialization.

"The *A Matter of Balance* course helps participants learn to see falling as controllable and offers practical strategies on how to manage falls and increase activity levels," said Suzanne Spencer, Director of the Falls Prevention Program at Mizell Senior Center. "Our goal with this course is to help modify and minimize the physical and psychological ramifications of falling, which helps our participants maintain a healthy level of activity as they age."

Host sites include the Mizell Senior Center, Cathedral Center/Mercy Housing, Desert Oasis Healthcare, Desert Regional Medical Center, Annenberg Center for Health Sciences at Eisenhower Medical Center, Eisenhower Renker Wellness Center, Joslyn Center, The Springs Country Club, Desert Cove Assisted Living, The Center and The Colony of Rancho Mirage. Plans to extend the program to the east valley are pending funding.

"Our goal of sharing this award-winning falls prevention course with other organizations is to significantly prevent and reduce falls and the fear of falling among the large population of older adults in the greater Palm Springs area," said Jack Newby, Mizell Senior Center's Director of Development.

For more information on the *A Matter of Balance* program contact Suzanne Spencer at [SuzanneS@mizell.org](mailto:SuzanneS@mizell.org), call (760) 323-5689, or visit [mizell.org](http://mizell.org).

January/February 2017 **DESERT HEALTH**

News from the Valley's Integrated Health Community

DESERT SUN AD  
JAN 2017



**A MATTER OF  
BALANCE**

MANAGING CONCERNS ABOUT FALLS

### Looking for Volunteer Coaches

Chances are you know someone who has fallen or who is afraid of falling. A Matter of Balance is an evidenced-based program designed to help people manage concerns about falls and increase physical activity. The Mizell Senior Center's, Fall Prevention Program is looking for volunteers to assist with this program.

**This program emphasizes practical strategies to manage falls.**

**Participants learn to:**

- view falls as controllable
- set goals for increasing activity
- make changes to reduce fall risks at home
- exercise to increase strength and balance

**Classes are held twice a week for 4 weeks for 2 hours each ----- 16 hours of overall coursework.**

**Volunteer coaches will be trained to help participants become more confident about managing falls, help to identify ways to reduce falls, and lead exercises to help increase strength and balance.**

**What do you need to be a coach?**

- good communication and interpersonal skills
- enthusiasm, dependability and a willingness to lead small groups of older adults
- ability to lead low to moderate level exercise

**Next Coach Training**

**WHEN: Saturday, January 21, 2017, 8:00am-5:00pm**

**WHERE: Mizell Senior Center, 480 S. Sunrise Way, Palm Springs, 92262**

**To sign up for training, please contact:**

**Karen Clasen**

**Fall Prevention Program Outreach Coordinator**

**Mizell Senior Center**

**480 S. Sunrise Way | Palm Springs, CA 92262 | 760-323-5689 x120**

**Funded by the Desert Healthcare District, Auen Foundation and Private Contributions**

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DESERT SUN AD  
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## DO YOU HAVE **concerns** about **falling?**

|   |   |  |
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| <p><b>Who should attend?</b><br/>Anyone...</p> <ul style="list-style-type: none"> <li>Concerned balance/falls</li> <li>Fallen in the past</li> <li>Interested in improving their balance</li> <li>Who has restricted activities because of falling</li> </ul> |  <p style="font-size: small; margin-top: 5px;">An evidence-based program that helps older adults reduce the fear of falling, and address the physical and psychological barriers to maintaining a healthy level of activity.</p> | <p><b>You will learn to...</b></p> <ul style="list-style-type: none"> <li>View falls as controllable</li> <li>Make changes to reduce fall risks at home</li> <li>Set goals for increasing activity</li> <li>Exercise to increase strength and balance</li> </ul> |
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**Braille Institute, Rancho Mirage**, Mondays, 12:30pm-2:30pm, April 24th ..... 760-202-6108  
**Cathedral Center, Cathedral City**, Tues & Fri, 1:00pm-3:00pm, February 7th ..... 760-321-1548  
**Desert Hot Springs Senior Center, Desert Hot Springs**, Wed & Fri, 1:00pm-3:00pm, March 8th 760-323-5689 ext 120  
**Desert Regional Medical Center @ the Comprehensive Cancer Center,**  
**Palm Springs**, 1:00pm-3:00pm, March 8th ..... 760-333-1731  
**Desert Oasis Healthcare, Palm Springs**, Tues & Thurs, 9:00am—11:00am, February 7th .... 760-969-6560 ext. 2127  
**Desert Oasis Healthcare, Indio**, Tues & Thurs, 1:00pm— 3:00pm February 7th..... 760-969-6560 ext. 2127  
**Desert AIDS Project, Palm Springs**, March, 2017 TBD .....760-323-2118  
**Eisenhower Medical Center, Rancho Mirage**, Wed & Fri, 2:00pm-4:00pm, March 1st ..... 760-773-1630  
**Indio Senior Center, Indio**, Tues & Thurs, 12:30pm-2:30pm, March 7th ..... 760-391-4170  
**James O Jessie Desert Highland Unity Center, Palm Springs**, March 2017 TBD ..... 760-323-8271  
**Joslyn Center, Palm Desert**, Wed & Fri, 12:30pm-2:30pm, February 8th..... 760-340-3220  
**La Quinta Wellness Center, La Quinta**, Tues & Thurs, 3:00pm-5:00pm, March 7th.....760-777-7183  
**Mizell Senior Center, Palm Springs**, Wed & Fri, 8:00am-10:00am; February 8th..... 760-323-5689  
**The Center, Palm Springs**, Tues & Thurs, 1:30pm-3:30pm, March 21st..... 760-416-7790  
**The Colony at Rancho Mirage, Rancho Mirage**, March 2017 TBD ..... 760-992-5727

**PLEASE CONTACT SPECIFIC SITE FOR COURSE COST**  
**A Matter of Balance Project Managed by the Mizell Senior Center, Palm Springs**  
**Grant funding provided by the Desert Healthcare District, The Auen Foundation and Desert Oasis Healthcare**


Classes are 2 hours, 2x/week, for 4 consecutive weeks

For more information please call: Suzanne Spencer, Falls Prevention Director, Mizell Senior Center  
760-323-5689 ext.110

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DESERT SUN AD  
FEB 2017

**LOOKING FOR Volunteer Coaches**



**A MATTER OF BALANCE**  
MANAGING CONCERNS ABOUT FALLS

Chances are you know someone who has fallen or who is afraid of falling. A Matter of Balance is a proven program designed to help people manage concerns about falls and increase physical activity.

The MIZELL SENIOR CENTER in Palm Springs is looking for volunteers to become certified coaches and co-instruct this program.

This program emphasizes practical strategies to manage falls.

**Participants learn to:**

- view falls as controllable
- set goals for increasing activity
- make changes to reduce fall risks at home
- exercise to increase strength and balance


Coaches help participants become more confident about managing falls, help to identify ways to reduce falls, and lead exercises to help increase strength and balance.

**What do you need to be a coach?**

- good communication and interpersonal skills
- enthusiasm, dependability and a willingness to lead small groups of older adults
- ability to lead low to moderate level exercise

Course is held twice a week for 4 weeks.  
Each session is 2 hours in length for a total time commitment of 16 hrs.

For more information please contact:  
**Karen Clasen**  
Matter Of Balance Outreach Coordinator, Mizell Senior Center  
760-323-5689 X120



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A Matter of Balance Project Managed by the Mizell Senior Center, Palm Springs  
Grant funding provided by the Desert Healthcare District, The Auen Foundation and Desert Oasis Healthcare

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DESERT SUN AD  
MARCH 2017

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|---|---|--|

"This program has changed my life."  
 "I was isolated in my home for 2 years because I was afraid of falling ... now, I am out and about and exercising 2-3 times a week, and meeting new friends!"  
 "I thought this was an exercise class and I am so glad it wasn't. I needed to understand my fears of falling and this class taught me how."  
 "I arrived to this course using a cane and now I am not using anything."  
 "Thank goodness for the home assessment. I had no idea how many faulty habits I had."  
 "I was taught how to fall and I just fell last week ... I caught myself with my hands and only broke a small bone in my wrist, versus breaking a hip or my head."  
 "I feel better than I have in years. I have much more confidence."  
 "I learned about situational awareness through this class and being aware has given me confidence and I am less fearful of falling."  
 "I can't describe it, but this class saved my life. I have my independence back."  
 "After finishing this course, I now understand how it changed my behavior. It taught me to be more assertive and ask for help when I need it and to slow down when I am bustling around."  
 "That course changed my entire outlook on life."

*Funding by The Desert Healthcare District, The Auen Foundation and Desert Oasis Healthcare*

**Classes are 2 hours, 2x/week, for 4 consecutive weeks**  
**For more information please call: Suzanne Spencer, Falls Prevention Director**  
**760-323-5689 ext. 110**

DS-000428112

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| <input type="checkbox"/> PROOF O.K. BY: _____  |  | <input type="checkbox"/> O.K. WITH CORRECTIONS BY: _____ |  |
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| <h3 style="margin: 0;">Page 214 of 303</h3>  |  |  |  |

DESERT SUN AD  
APRIL 2017


**Do you have concerns about falling?**

**experience the course that everyone is talking about!  
16 host sites across the Coachella Valley**

**Who should attend?**

Anyone...

- Concerned balance/falls
- Fallen in the past
- Interested in improving their balance
- Who has restricted activities because of falling



**A MATTER OF BALANCE**  
MANAGING CONCERNS ABOUT FALLS

An evidence-based program that helps older adults reduce the fear of falling, and address the physical and psychological barriers to maintaining a healthy level of activity.

**You will learn to...**

- View falls as controllable
- Make changes to reduce fall risks at home
- Set goals for increasing activity
- Exercise to increase strength and balance

**PLEASE CONTACT SPECIFIC SITE FOR COURSE COST**  
A Matter of Balance Project Managed by the Mizell Senior Center, Palm Springs  
Grant funding provided by the Desert Healthcare District, The Auen Foundation and Desert Oasis Healthcare

**Classes are 2 hours, 2x/week, for 4 consecutive weeks**  
For more information please call: Karen Clasen, Falls Prevention Program, Mizell Senior Center  
760-323-5689 ext.120

DS-0000429568

|   |                        |
|---|------------------------|
| Braille Institute, Rancho Mirage, Mondays, 12:30pm-2:30pm, April 24th, .....  | 760-202-6108           |
| Cathedral Center, Cathedral City, Tues & Fri, 1:00pm-3:00pm, May TBD, .....   | 760-321-1548           |
| Desert Hot Springs Senior Center, Desert Hot Springs,<br>Wed & Fri, 1:00pm-3:00pm, May 3rd, .....                           | 760-323-5689 ext 120   |
| Desert Regional Medical Center @ the Comprehensive Cancer Center, Palm Springs,<br>Wed & Fri, 1:00pm-3:00pm, May TBD, ..... | 760-333-1731           |
| Desert Oasis Healthcare, Palm Springs (English class),<br>Tues & Thurs, 8:30am-10:30am, May 2nd, .....                      | 760-969-6560 ext. 2127 |
| Desert Oasis Healthcare, Palm Springs (Spanish class),<br>Tues & Thurs, 10:00am-12:00pm, June TBD, .....                    | 760-969-6560 ext. 2127 |
| Desert Oasis Healthcare, Yucca Valley, Tues & Thurs, 1:00pm- 3:00pm, May 2nd, .....   | 760-969-6560 ext. 2127 |
| Desert AIDS Project, Palm Springs, Tues & Fri, 9:00am-11am, May TBD, .....  | 760-323-2118           |
| Eisenhower Medical Center, Rancho Mirage, Wed & Fri, 2:00pm-4:00pm, April 5th, .....  | 760-773-1630           |
| Indio Senior Center, Indio, Tues & Thurs, 12:30pm-2:30pm, April 4th, .....  | 760-391-4170           |
| Indio Senior Center, Indio, (Spanish class), Tues & Thurs, 12:30pm-2:30pm, May 9th, .....                                   | 760-391-4170           |
| James O Jessie Desert Highland Unity Center, Palm Springs,<br>Mon & Fri, 10:00am-12:00pm, April 3rd, .....                  | 760-323-8271           |
| Joslyn Center, Palm Desert, Wed & Fri, 12:30pm-2:30pm, May TBD, .....   | 760-340-3220           |
| La Quinta Wellness Center, La Quinta, Tues & Thurs, 3:00pm-5:00pm, May 2nd, .....   | 760-564-0096           |
| Mizell Senior Center, Palm Springs, Wed & Fri, 8:00am-10:00am; April 26th, .....  | 760-323-5689           |
| The Center, Palm Springs, Tues & Thurs, 1:30pm-3:30pm, May TBD .....  | 760-416-7790           |

PROOF O.K. BY: \_\_\_\_\_  O.K. WITH CORRECTIONS BY: \_\_\_\_\_

PLEASE READ CAREFULLY • SUBMIT CORRECTIONS ONLINE

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DESERT SUN AD  
APRIL 2017

## DO YOU HAVE **concerns** about **falling?**



A MATTER OF  
**BALANCE**  
MANAGING CONCERNS ABOUT FALLS

Many older adults experience concerns about falling and restrict their activities. A MATTER OF BALANCE is an award-winning program designed to manage falls and increase activity levels.

**This program emphasizes practical strategies to manage falls.**

**YOU WILL LEARN TO:**

- view falls as controllable
- set goals for increasing activity
- make changes to reduce fall risks at home
- exercise to increase strength and balance

**WHO SHOULD ATTEND?**

- anyone concerned about falls
- anyone interested in improving balance, flexibility and strength
- anyone who has fallen in the past
- anyone who has restricted activities because of falling concerns



**Wednesdays & Fridays  
8:00am-10:00am**

**April 26, 28,  
May 3, 5, 10, 12, 17, 19**

Classes are twice a week  
4 consecutive weeks  
2 hours each.

Program Fee:  
\$ 20.00 Members  
\$ 30.00 Non-Members

For more information please call:  
Suzanne Spencer  
Mizell Senior Center  
480 S. Sunrise Way  
Palm Springs, CA 92262  
760-323-5689 x110

DS-0000429564

This project funded by the Desert Healthcare District, The  
Auen Foundation and Private Contributions

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SALES PERSON: Andrew Roid  
PUBLICATION: DS-DAILY  
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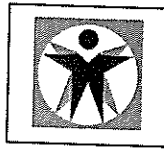
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**DO YOU HAVE CONCERNS ABOUT FALLING?**

Many older adults experience concerns about falling and restrict their activities. A MATTER OF BALANCE is an award-winning program designed to manage falls and increase activity levels.



Name: \_\_\_\_\_

Referred by: \_\_\_\_\_

From office/organization: \_\_\_\_\_

A Matter of Balance-8 session workshop will help you learn ways to reduce falls and the fear of falling. You will learn exercises to help with balance. For more information and course listings call 760-323-5689 x110.

A Matter of Balance: Managing Concerns about Falls Volunteer Lay Leader Model ©2006.  
This program is based on *Fear of Falling: A Matter of Balance*.  
Copyright©1995 Trustees of Boston University. All rights reserved.

**This program emphasizes practical strategies for managing falls.**

**YOU WILL LEARN TO:**

- View falls as controllable
- Set goals for increasing activity
- Make changes to reduce fall risks at home
- Exercise to increase strength and balance

**WHO SHOULD ATTEND?**

- Anyone concerned about falls
- Anyone interested in improving balance, flexibility and strength
- Anyone who has fallen in the past
- Anyone who has restricted activities because of falling concerns

A Matter of Balance Lay Leader Model

This project funded in part by the Desert Healthcare District, The Auen Foundation and Private Contributions

# Testimonials

2015 - 2016

**A Matter of Balance Graduate Testimonials**

- “This program has changed my life”
- “I was isolated in my home for 2 years because I was afraid of falling ... now, I am out and about and exercising 2-3 times a week, and meeting new friends!”
- “I thought this was an exercise class and I am so glad it wasn’t. I needed to understand my fears of falling and this class taught me how.”
- “I arrived to this course with a walker and now I have graduated to a cane.”
- “I came to this course using a cane and now I am not using anything.”
- “Thank goodness for the home assessment. I had no idea how many faulty habits I had.”
- “I was taught how to fall and I just fell last week ... I caught myself with my hands and only broke a small bone in my wrist, versus breaking a hip or my head!”
- “I feel better than I have in years. Much more confidence.”
- “I learned about situational awareness through this class and being aware has given me confidence and I am less fearful of falling.”
- “I can’t describe it, but this class saved my life. I have my independence back!”
- “After finishing this course, I now understand how it progressively changed my behavior .... Taught me to be more assertive and ask for help when I need it and to slow down when I am bustling around.”

## VALLEY VOICE

# Seniors, stay safe by learning how to prevent falls

I remember the first time I had a serious fall.

I was demonstrating how easy it was to get in and out of a portable spa. When I went to exit, my foot got caught on the rim of the spa and I fell face forward onto a concrete floor. I knew enough not to move and asked my customer to get my husband, who was in the back office.

After about three minutes I slowly rolled over onto my back and checked all my extremities to make sure nothing was broken. My husband got some pillows and I slowly raised myself into a braced sitting position. I stayed seated for at least 10 minutes, refusing offers to call for an ambulance. "I'm all right" I kept saying.

Fast forward 20 years: I'm living in the desert and working as a real estate agent. On a home tour with clients, the rubber sole on one of my shoes got caught in the asphalt, and down I went. My arms were loaded with property profiles, so I had no way to cushion the fall. I'm almost six feet tall, so when I fall, it's a long way down. This time there were lots of bloody scratches. As soon as I could I hurried home to nurse my wounds and bruised ego.

Now that I'm retired, I've noticed I'm having difficulty walking in straight lines. I seem to weave from side to side. This observation pretty much killed my plans to buy a bike. If I couldn't walk straight, falling off a bike seemed a good probability. I'd probably break a hip, go to rehab, get pneumonia, and die of sepsis.

Then I happened to see an ad in The Desert Sun offering classes on body balance, sponsored by the Mizell Senior Center in Palm Springs,



**Pat Wilhite**

and held at various locations in the Coachella Valley. Once I was assured there would be room for me in the group meeting at The Springs Country Club, I wasted little time in signing up for the eight two-hour sessions.

Our instructor was Dr. Steven Matthews, a chiropractor, and he was assisted by two volunteers. There were 12 of us in total. We were excited and eager to learn more about our F-E-A-R of falling, how to P-R-E-V-E-N-T falls, and how to S-A-F-E-L-Y get up after a fall.

At our last session each of us expressed how the series of classes had helped. Here are a few of the comments:

"I'm more aware of my surroundings and potential risk factors to falling."

"I learned what exercises will strengthen the parts of my body most likely to be injured in a fall."

"I know the best way to get up after a fall."

"I know when to seek medical treatment."

I urge all senior citizens to take this program. It was the best investment (\$50) I've made in a long time.

For more information on the course, titled "A Matter of Balance," and the closest location to you, call Mizell Senior Center at (760) 323-5689.

Email Pat Wilhite of Indio at patwilhitesold@gmail.com.

Testimonial  
May 2016

Testimonials During and After Recent Course

2017

Michelle – Age 60 – “Since my car accident and subsequent brain injury, I have been depressed and isolated at home. Even after participating in just the first six sessions so far, I have shifted my thoughts on balance. I am taking a hold of my life and now I have a better chance to reach my potential. I’m ready to shift from depression to being active and involved. This class is awesome.”

Diana – Age 56 – “Content, explanation and execution was fabulous. I observed the group connect, exchange ideas/thoughts/concerns and exercise over the 4 weeks, improving all the way. We realized we were not alone. Both facilitators were engaging while delivering positive and motivating information. I have talked about this program to my friends who want their loved ones to participate. Excellent, excellent, excellent!”

### 3 MONTH TESTIMONIALS

Joane S. DHS

My husband is ill and I found myself not leaving the house.  
After taking the AMOB class I now know how important my own health is.  
I am starting to line dance again.

Rene C. Cathedral City

Before I took the AMOB class I was strictly using  
a walker . now I am able to rely on a cane and  
am continuing to exercise three times per week @ Mizell.

Janine Y. DHS

My husband and I both took the AMOB course.  
He has Parkinson's. He is no longer able to speak .  
He does still try to exercise in our pool. I am able to care for him easier now that I have become  
stronger from the exercises.

Alice T. PS

I live alone and thanks to the AMOB class I decided to get a lifeline alert necklace.  
I fell off the treadmill in my home and was able to get help fast. I did not break any bones  
due to my flexibility from the AMOB exercises.

Jim B PS

I was just sitting around my house feeling down and frail.  
I could no longer drive safely so I sold my car.  
A friend brought me to the AMOB class where I learned that I needed to help myself  
and I now get myself to exercise classes several times a week.

Taking the AMOB course helped me feel more confident by  
sharing my fears and experiences with other seniors.

I loved the way the AMOB class setting made me feel encouraged  
to enjoy my life to the fullest. I felt like I was with a group of close friends, it enabled  
me to open up.

The AMOB course was positively uplifting.  
I know I can become more active without fear of falling

AMOB is an excellent class. My attitude about falling  
has really improved.

AMOB class gave me the motivation I needed to start exercising again.

This class really changed my life. My wife and I were the youngest in our class group.  
We learned and socialized so much from all sorts of ages and abilities.  
It was wonderful to open up and discuss things in a safe environment.

In spite of having Parkinson's , I felt I learned so much about what I can do.

I loved this course . it has literally saved my life!

I am very glad that I took this course. I plan to exercise regularly  
and I believe I will achieve the balance I need to conquer my  
Fear of falling.

I appreciated the warmth and genuineness demonstrated  
by our coaches. I felt like they were old friends.



Date: July 25, 2017

To: BOARD OF DIRECTORS

Subject: Grant #926 – The Ranch Recovery Centers, Inc. – no cost grant extension for six (6) months

---

The Desert Healthcare District awarded a \$27,969 grant to Ranch Recovery Centers, Inc. in December 2016 to support the support the purchase and installation of an emergency generator at the Ranch's Dining and Community Outreach Center building. The term of the grant was from January 1, 2017 through March 31, 2017.

Rick Mesa, President/CEO, is requesting the 6 month no-cost extension due to a delay in the purchasing of the generator as the actual cost came in higher than the originally bid.

In an email from Mr. Mesa dated June 29, 2017:

*Dear Donna,*

*The grant was from the period of **01/01/2017** to **03/031/2017**. The purpose of the grant is for purchasing and installing an Emergency Generator at The Ranch. The City of Palm Desert committed a CDBG in the amount of **\$56,555.00**. The total cost of the project at the time was, **\$84,525.00**.*

*We were ready to begin the project and we informed the cost was **\$106,348.00**. This amount was much greater, **\$21,821.00**, than originally bid. We decided to have another bid before we proceed. The contractor informed us he could modify the plans and could save us **\$15,000.00** and still provide us with the energy needed to meet our needs. If this is turns out to be true, we would be able to pay the balance of the project, approximately*

*\$6,800.00 to \$8,000.00, this is the amount not funded by the two grants.*

*We have spoken to Frankie Riddle, Director of Special Projects, City of Palm Desert regarding this situation. She has agreed to give us a six (6) month extension to complete the project. Frankie is sending me documents to amend our agreement.*

*My hope is that the Desert Health Care District will also give us a six (6) month extension. Thank you for your consideration.*

*Rick Mesa  
President/CEO  
The Ranch Recovery Centers, Inc.*

**PROGRAM STAFF recommendation:** The Board of Directors approve a six (6) month no-cost grant extension, extending the grant agreement through September 30, 2017.



## DESERT HEALTHCARE DISTRICT GRANT EXTENSION AGREEMENT

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

1. **Grant Extension**

Purpose and Use of Extension: The Ranch Recovery Centers, Inc. is hereby granted a TERM extension to the original grant agreement approved on December 20, 2016 for Purchase and Installation of Emergency Generator

No additional funds will be disbursed. RECIPIENT shall use remaining dollars, if any, from original grant amount of \$27,969 during extension period.

2. **Term of Agreement**

The amended end of term of this agreement shall be September 30, 2017.

3. **Agreement Requirements**

RECIPIENT shall submit a final report with tracking documents to DISTRICT within thirty (30) days from the expiration of this agreement. All other requirements and conditions not specified in this extension agreement remain the same as in the original grant agreement.

4. **Signatories**

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

**RECIPIENT:**

The Ranch Recovery Centers, Inc.  
7885 Annandale Ave.  
Desert Hot Springs, CA 92240

**Name:** President/Chair of RECIPIENT  
Governing Body

**Name:** Executive Director

-----  
PLEASE PRINT

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PLEASE PRINT

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SIGNATURE

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SIGNATURE

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DATE

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DATE

**Authorized Signatory for Desert Healthcare District:**

**Name:** Herb K. Schultz  
**Title:** Chief Executive Officer

-----  
SIGNATURE

-----  
DATE

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

**EXHIBIT B      Grant# 926**

**Amended to reflect no-cost grant extension date**

**PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES**

|  |                   |
|--|-------------------|
| <u>Project Title</u>                           | <u>Start/End</u>  |
| Purchase & Installation of Emergency Generator | 01/01/2017        |
|  | 03/31/2017        |
|  | <b>09/30/2017</b> |

**PAYMENTS:**

(1) Payment: \$25,172.10  
 10% Retention: \$2,796.90

**Total request amount: \$27,969.00**

**GRANT AND PAYMENT SCHEDULE REQUIREMENTS**

| Scheduled Date                             | Grant Requirements for Payment  | Payment   |
|--|---|---|
| 01/01/2017                                 | Signed Agreement and contingent on the outcome of contacting Cal Fire for the community room at the Ranch to be a possible designated disaster preparedness site in a remote area submitted and accepted. | Advance of \$25,172.10<br>for time period<br>01/01/2017- 03/31/2017 |
| <del>04/30/2017</del><br><b>10/31/2017</b> | Final report ( <del>01/01/2017 - 03/31/2017</del><br><b>09/30/2017</b> ), final budget & relevant receipts of purchase and installation of the emergency generator are submitted and accepted.            | \$2,796.90<br>(10% retention)                                       |

**TOTAL GRANT AMOUNT: \$27,969.00**

**DELIVERABLES:**

The acquisition and installation of the proposed generator will ensure that we will be prepared to continue providing services in the event of an extended power outage; most important would be food services and a location to provide first aid. The generator would provide power to our food service facility (kitchen/dining room) and food refrigerator units.



Date: July 25, 2017

To: BOARD OF DIRECTORS

Subject: Grant #934 Well In The Desert

---

**GRANT REQUEST:** Project Title: *New Vans for Client Transportation & for Pick-ups, Deliveries, etc.* - \$84,798.15

**ACTION BY PROGRAM COMMITTEE: (Please choose one)**

- Full recommendation and forward to the Board for consideration with the Committee's recommendation that an award of \$84,798.15 be approved to the Well In The Desert for the purchase of two vans with extended warranties, gasoline and insurance for one year. *PROGRAM COMMITTEE MEMBERS CHOSE THIS ACTION*
- Recommendation with modifications
- Deny

**USE OF DISTRICT FUNDS:**

The District funds will be used to:

- buy a new or one-year old cargo van to replace their old and unreliable 2006 one. It will be used for the food pick-ups to FIND and all over the valley, for trips like we made to San Bernardino for 500 pairs of clogs for our clients, for furniture pickup and delivery to clients just finding places to live, and for all transport relevant to our daily work.
- to purchase a new or one-year old passenger van to supplement our 2010 passenger van, and provide more services for client pick-up that we can now do.
- cover two extended warranties, one for 5 years and one for 6 years so the organization is well protected in vans that are used all the time for everything they do and for their Outreach programs.
- purchase gas for one year for each van
- purchase the first year of insurance.

With a new van, they will also be able to train another driver and be able to have people call with needs that maybe a bus ride will not handle, like a doctor's appointment, court appearance and other things relating to transportation.

*APPLICATION SUMMARY*

**The Well in the Desert**

**#: 934**

**Request Date: 5/27/2017**  
**Request Amount: \$84,798.15**

**Requesting Organization**

588 Rosa Parks Road  
Palm Springs, CA 92262

**Contact**

Arlene Rosenthal, President  
760-323-8353

**Historical**

# Prior Grants: 19  
Total Amount: \$185,661  
Time Span: 2005 - 2016  
Last Grant Amount: \$44,800  
Last Grant Date: 7/26/2016

**Project Title: New vans for client transportation and for pick-ups, deliveries, and more.**

**Database Coding**

Program Area:  
Support Type: Grant-standard admin  
Geographic Area Served:

---

|                               |                    |                              |
|-------------------------------|--------------------|------------------------------|
| <b>Total Project Budget:</b>  | <b>\$84,798.15</b> | <b>Start Date: 7/1/2017</b>  |
|                               |                    | <b>End Date: 8/31/2018</b>   |
| <b>Amount Req. from DHCD:</b> | <b>\$84,798.15</b> | <b>Project Term: 14 mos.</b> |

---

Well information:

The Well in the Desert is a 501c3 non-profit organization that provides daily nutritious hot meals, emergency food assistance, weekly supplemental food distribution and a wide array of social services through case management and advocacy to those affected by poverty, including the working poor, the homeless, seniors, the handicapped, children, and others in need throughout the western end of the Coachella Valley. Our mission fuels programs for poverty prevention, direct services for poverty intervention, and an organized effort to advocate for the poor.

The Well in the Desert (the Well\*) serves between 850 to 1075 hot meals weekly to low income residents, homeless people, seniors and families at various churches daily and at a park located in the Palm Springs area on Sundays. The Well is the only hot meal program serving people on a daily basis in the Palm Springs area. We also provide weekly food distribution, emergency food boxes, home deliveries to the homebound, and countless social services.

Our ultimate goals are to ensure that no one in our area of coverage goes hungry and to reach out to more and more people who might be at risk of that. By doing that we help not only to stave off hunger, but help reduce the risk of people becoming homeless. We will continue to do this as long as there is one person left who is food insecure.

Our mission is to address the needs of people who are poor and homeless; to ensure that seniors and children, the handicapped, and the working poor do not go hungry. By doing this we help keep people from facing worse adversity, such as, losing their homes, or just not eating. We keep our at-risk children and seniors from being hungry.

The Well in the Desert was begun in 1996 as a nonprofit organization to feed the homeless in the west end of the valley. It now addresses the food needs of those affected by poverty, as well as those who are homeless.

The community in need benefits because they do not go hungry. They know they will not have to be hungry on any given day because they can find a meal with us, and a sack lunch to take with them. People know we have emergency food boxes so that they will not go without food in their homes. The level of stress taken off their backs is considerable, knowing they have a resource to turn to. They know we have blankets, jackets, underwear, etc. for them, and will help them pay their utilities and more. Those in need have to know they can turn to others and that their plight is not because no one cares. The food we provide is crucial to the health of the individual, the group, and ultimately to the community at large. People who are not hungry do not create problems for their community. Everyone benefits when we all develop a team that helps us feed others.

The District funds will be used to buy a new or one year old cargo van to replace our old and unreliable 2006 one. It will be used for the food pick-ups to FIND and all over the valley, for trips like we made to San Bernardino for 500 pairs of clogs for our clients, for furniture pick up and delivery to clients just finding places to live, and for all transport relevant to our daily work. They will be used to purchase a new or one year old passenger van to supplement our 2010 passenger van, and provide more services for client pick-up that we can now do. The grant requests two extended warranties, one for 5 years and one for 6 years so we are well protected in vans that are used all the time for everything we do and for our Outreach programs. The grant also includes gas for one year for each van, and for the first year of insurance. With a new van we will also be able to train another driver and we can then have people call with needs that maybe a bus ride will not handle, like a doctor appointment, court appearance and other things relating to transportation.

## Line Item Budget - Sheet 1 Operational Costs

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

| <b>PROGRAM OPERATIONS</b>                                |  | <b>Total Program Budget</b> | <b>Funds from Other Sources <span style="color: red;">Detail on sheet 3</span></b> | <b>Amount Requested from DHCD</b> |
|--|--|-----------------------------|--|-----------------------------------|
| <b>Total Labor Costs</b>                                 |  | 0                           |  | 0                                 |
| <b>Detail on sheet 2</b>                                 |  |                             |  |                                   |
| <b>Equipment (itemize)</b>                               |  |                             |  |                                   |
| 1  | 12 seat passenger van from Jessup Auto | 37604.75                    |  | 37604.75                          |
| 2  | Ford Cargo Van from PS Motors          | 34844.4                     |  | 34844.4                           |
| 3  |  | 0                           |  |                                   |
| 4  |  | 0                           |  |                                   |
| <b>Supplies (itemize)</b>                                |  |                             |  |                                   |
| 1  | 5 year extended warranty-Van 1         | 2749                        |  | 2749                              |
| 2  | 5 year extended warranty-Van 2         | 2100                        |  | 2100                              |
| 3  | 1 year insurance Van 1                 | 1400                        |  | 1400                              |
| 4  | 1 year insurance Van 2                 | 1300                        |  | 1300                              |
| <b>Printing/Duplication</b>                              |  | 0                           |  |                                   |
| <b>Mailing/Postage/Delivery</b>                          |  | 0                           |  |                                   |
| <b>Travel</b>  |  | 0                           |  |                                   |
| <b>Education/Training</b>                                |  | 0                           |  |                                   |
| <b>Facilities (Detail)</b>                               |  |                             |  |                                   |
|  | Office/Rent/Mortgage                   | 0                           |  |                                   |
|  | Meeting Room Rental                    | 0                           |  |                                   |
|  | Telephone/Fax/Internet                 | 0                           |  |                                   |
|  | Utilities                              | 0                           |  |                                   |
|  | Insurance                              | 0                           |  |                                   |
|  | Maintenance/Janitorial                 | 0                           |  |                                   |
| <b>Other Facility costs (itemize)</b>                    |  |                             |  |                                   |
| 1  |  | 0                           |  |                                   |
| 2  |  | 0                           |  |                                   |
| 3  |  | 0                           |  |                                   |
| 4  |  | 0                           |  |                                   |
| <b>Other Program Costs not described above (itemize)</b> |  |                             |  |                                   |
| 1  | Gasoline for one year Van 1            | 2400                        |  | 2400                              |
| 2  | Gasoline for one year Van 2            | 2400                        |  | 2400                              |
| 3  |  | 0                           |  |                                   |
| 4  |  | 0                           |  |                                   |
| <b>Total Program Budget</b>                              |  | 84798.15                    | 0  | 84798.15                          |



## Line Item Budget - Sheet 1 Operational Costs

|                         |   |
|-------------------------|---|
| <b>Budget Narrative</b> | <p>Van #1 would be a new cargo van to replace our 2006 one that is costing us in repairs as it breaks down frequently. This van is used to shop at FIND, to pick up items like food and more and deliver much needed food and goods to clients. It is also used to set up at functions where we present ourselves. Van #2 is a much needed passenger van. The one we have now is a donated 2010 van. With it, we pick up clients for the hot meals programs and help them with other transportation needs. A new van would facilitate us expanding our services. I have included a 5 year extended warranty plan for each and those were submitted to Donna with verifications of costs from the gentlemen I am working with at Jessup and PS Motors. Per our insurance agent, I am not able to verify exact amounts of insurance without VIN numbers, but judging from what we pay on our other vans, the costs would be between \$1200-\$1400 a year. That is for a \$1 million coverage we are required to carry by the City of Palm Springs. I also asked for gasoline for one year for each van. I want to make sure I have asked for enough to cover one year of the necessary expenses that the vehicles that will support our services for years to come.</p> |
|-------------------------|---|

## EXHIBIT B

### PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES

|   |                          |
|---|--------------------------|
| <u>Project Title</u>  | <u>Start/End</u>         |
| New Vans for Client Transportation and for Pick-ups, Deliveries, etc. | 08/01/2017<br>09/30/2018 |

**PAYMENTS:**

(1) Payment: \$76,318.20  
10% Retention: \$8,479.80

**Total request amount:** \$84,798.00

#### GRANT AND PAYMENT SCHEDULE REQUIREMENTS

| Scheduled Date | Grant Requirements for Payment   | Payment   |
|----------------|--|---|
| 08/01/2017     | Signed Agreement submitted and accepted.   | Advance of \$76,318.20<br>for time period<br>08/01/2017- 09/30/2018 |
| 10/31/2018     | Final report (08/01/2017- 09/30/2018), final budget & receipts of purchase of the 2 vans; copies of the extended warranties for 2 vans; gasoline receipts for one year for 2 vans; and copies of the insurance policies for one year for 2 vans are submitted and accepted | \$8,479.80<br>(10% retention)                                       |

**TOTAL GRANT AMOUNT: \$84,798.00**

**DELIVERABLES:**

- buy a new or one-year old cargo van to replace their old and unreliable 2006 one. It will be used for the food pick-ups to FIND and all over the valley, for trips like we made to San Bernardino for 500 pairs of clogs for our clients, for furniture pickup and delivery to clients just finding places to live, and for all transport relevant to our daily work.
- to purchase a new or one-year old passenger van to supplement our 2010 passenger van, and provide more services for client pick-up that we can now do.
- cover two extended warranties, one for 5 years and one for 6 years so the organization is well protected in vans that are used all the time for everything they do and for their Outreach programs.
- purchase gas for one year for each van
- purchase the first year of insurance.

With a new van, they will also be able to train another driver and be able to have people call with needs that maybe a bus ride will not handle, like a doctor's appointment, court appearance and other things relating to transportation.



Date: July 25, 2017

To: BOARD OF DIRECTORS

Subject: Grant #936 Hidden Harvest

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**GRANT REQUEST:** Project Title: *Senior Markets and Healthy Fairs* - \$95,000

**ACTION BY PROGRAM COMMITTEE:** (Please choose one)

- Full recommendation and forward to the Board for consideration with the Committee's recommendation that an award of \$95,000 be approved to Hidden Harvest to support senior markets and healthy fairs for low-income District seniors and families. *PROGRAM COMMITTEE MEMBERS CHOSE THIS OPTION*
- Recommendation with modifications
- Deny

**USE OF DISTRICT FUNDS:** will provide core support for Hidden Harvest's on-going schedule of Senior Markets and Healthy Fairs for low-income seniors and families within the District. These markets provide free and fresh produce. Hidden Harvest distributes an average of 75,000 – 80,000 pounds produce each month, through the Senior Markets to approximately 1,200 DHCD residents monthly.

## Grant Application # 936

### Organization

Organization Name

Hidden Harvest Corporation

Address

P.O. Box 266

City

Coachella

State

CA

Postal Code

92236

Primary Phone Number

760-398-8183

Website URL

[www.hiddenharvest.org](http://www.hiddenharvest.org)

Organization Type

(select from the list that best describes your organization)

Other

Background

Brief history of the organization, mission, purpose, key accomplishments, etc.

Hidden Harvest's mission is: To reduce hunger and improve health in Coachella Valley by rescuing fresh local produce and delivering it to those in need.

Since 2001 Hidden Harvest has been gleaning fruits and vegetables from local farms and packinghouses and giving it away, for free, to tens of thousands of needy families and seniors every month. HH has rescued an average of 1 million pounds of fresh, healthy produce every single year for the past 16 years. This is produce that would otherwise have gone to waste - either thrown away, or plowed under after harvest.

HH provides direct distribution of these nutritious fruits and vegetables through our own Senior Markets and Healthy Fairs. Additionally, this produce is distributed throughout the Coachella Valley to the more than 80 food pantries, including Martha's Village, CV Rescue Mission, The Well in the Desert and FIND Food Bank. Altogether, HH produce reaches more than 55,000 food insecure people every month.

## Contact Information

### PRIMARY CONTACT FOR THIS REQUEST

First Name

Christy

Last Name

Porter

Title

Executive Director

E-mail

Christy@hiddenharvest.org

Office Phone

760-398-8183

Extension

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### PRIMARY CONTACT FOR THE ORGANIZATION

If request contact differs from organization Executive Director.

First Name

Last Name

Title

E-mail

Office Phone

Extension

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**ADDITIONAL CONTACT - GRANT WRITER**

If different from Primary Contact

First Name  
Sandra

Last Name  
Carroll

Title  
Assistant Director

E-mail  
sandra@hiddenharvest.org

Office Phone  
760-398-8183

Extension

## Request Summary

### DESCRIBE THE BASIC DETAILS OF YOUR REQUEST

Note: following pages will ask for specific additional details

#### Strategic Link

What objective of the District's Strategic Plan does this request seek to address?

**GOAL #1: Foster a culture of wellness and healthy behaviours throughout the District**

#### Service or Program Title

Name of the service or program; this is how your request will be identified. (Note: the red check mark to the right of each text box is "spell check")

**Free, fresh produce markets for low-income seniors and families.**

#### Service or Program Description

1. Briefly describe your service or program, including a) what specific challenge or opportunity does this address; b) is this a new service or program; c) is this the expansion of a new service or program, and; d) is this strengthening a current service or program. 2. Specifically, what component of the service or program are you requesting the District to fund?

1. a) The need for affordable healthy food for low income seniors is clear. In a 2010 study commissioned by the National Foundation to End Senior Hunger (NFESH), conducted by Dr. James P. Ziliak and Dr. Craig Gunderson, the authors examined the correlation between food insecurity and negative health consequences among individuals age 60 and older in the United States. The findings reveal that food insecure seniors were at higher risk of experiencing negative nutrition and health consequences than food secure seniors. They were 50% more likely to be diabetic, three times more likely to suffer from depression, 14% more likely to have high blood pressure and nearly 60% more likely to have congestive heart failure.

b) HH has been gleaning and distributing fresh, local produce since 2001 and we've held our senior markets, on schedule, year round since 2009.

c) We do not plan to expand these programs, but to continue to provide the same level of good service -- 165 free, fresh produce markets for low income seniors and several pop-up Healthy Fairs in the next 12 months. (100 of which will be within the DHCD)

d) Field gleaning and packing-house rescue is the primary way we acquire our fresh produce that we distribute, for free, through Hidden Harvest's own low income Senior Markets and Healthy Fairs. These farmers' market style distributions are held at the same times and places each month. Hidden Harvest staff and volunteers set up carts of locally harvested fruits and vegetables and each "shopper" can choose what they want - always for free. These markets are held in low-income senior housing complexes (designated Section 8), at senior centers in low-income neighborhoods and at schools with high percentages of free and reduced meals qualified students. Many of our senior shoppers have told us that these markets are their only source of fresh fruits and vegetables because produce is too expensive for them to buy at the grocery store. Additionally we provide thousands of pounds of fresh, local produce to the more than 80 emergency food system agencies that serve Coachella Valley, via FIND Food Bank, our local Feeding America affiliate.



2. Funding from DHCD would provide core support for our on-going schedule of Senior Markets and Healthy Fairs for low-income seniors and families within the District.

**Program Area/Type of Support**

What type of support is requested? (select from drop-down list)

Program operations  
Hunger relief & food insecurity

**Term of Service or Program**

How long (# of months) is the service or program?

12

**Service or Program Start Date**

When does this service or program begin?

08/01/2017

**Service or Program End Date**

When does this service or program end?

07/31/2018

**Service or Program Budget**

What is the total cost of the service or program (including the amount requested from DHCD)?

195,400

**Request Amount**

How much are you requesting from DHCD?

95,000

**Target Population**

Describe the population you will be serving.

Our target populations are the thousands of low income, working poor families and senior citizens who are trying to put quality food on the table in eastern Riverside County. In increasing numbers, poor and fixed income seniors in our area need quality food, as rising rents, pharmaceuticals and transportation costs eat into their small incomes.

Our total distribution area includes the communities of Desert Hot Springs, Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, Oasis and Mecca. Of these communities, a full 60% of our clients reside within the DHCD boundaries.

**Age Group of Target Population**

All Ages

### Individuals with issues

How many District residents overall are affected by this health issue or challenge?

30,000

### District Participant Number

How many District residents will be served by this program or project?

8,000

### Geographical Area Served (within District)

Where do they live? (select from drop-down menu)

Cathedral City

Desert Hot Springs

Palm Desert - West of Cook Street

Palm Springs

Rancho Mirage

### Total Participant Number (Two-Part Question)

1. Does this program serve residents outside the District boundaries? 2. If so, approximately how many and in what Coachella Valley cities?

1. HH serves seniors and families throughout Coachella Valley, inside and outside the District. 2. About 40% of the people we serve live OUTSIDE the District boundaries. We hold Senior Markets in Indio and La Quinta, and we deliver thousands of pounds of produce to FIND Food Bank for further distribution to over 80 agencies that serve the poor.

### Core Know How

What specific expertise does your organization have that will allow you to achieve success of this service or program.

From our humble beginnings in 2001, HH has been a leader in the local emergency food system, offering only fresh and healthy produce -- and always for free. Through economic recessions, major frosts that destroyed crops and jobs and an evolution in farming practices, HH has continued to find and rescue more than 16 million pounds of fresh produce since its inception. Our farm partners donate this produce to us, but that is just the beginning of the journey (and the costs) to get it into the hands our "customers". It must be transported in refrigerated trucks to our warehouse, unloaded and stored in our walk-in cooling space, sorted, washed and packed by our dedicated team of volunteers, loaded back on the refrigerated trucks and delivered to the agencies, or our own Senior Markets and Healthy Fairs -- all before it spoils.

All of this is accomplished with a small staff of just 4 full time employees. Our harvesting crews are hired on an as needed basis. We could not accomplish what we do without our corps of over 100 remarkable and dedicated volunteers who do the dirty work of washing and packing produce as well as helping with the actual distribution at the Senior Markets and Healthy Fairs.

### Past Achievement

What related accomplishments has the organization achieved in the past three years?

Hidden Harvest has won a number of prestigious awards, including the Peter F. Drucker Nonprofit Innovation Award (2008) and Ms. Porter was a Minerva Award winner in 2007. The Minerva was awarded by the former First Lady of California, Maria Shriver to five California women who "recognized a problem or challenge, identified a solution, and pursued it with courage, perseverance and compassion."

## Sustainability

How will you financially sustain this service or program once the grant term ends?

HH is fortunate to have a generous Board of Directors who are passionate about our cause, and continue to cover our administrative rate with their annual contributions, which means that all additional monies raised go directly to services. Almost 60% of our annual budget is raised through individual contributions and events. We continue an unrelieved effort to write grants and count the Desert HealthCare District, Kaiser Permanente, Bank of America Foundation and The Riverside County Community Foundation, among others as strong and continued supporters of the HH mission.

## Results & Approach

### Results Statement

Provide the specific benefits or tangible effects that will be achieved at the end of program period?

In this grant period:

- 100 Senior Markets in the District, serving approx. 1,200 low income seniors each month with free, fresh produce.
- 75,000 – 80,000 pounds of produce distributed in the district via Senior Markets
- A minimum of 2 Healthy Fairs held a 2 low income schools within the District, serving approx. 300 families each. 3-5 thousand pounds of produce distributed at each H.F.

### Tracking

How will you measure your progress throughout the program? Please use a twelve-month timeline, outlining key activities and measurable outcomes associated with each month.

The Senior Market schedule within DHCD is as follows:

December through June -10 senior markets per month.

July through September - 5 markets per month.

October and November - back to 19 markets each month .

Healthy Fairs are held as Pop-Up markets when we have an abundance of produce.

We distribute an average of 20,000 pounds produce each month, through our Senior Markets to approximately 1,200 DHCD residents monthly.

The measures of our success are typically defined by the numbers - the pounds distributed and the number of people we distribute to. We currently track each pound of produce rescued, whether from the fields or donated from packing houses. We continue to follow that melon or head of lettuce through our process of washing, de-stemming, boxing or packing, loading into refrigerated trucks and through delivery on the other end. Beyond the raw numbers, we also measure success by the feedback from our "customers" and the community at large.

HH operations and distributions are year round, although local farms are harvesting from November through June. During the months when there are no local harvests to glean, we purchase produce and we acquire produce from California Association of Food Banks, via FIND Food Bank to assure that we have enough produce to carry us through the summer months. CAFB is an organization that gleans produce statewide to provide produce to all areas of the state.

### Cost implications

If there are unanticipated costs associated with this service or program, how will they be covered?

Unanticipated costs could include major repairs to vehicles, or cooling units, but we budget for such events, should they happen.

### Organizational Change Required

Describe any critical changes to the organization, policy or staffing that are required to successfully implement this service or program. Will there be additional staff hired?

There are no changes anticipated. We've been operating our programs for the past 16 + years with just four full-time employees.

### Key Partners

Are any partners or intermediaries critical to your success? If so, what role must they play and what is the evidence that they are committed to play it?

Our farm partners are the most critical to our success. We spend time and resources year round to stay on their radar so they will call us when they have opportunities to glean, or produce to pick up from the packing houses.

Additionally, FIND Food Bank is a critical partner in our distribution stream. All the produce that does not go to senior markets is delivered to FIND so it can be offered to their more than 80 agencies that provide food across Coachella Valley. As mentioned above, we also get produce items from FIND during the months when there is not harvesting in CV.

## Line Item Budget - Sheet 1 Operational Costs

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

| <b>PROGRAM OPERATIONS</b>                                |                               | <b>Total Program Budget</b> | <b>Funds from Other Sources <span style="color: red;">Detail on sheet 3</span></b> | <b>Amount Requested from DHCD</b> |
|--|-------------------------------|-----------------------------|--|-----------------------------------|
| <b>Total Labor Costs</b>                                 | <b>Detail on sheet 2</b>      | 108,400                     | 54,400   | 54,000                            |
| <b>Equipment (itemize)</b>                               |                               |                             |  |                                   |
| 1  |                               | 0                           |  |                                   |
| 2  |                               | 0                           |  |                                   |
| 3  |                               | 0                           |  |                                   |
| 4  |                               | 0                           |  |                                   |
| <b>Supplies (itemize)</b>                                |                               |                             |  |                                   |
| 1  | Produce acquisition & Storage | 15,000                      | 10,000   | 5,000                             |
| 2  |                               | 0                           |  |                                   |
| 3  |                               | 0                           |  |                                   |
| 4  |                               | 0                           |  |                                   |
| <b>Printing/Duplication</b>                              |                               | 0                           |  |                                   |
| <b>Mailing/Postage/Delivery</b>                          |                               | 0                           |  |                                   |
| <b>Travel</b>  |                               | 0                           |  |                                   |
| <b>Education/Training</b>                                |                               | 0                           |  |                                   |
| <b>Facilities (Detail)</b>                               |                               |                             |  |                                   |
|  | Warehouse R& M                | 9,500                       | 5,000  | 4,500                             |
|  | Utilities                     | 11,000                      | 6,000  | 5,000                             |
|  | Phones                        | 9,500                       | 5,000  | 4,500                             |
|  |                               |                             |  |                                   |
|  |                               | 0                           |  |                                   |
| <b>Other Facility costs (itemize)</b>                    |                               |                             |  |                                   |
| 1  |                               | 0                           |  |                                   |
| 2  |                               | 0                           |  |                                   |
| 3  |                               | 0                           |  |                                   |
| 4  |                               | 0                           |  |                                   |
| <b>Other Program Costs not described above (itemize)</b> |                               |                             |  |                                   |
| 1  | Transportation                | 42,000                      | 20,000   | 22,000                            |
| 2  |                               | 0                           |  |                                   |
| 3  |                               | 0                           |  |                                   |
| 4  |                               | 0                           |  |                                   |
| <b>Total Program Budget</b>                              |                               |                             |  |                                   |
|  |                               | 195400                      | 100400   | 95000                             |

## Line Item Budget - Sheet 1 Operational Costs

|                         |   |
|-------------------------|---|
| <b>Budget Narrative</b> | <p>Fully describe items above in this cell (B38) Produce acquisition &amp; storage: We do not directly purchase 99% our produce - we glean it from local farm fields, it is donated to us by local packing houses and now we farm some of it. This is not to say our produce is free. There are costs involved in all the manners that HH acquires its produce. Warehouse R&amp;M: We operate out of a 1930's era warehouse which needs care and maintenance, including the walk-in cooling space. Utilities: Warehouse utilities include water and electricity. Phones: Land line and cell phones for 4 employees. Transportation: Includes fuel, oil, vehicle maint. and insurance.</p> |
|-------------------------|---|

**Line Item Budget  
Sheet 2 - Labor Costs**

| <b>Staff Salaries</b>  |  |                      | <b>% of Time Allocated to Program</b> | <b>Actual Program Salary</b> | <b>Amount of Salary Paid by DHCD Grant</b> |
|--|--|----------------------|---------------------------------------|------------------------------|--|
| <b>Employee Position/Title</b>   |  | <b>Annual Salary</b> |                                       |                              |  |
| 1  | warehouse operations/<br>produce acquisition / driver  | 52,000               | 100                                   | 52,000                       | 26,000                                     |
| 2  | Driver   | 36,400               | 100                                   | 36,400                       | 18,000                                     |
| 3  | Dispatch / Office mgmt.  | 20,000               | 50                                    | 20,000                       | 10,000                                     |
| 4  |  |                      |                                       |                              |  |
| 5  |  |                      |                                       |                              |  |
| 6  |  |                      |                                       |                              |  |
| 7  |  |                      |                                       |                              |  |
| 8  |  | 108,400              |                                       |                              |  |
| <b>Enter this amount in Section 1, Employee Salaries</b>                 |  |                      |                                       | <b>Total &gt;</b>            | 54000                                      |
| <b>Budget Narrative</b>  | Fully describe costs listed above in this cell (B12). Our key employee, Francisco, spends most of his days in the process of acquiring produce along with the management and maintenance of the HH warehouse and cooler. Our driver, Arnulfo is a FT employee who does all the Senior Market distributions and when he's not doing that he is picking up produce from packing houses or fields. The Dispatcher is in charge of setting the market schedules, communicating with all of our Senior Market partners to be sure they have the schedules, answer questions and communicates with the volunteer coordinator to schedule packing and market dates, along with all other office operations. |                      |                                       |                              |  |
| <b>Consultants/Contractors</b>   |  |                      | <b>Hours/Week</b>                     |                              | <b>Amount of Salary Paid by DHCD Grant</b> |
| <b>Consultant/Contractor Name</b>  |  | <b>Hourly Rate</b>   |                                       | <b>Monthly Fee</b>           |  |
| 1  |  |                      |                                       |                              |  |
| 2  |  |                      |                                       |                              |  |
| 3  |  |                      |                                       |                              |  |
| 4  |  |                      |                                       |                              |  |
| 5  |  |                      |                                       |                              |  |
| 6  |  |                      |                                       |                              |  |
| 7  |  |                      |                                       |                              |  |
| 8  |  |                      |                                       |                              |  |
| <b>Enter this amount in Section 1, Professional Services/Consultants</b> |  |                      |                                       | <b>Total &gt;</b>            | 0  |
| <b>Budget Narrative</b>  | Fully describe costs listed above in this cell (B24).  |                      |                                       |                              |  |

## Line Item Budget - Other Program Funds

| <b>Funding for this program received from other sources</b>  |   |   | <b>Amount</b> |
|--|---|---|---------------|
| Fees   |   |   |               |
| Donations- General Public and Board Donations  |   |   | 200,000       |
| Grants (List Organizations)  |   |   |               |
|  | <b>1</b>  | Kaiser Permanente                                 | 15,000        |
|  | <b>2</b>  | Rabobank  | 10,000        |
|  | <b>3</b>  | Riverside Comm. Foundation                        | 10,000        |
|  | <b>4</b>  | Bank of America                                   | 10,000        |
| Fundraising (describe nature of fundraiser)  |   |   |               |
|  |   | Friends of HH Auxiliary - luncheon & fashion show | 50,000        |
|  |   | Misc. other small auxiliary functions             | 15,000        |
| Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize) |   |   |               |
|  | <b>1</b>  | Friends of HH annual membership                   | 30,000        |
|  | <b>2</b>  |   |               |
|  | <b>3</b>  |   |               |
|  | <b>4</b>  |   |               |
| <b>Total funding in addition to DHCD request</b>   |   |   | <b>340000</b> |
| <b>Budget Narrative</b>  | <p>Fully describe program income listed above in this cell (B19). Note whether income is "projected" or actual. HH board of directors donates \$70K annually, Public donations generally equal \$130K annually, Kaiser Permanente - funds approved, Rabobank - funds approved, Riverside Comm. Foundation - projected (funded every year), Bank of America - projected (funded every year), Friends of HH fundraising events - projected on past events, Friends of HH membership - on-going funding.</p> |   |               |



**EXHIBIT B**

**PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES**

|   |                       |
|---|-----------------------|
| <u>Project Title</u>                            | <u>Start/End</u>      |
| Hidden Harvest Senior Markets and Healthy Fairs | 8/1/2017<br>7/31/2018 |

**PAYMENTS:**

(2) Payments: \$42,750.00  
 10% Retention: \$9,500.00

**Total request amount: \$95,000.00**

**PAYMENT SCHEDULE REQUIREMENTS:**

| Scheduled Date | Grant Requirements for Payment   | Payment  |
|----------------|--|--|
| 8/01/2017      | Signed Agreement submitted & accepted  | Advance of \$42,750.00<br>for time period<br>8/01/2017 - 1/31/2018 |
| 02/01/2018     | 1 <sup>st</sup> six-month (8/01/2017 - 1/31/2018)<br>progress and budget reports submitted &<br>accepted   | Advance of \$42,750.00<br>for time period<br>2/01/2018- 7/31/2018  |
| 8/01/2018      | 2 <sup>nd</sup> six-month (2/01/2018 - 7/31/2018)<br>progress and budget reports submitted<br>and accepted | \$0  |
| 8/31/2018      | Final report (8/01/2017 - 7/31/2018)<br>submitted & accepted   | \$9,500.00<br>(10 % retention)                                     |

**TOTAL GRANT AMOUNT: \$95,000.00**

**DELIVERABLES:**

In this grant period:

- 100 Senior Markets in the District, serving approx. 1,200 low income seniors each month with free, fresh produce.
- 75,000 - 80,000 pounds of produce distributed in the district via Senior Markets

A minimum of 2 Healthy Fairs held a 2 low income schools within the District, serving approx. 300 families each. 3-5 thousand pounds of produce distributed at each H.F

# 2017

| January 2017 |    |    |    |    |    |    |
|--------------|----|----|----|----|----|----|
| S            | M  | T  | W  | T  | F  | S  |
| 1            | 2  | 3  | 4  | 5  | 6  | 7  |
| 8            | 9  | 10 | 11 | 12 | 13 | 14 |
| 15           | 16 | 17 | 18 | 19 | 20 | 21 |
| 22           | 23 | 24 | 25 | 26 | 27 | 28 |
| 29           | 30 | 31 |    |    |    |    |

| February 2017 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| S             | M  | T  | W  | T  | F  | S  |
|               |    |    | 1  | 2  | 3  | 4  |
| 5             | 6  | 7  | 8  | 9  | 10 | 11 |
| 12            | 13 | 14 | 15 | 16 | 17 | 18 |
| 19            | 20 | 21 | 22 | 23 | 24 | 25 |
| 26            | 27 | 28 |    |    |    |    |

| March 2017 |    |    |    |    |    |    |
|------------|----|----|----|----|----|----|
| S          | M  | T  | W  | T  | F  | S  |
|            |    |    | 1  | 2  | 3  | 4  |
| 5          | 6  | 7  | 8  | 9  | 10 | 11 |
| 12         | 13 | 14 | 15 | 16 | 17 | 18 |
| 19         | 20 | 21 | 22 | 23 | 24 | 25 |
| 26         | 27 | 28 | 29 | 30 | 31 |    |

| April 2017 |    |    |    |    |    |    |
|------------|----|----|----|----|----|----|
| S          | M  | T  | W  | T  | F  | S  |
|            |    |    |    |    |    | 1  |
| 2          | 3  | 4  | 5  | 6  | 7  | 8  |
| 9          | 10 | 11 | 12 | 13 | 14 | 15 |
| 16         | 17 | 18 | 19 | 20 | 21 | 22 |
| 23         | 24 | 25 | 26 | 27 | 28 | 29 |
| 30         |    |    |    |    |    |    |

| May 2017 |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
| S        | M  | T  | W  | T  | F  | S  |
|          | 1  | 2  | 3  | 4  | 5  | 6  |
| 7        | 8  | 9  | 10 | 11 | 12 | 13 |
| 14       | 15 | 16 | 17 | 18 | 19 | 20 |
| 21       | 22 | 23 | 24 | 25 | 26 | 27 |
| 28       | 29 | 30 | 31 |    |    |    |

| June 2017 |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  |
|           |    |    |    | 1  | 2  | 3  |
| 4         | 5  | 6  | 7  | 8  | 9  | 10 |
| 11        | 12 | 13 | 14 | 15 | 16 | 17 |
| 18        | 19 | 20 | 21 | 22 | 23 | 24 |
| 25        | 26 | 27 | 28 | 29 | 30 |    |

| July 2017 |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  |
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| 2         | 3  | 4  | 5  | 6  | 7  | 8  |
| 9         | 10 | 11 | 12 | 13 | 14 | 15 |
| 16        | 17 | 18 | 19 | 20 | 21 | 22 |
| 23        | 24 | 25 | 26 | 27 | 28 | 29 |
| 30        | 31 |    |    |    |    |    |

| August 2017 |    |    |    |    |    |    |
|-------------|----|----|----|----|----|----|
| S           | M  | T  | W  | T  | F  | S  |
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| 6           | 7  | 8  | 9  | 10 | 11 | 12 |
| 13          | 14 | 15 | 16 | 17 | 18 | 19 |
| 20          | 21 | 22 | 23 | 24 | 25 | 26 |
| 27          | 28 | 29 | 30 | 31 |    |    |

| September 2017 |    |    |    |    |    |    |
|----------------|----|----|----|----|----|----|
| S              | M  | T  | W  | T  | F  | S  |
|                |    |    |    |    | 1  | 2  |
| 3              | 4  | 5  | 6  | 7  | 8  | 9  |
| 10             | 11 | 12 | 13 | 14 | 15 | 16 |
| 17             | 18 | 19 | 20 | 21 | 22 | 23 |
| 24             | 25 | 26 | 27 | 28 | 29 | 30 |

| October 2017 |    |    |    |    |    |    |
|--------------|----|----|----|----|----|----|
| S            | M  | T  | W  | T  | F  | S  |
| 1            | 2  | 3  | 4  | 5  | 6  | 7  |
| 8            | 9  | 10 | 11 | 12 | 13 | 14 |
| 15           | 16 | 17 | 18 | 19 | 20 | 21 |
| 22           | 23 | 24 | 25 | 26 | 27 | 28 |
| 29           | 30 | 31 |    |    |    |    |

| November 2017 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| S             | M  | T  | W  | T  | F  | S  |
|               |    |    | 1  | 2  | 3  | 4  |
| 5             | 6  | 7  | 8  | 9  | 10 | 11 |
| 12            | 13 | 14 | 15 | 16 | 17 | 18 |
| 19            | 20 | 21 | 22 | 23 | 24 | 25 |
| 26            | 27 | 28 | 29 | 30 |    |    |

| December 2017 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| S             | M  | T  | W  | T  | F  | S  |
|               |    |    |    |    | 1  | 2  |
| 3             | 4  | 5  | 6  | 7  | 8  | 9  |
| 10            | 11 | 12 | 13 | 14 | 15 | 16 |
| 17            | 18 | 19 | 20 | 21 | 22 | 23 |
| 24            | 25 | 26 | 27 | 28 | 29 | 30 |
| 31            |    |    |    |    |    |    |

| MONDAYS   |
|---|
| 9:00 AM – Cathedral Center<br>37-171 Buddy Rogers Rd,<br>Cathedral City     |
| 11:00 AM – 1 <sup>st</sup> Baptist Church,<br>588 Rosa Parks Rd, PS         |
| Drop Off – Parkview Villas,<br>71-740 San Jacinto, RM                       |
| TUESDAYS  |
| 9:00 AM – Indio Senior Center,<br>45-700 Aladdin, Indio                     |
| 11:00 AM – Desert Hot Springs<br>Sr. Center, 11-777 West Dr., DHS           |
| Drop Off – Parkwood Apts<br>81-777 48 <sup>th</sup> Ave, Indio              |
| WEDNESDAYS  |
| 9:00 AM – Vista Serena Apts,<br>1207 E. Vista Chino, PS                     |
| 10:00 AM – Mountain View Apts,<br>68-680 Dinah Shore Dr.,<br>Cathedral City |
| PU @ Mtn View for Casa Victoria<br>Apts.                                    |
| 12:00 PM – Seasons Apts LQ, 50-<br>915 Rainbow Ct, LQ                       |
| Drop Off – Miraflores Apts,<br>47-747 Gertrude Way, LQ                      |
| NOTES:  |
| Jan markets on 2 <sup>nd</sup> & 4 <sup>th</sup> weeks                      |
| Only 1 market in July   |
| NO market in August   |
| Only 1 market in September  |



Date: July 25, 2017

To: BOARD OF DIRECTORS

Subject: Grant #938 – Mizell Senior Center

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**GRANT REQUEST:** Project Title – *Coachella Valley Senior Fall Prevention Program – A Matter of Balance – Phase 2*: \$400,300 – 24 months

**ACTION BY PROGRAM COMMITTEE:** (Please choose one)

- Full recommendation and forward to the Board for consideration with the Committee's recommendation that an award of \$400,300, over a 24-month period, be approved for support of Mizell Senior Center's *CV Senior Fall Prevention Program: A Matter of Balance Phase 2*. **PROGRAM COMMITTEE MEMBERS CHOSE THIS ACTION.**
- Recommendation with modifications
- Deny

**USE OF DISTRICT FUNDS:** The request would provide for:  
fund the core aspects of this program including program administration, Master Trainers, Volunteer Coach Support, HARC Assessment and reporting, and assistance for home safety improvements and building the infrastructure for long term sustainability through the Coachella Valley Falls Prevention Collaborative.

- The training of Master Trainers in the program who would then recruit and train volunteer coaches in a "train the trainer" model that would help guarantee sustainability of the program over the long term. The A Matter of Balance Program Director would be responsible for developing MOU's with the various sites, providing program coordination and scheduling as well as ongoing support for the sites.
- Volunteer coach support
- Outreach, education through a variety of media, and ongoing support of the programs at the various sites.

- Assistance for home safety improvements - home inspections, funding for minor home improvements to help prevent falls, and educational seminars and screenings by various medical professionals to assess fall risks due to medication reactions or interactions, vision, inner ear problems, and medical issues relating to the legs and feet.
- To build the infrastructure for long term sustainability through the development of a Coachella Valley Falls Prevention Coalition
- HARC Assessment & reporting: Included is an evaluation component by HARC to assess both the individual impact of this program as well as a comparison of knowledge and fall reduction over the course of the program.

# Grant Request Summary

## Mizell Senior Center, Grant #938

Tel: (760) 323-5689  
 Fax: (760) 320-9373  
 480 S. Sunrise Way  
 Palm Springs, CA 92262-7641  
 www.mizell.org

### Contact:

Ginny Foat  
 Tel: 760-323-5689 ext. 102  
 Fax: (760) 320-9373  
 ginnyf@mizell.org

### Historical (approved Requests)

| Grant Year | Project Title            | Grant Amount | Type                 | Disposition Date | Fund         |
|------------|--------------------------|--------------|----------------------|------------------|--------------|
| 1999       | HealthLink               | \$28,000     | Grant                | 12/31/1999       |              |
| 2000       | FIND                     | \$25,000     | Grant                | 12/31/2000       |              |
| 2000       | Outreach Low Income      | \$25,000     | Grant                | 12/31/2000       |              |
| 2000       | Flu Shots                | \$50,000     | Grant                | 12/31/2000       |              |
| 2000       | HealthLink               | \$53,000     | Grant                | 12/31/2000       |              |
| 2001       | Flu Shots                | \$50,000     | Grant                | 12/31/2001       |              |
| 2001       | HealthLink               | \$52,229     | Grant                | 12/31/2001       |              |
| 2002       |                          | \$55,000     | Grant                | 12/31/2002       |              |
| 2003       |                          | \$20,000     | Grant                | 12/31/2003       |              |
| 2008       | MEALS ON WHEELS          | \$25,000     | Grant                | 7/9/2008         | Grant budget |
| 2008       | Congregate Meal Program  | \$5,000      | Food Assistance      | 1/27/2009        | Grant budget |
| 2009       | Congregate Meal Program  | \$5,000      | Food Assistance      | 7/6/2009         |              |
| 2009       | Congregate Meal Program  | \$5,000      | Food Assistance      | 11/9/2009        | Grant budget |
| 2009       | Congregate Meal Program  | \$5,000      | Food Assistance      | 3/11/2010        | Grant budget |
| 2010       | Congregate Meal Program  | \$5,000      | Food Assistance      | 7/15/2010        | Grant budget |
| 2010       | Congregate Meal Program  | \$5,000      | Food Assistance      | 11/8/2010        | Grant budget |
| 2011       | Meals On Wheels          | \$175,068    | Achievement Building | 7/26/2011        | Grant budget |
| 2011       | Congregate Meals Program | \$20,000     | Food Assistance      | 9/20/2011        | Grant budget |

|      |  |           |            |           |              |
|------|--|-----------|------------|-----------|--------------|
| 2013 | Matter of Balance Fall Prevention Implementation Study | \$4,850   | Mini-Grant | 6/2/2014  | Grant budget |
| 2014 | Coachella Valley Senior Fall Prevention Program        | \$403,300 | Grant      | 5/26/2015 | Grant budget |

**About the Organization**

*Organization Type:* Direct Service Provider\Senior Services

*Background:*

Mizell Senior Center has been serving the greater Palm Springs area for 42 years, and is the community focal point on healthy and active aging. This is a place where Active Seniors come together for service and activity which enhances dignity, supports independence, and encourages involvement in and with the community. Programs support individuals in all phases of the aging process with a focus on remaining independent and self sufficient. Programs are designed to serve lower income at risk seniors.

Programs and services at Mizell Senior Center are designed to meet the needs of the large Coachella Valley Senior population with a focus on low income seniors and to provide opportunities to combat loneliness, isolation, and maintain active, independent, and productive lives. Additionally, we now manage and provide programs and services at the Desert Hot Springs Senior Center.

Specific programs include Meals On Wheels, Congregate Meals throughout the Coachella Valley, the A Matter of Balance senior falls prevention program, health supportive programs including a wide range of exercise programs, balance classes, counseling, health checks, and a variety of programs to increase socialization. Our Meals On Wheels and Congregate Nutrition Programs serve over 145,000 meals from Palm Springs and Desert Hot Springs to Salton Sea. Our congregate nutrition program provides meals to several Valley senior centers including The Cathedral Center, Desert Hot Springs Senior Center, Indio Senior Center, Thermal Senior Center, Mecca Senior Center as well as senior living communities. We have established strong relationships with most of the senior centers in the Coachella Valley through this nutrition program. The A Matter of Balance Program is offered in 19 different sites throughout the year.

Over 90% of the clients served through our Meals on Wheels Program live at or below the Federal Poverty Level. A survey of clients that utilize the senior center found that nearly 50% have incomes less than 200% of the federal poverty level with 17% at or below the poverty level. In the past year, Mizell Senior Center counts over 2,750 members with over 60,000 client visits to the Center.

**Proposal**

*Type of Request:* Program operations\Sustaining program

*Strategic Plan Link:* GOAL #1: Foster a culture of wellness and healthy behaviours throughout the District

***Project Title:* A Matter of Balance Senior Falls Prevention Program**

***Total Project Cost:* \$562,300**

***Requested from DHCD:* \$400,300**

***Length of Project:* 24 months**

**Start Date:** 8/1/2017  
**End Date:** 7/31/2019

*Project Description:*

A Matter of Balance -- Managing Concerns About Falls is an evidence based Cognitive Behavior Change Model that was cited in a Centers for Medicare & Medicaid Services (CMS) report to Congress in 2014 as an effective and most widely implemented falls intervention program in the United States and was the ONLY falls prevention program cited in the Report. With this request, we are requesting that the District fund the core aspects of this program including program administration, Master Trainers, Volunteer Coach Support, HARC Assessment and reporting, and assistance for home safety improvements and building the infrastructure for long term sustainability through the Coachella Valley Falls Prevention Collaborative.

(a) This program will address the growing impact of falls among older adults and their consequences. According to the HARC Community Health Monitor Report (2013) 29.8% of Coachella Valley seniors (49,249) age 55 and older have a fear or concern that they may fall. As our community ages, the fear of falling and resulting isolation increases. In an article Physical Activity and Mobility in Older Age (2005) the American Journal of Preventative Medicine found that limited mobility is a key factor affecting the quality of life of older Americans. The Centers for Disease Control finds many older adults, even if they have not fallen, become afraid of falling and limit their activity, which drastically decreases their quality of life. According to the HARC report, the proportion of seniors who fear falling are considerably higher in 2013 than in 2010 (29.8% vs. 20.5%). A fear of falling can significantly reduce activity, thereby leading to a higher risk of falls and limit mobility. For some seniors, this can mean they will no longer be able to live independently in their own home. Because of our large and growing senior population, the need for a Falls Prevention Program is readily apparent for the Coachella Valley. There is no other community based senior falls prevention program in the Coachella Valley apart from Mizell's A Matter of Balance program. According to the California Department of Public Health epidemiologic data, the County of Riverside saw a total of nearly 29,000 non-fatal emergency room and hospital admissions related to falls for individuals over age 50.

Individuals over age 65 accounted for 83% of the non-fatal hospitalizations and 66% of the emergency room visits. The Greater Palm Springs area has twice the number of persons over age 65 as compared to the national average and has the highest concentration of this population in Riverside County. Local numbers are very compelling. Desert Oasis Healthcare reports that over 80% of their patients over age 65 who are admitted to the hospital is as a result of a fall.

An article in the February 21, 2017 Kaiser Health News found that there has been a significant "spike" in emergency room visits in California due to falls among seniors. Between 2010 and 2015, emergency room visits by adults over age 65 "surged" 38%. Because of our local demographic profile, we can expect similar increases. The California Department of Aging reports that Riverside County is among the fastest growing counties with a projected growth of up to 300% from 1990 to 2020 of those over age 60. Riverside County is also showing similar growth of seniors over age 85. The most recent Health Assessment and Research for Communities (HARC) Health Monitor Report focusing on the senior demographic estimated that there were approximately 130,000 individuals who are age 65 and older in the Coachella Valley. This represents over 30% of the total population. To compare, in California generally, the US Census 2015 estimate of those 65 and older was just over 13%.

(b,c) The Desert Healthcare District funded the initial pilot A Matter of Balance program. As of this writing, the program has exceeded all metrics set forth in the original proposal. In two years, we have established 14 program sites within the District, trained 117 certified coaches to help deliver the

program, held 75 courses, and have 577 program graduates. Our first year evaluation by HARC found that the program was effective, that participants continued in a regular exercise program following graduation, and made significant changes in their home environment to help reduce the potential of falling. In fact, the HARC results have been selected as poster presentations at two California symposiums on aging. These presentations are: Leier, C.R., Spencer, S., & Newby, J. (2017). Mizell Senior Center: A Matter of Balance (AMOB). Paper to be presented at the 2nd International Aging and Gerontology Conference 2017, San Diego, California, June 26-28, 2017 and Leier, C.R., Spencer, S., & Newby, J. (2017). The Widespread Impact of a Community-Based Senior Falls Prevention Program. Paper to be presented at the Seventh Interdisciplinary Aging and Society Conference 2017, Berkeley, California, November 3-4, 2017. (d) This funding will provide the resources for the second phase of the program and position it for long term sustainability. The purpose of this request is to maintain and expand this evidence based program within the District while embedding it into an integrated sustainable senior falls prevention program network. One aspect of this renewed funding would be to formalize a Coachella Valley-wide senior fall prevention network among our various host sites and the medical community. This is the ONLY community based program in the Coachella Valley that addresses the growing incidence of falls among the senior population. Our goal with this current proposal is to continue to embed the program within the community and to build the infrastructure and model to continue the program into the long term.

District funding of A Matter of Balance has also provided the catalyst and experience to expand the program beyond district boundaries. Because of the success and the model we have built, other funders have stepped forward to provide support in the Coachella Valley east of Cook Street. We have agreements with the Indio Senior Center and the La Quinta Wellness Center. We are working on expanding to the Coachella and Thermal senior centers and the Del Webb communities.

Our focus on long term sustainability has led to the establishment of two sites in cooperation with Desert Oasis Healthcare who is providing the class for their members in the Eastern Coachella Valley on a contract basis. According to Maine Health Partnership for Healthy Aging (the Master Licensor of A Matter of Balance) our program is by far the largest community based program in the Country. Most programs are based individually out of a single site, or are administered through county or state health departments.

*Number of District individuals with this issue:*

25,000

*Core know-how as it pertains to this request:*

Mizell Senior Center has, in just four years, established a Coachella Valley wide senior nutrition program that demonstrates our knowledge and ability in creating and sustaining major regional programs. Starting with just one congregate nutrition site in Thermal, we now support sites in Mecca, Thermal, Coachella, Indio, Cathedral City, Desert Hot Springs and three sites in Palm Springs. We have grown the Meals on Wheels program from serving approximately 100 meals each day to serving over 400 daily meals from Palm Springs and Desert Hot Springs to the Salton Sea. We have established, expanded and maintained a network of senior nutrition services. Mizell Senior Center has long-term experience in developing and supporting a wide range of exercise programs with the intention to keep seniors and older adults active and healthy. Six years ago, Mizell began a focus on keeping seniors active in order to reduce their vulnerability to falls. This focus was based upon Centers for Disease Control recommendations that "Exercise is the only intervention that by itself reduces falls among older adults." (National Center for injury Prevention and Control; Preventing Falls: How to Develop Community-based Fall Prevention Programs for Older Adults. Atlanta, GA: Centers for Disease Control and Prevention, 2008.) We currently offer 20 traditional exercise classes each week from chair yoga, Tai Chi, Yoga, Fit



After Fifty, Get Balanced, and Zumba Gold. In addition, we offer dance classes including Ballroom Dancing, Line Dancing, and Salsa. The broad exercise program has proved very successful and popular among local residents. Mizell has also led the effort to introduce evidence based fall prevention programming into the community. We recently hosted a training for Tai Ji Quan: Moving for Better Balance. Tai Ji Quan: Moving for Better Balance (TJQMBB) is a research-based balance training regimen designed for older adults and people with balance disorders. There are now seven (7) certified instructors for this program that can be introduced throughout the community.

Since receiving the initial funding from the Desert Healthcare District for this program, we have utilized this core know how and existing contacts in the senior community to develop a comprehensive senior falls prevention program that serves the entire district and has begun expansion beyond district boundaries. We have trained and experienced Senior Master Trainers who have helped implement the program and trained coaches to deliver the program on a long term basis. We have developed an administrative infrastructure and relationships with numerous sites within the district and have exceeded our original goals by all metrics. Our knowledge of this program places us in a strong position to begin the next phase of strengthening the program within the community for long-term sustainability.

*Past Achievements as they relate to this request:*

Mizell Senior Center has long-term experience in developing and supporting a wide range of exercise programs with the intention to keep seniors and older adults active and healthy. Six years ago, Mizell began a focus on keeping seniors active in order to reduce their vulnerability to falls. This focus was based upon Centers for Disease Control recommendations that "Exercise is the only intervention that by itself reduces falls among older adults." (National Center for injury Prevention and Control. Preventing Falls: How to Develop Community-based Fall Prevention Programs for Older Adults. Atlanta, GA: Centers for Disease Control and Prevention, 2008.) We currently offer 20 traditional exercise classes each week from chair yoga, Tai Chi, Yoga, Fit After Fifty, Get Balanced, and Zumba Gold. Additional active programs include Line Dancing, Ballroom Dancing, and Salsa. The broad exercise program has proved very successful and popular among local residents.

In 2011, Mizell began developing specific senior fall prevention programs based upon the recommendations set forth in the CDC "Preventing Falls" publication. We have continued offering specific senior fall prevention programming since that time. Continued research led us to the A Matter of Balance Fall Prevention program in March of 2013. In accordance with the program guidelines, Mizell Senior Center paid for the training of two Master Trainers and entered into a license agreement for the program in June of 2013. We have been offering the A Matter of Balance Program since that time. In our first year operating the class, we fine-tuned the program and offered four A Matter of Balance Classes with a total of 49 unduplicated clients. The original class session lasted eight weeks, meeting one time per week. Following feedback from class participants, it was determined to condense the required eight classes into four weeks by meeting two times per week. This has proven to be an optimal change, allowing seniors to complete the class in four weeks instead of eight weeks.

In 2015, following a feasibility study, Desert Healthcare District approved a major expansion of the A Matter of Balance program to include the entire District.

Mizell Senior Center and the Desert Healthcare District should be justifiably proud of the accomplishments of the first two year results of the A Matter of Balance Program. In just two years, with a modest budget, we have developed the infrastructure and delivered a Coachella Valley-wide senior falls prevention program that is the ONLY community based falls prevention program in the Valley. We have established multiple sites for the program, graduated 577 participants, trained 117

coaches and have four fully trained Senior Master Trainers for the program. Desert Regional Medical Center, Desert Oasis Healthcare, and Eisenhower Medical Center are fully supportive of the program and have been active participants in establishing training sites and referring patients. In addition, the Joslyn Center, the LGBT Community Center, and the Cathedral Center have become program sites to meet the needs of their respective senior community. The program has also recently expanded to Desert Hot Springs Senior Center and the James O. Jessie Community Center in North Palm Springs. We have begun trainings for Spanish Speaking individuals after obtaining Spanish language training materials and training bilingual Spanish/English coaches. The results of the first year survey of graduates were so compelling that the HARC Report was accepted at two peer reviewed conferences for poster presentations. Our program has grown to be one of the largest A Matter of Balance programs in the Country with one of the largest cadre of graduates in just two years.

The experience and infrastructure developed during the first two year pilot program provides a solid foundation for expanding and building a strong and sustainable program for the long term.

*Future Program Sustainability:* The Board of Directors of Mizell Senior Center have determined that our two core areas of programming are the Meals on Wheels Program and the A Matter of Balance falls prevention programming. The board is embarking on a strategic planning process to incorporate additional organizational support into long range planning to support this program over the long term. With the growing success of the A Matter of Balance program, we have been able to make a strong case for funding from other funders who have been impressed with the results we have obtained as outlined in the first year evaluation report from HARC. Given the growing credibility of the program as shown by the acceptance of two poster presentations by peer reviewed conferences, we are in a position to make a strong case for continued funding. In addition, the next two years will be a process of "right sizing" the program to meet ongoing needs and to maintain a viable program at various sites while reducing overhead and administrative costs. An exciting development is that Desert Oasis Healthcare has recognized the importance of the program and is contracting to have the course offered at several of their sites. This model of sustaining the program over the long-run is a viable source of potential funding. Mizell Senior Center has increased financial support through developing an annual giving program, growing our annual gala, and developing additional sources of funding. In addition, we are embarking on a strategic planning process that will focus on developing sustainable funding resources for our core nutrition and senior falls prevention programming.

In a Journal article entitled Sustainability of community-based fall prevention programs: A Systematic review appearing in Journal of Safety Research 47 (2013) 9--17, a lack of funding was cited as a major factor impacting program sustainability. However, there are other related factors. These include: Challenges in engaging older people and a lack of program support by health professionals and other stakeholders. This is one of our primary reasons for developing the Coachella Valley Falls Prevention Collaborative. This collaborative would help educate health professionals and organizations in supporting the program, engage more seniors and senior service organizations into the program, and help develop a funding collaborative that would support the program at the host sites, thereby developing additional "buy-in" and fund the basic oversight by the Master Trainers in order to maintain fidelity to the evidence based program. Engagement and "buy-in" were cited as important factors in long-term sustainability. One program found that "a whole community approach" was instrumental in sustainability. Another study cited in this article found that the development of collaborative relationships among participants, sites, and health care providers found that after 18 months nearly 80% of the sites remained in operation.

While financial sustainability is necessary to continue the program, this article suggests that developing a collaborative partnership of various stakeholders can increase the likelihood of long term sustainability with the development of long-term financial support through committed and engaged stakeholders.

**Participants:**

*(Description of District Residents who will benefit.)*

|   |  |
|---|--|
| <b>Participant Number (District Residents):</b> | 650  |
| <b>Area to be served:</b>                       | All District Areas   |
| <b>Participant age group(s):</b>                | (65+) Seniors  |
| <b>Participant community:</b>                   | Perhaps the best illustrations of the target population are testimonials given at the three month follow-up evaluation by graduates and by recent graduates. |

"I learned about situational awareness through this class and being aware has given me confidence and I am less fearful of falling." Sam, A Matter of Balance graduate, age 88.

"I was just sitting around my house feeling down and frail. I could no longer drive safely so I sold my car. A friend brought me to the AMOB class where I learned that I needed to help myself and I now get myself to exercise classes several times a week." Jim B, A Matter of Balance graduate, age 79, Palm Springs.

"Before I took the AMOB class I was strictly using a walker. Now I am able to rely on a cane and am continuing to exercise three times per week at Mizell." Rene C. A Matter of Balance Graduate, age 91, Cathedral City.

"Content, explanation and execution was fabulous. I observed the group connect, exchange ideas/thoughts/concerns and exercise over the 4 weeks -- improving all the way. We realized we were not alone. Both facilitators were engaging while delivering positive and motivating information. I have talked about this program to my friends who want their loved ones to participate. Excellent, excellent, excellent." Diane D., age 60, recent graduate.

According to the Centers for Disease Control (CDC) falls are the number one cause of injury, hospital visits due to trauma, and death from an injury among people age 65 and older. It is estimated that one in three older adults falls each year. Falls among older adults is a serious issue, but research has shown that many fall risks can be reduced.

According to the National Council on Aging, falling is not an inevitable result of the aging process. Through practical lifestyle adjustments, evidence-based falls prevention programs, (such as A Matter of Balance) and clinical-community partnerships, the number of falls among seniors can be substantially reduced. Further, falls, with or without injury, also carry a heavy quality of life impact. A growing number of older adults fear falling and, as a result, limit their activities and social engagements. This can result in further physical decline, depression, social isolation, and feelings of helplessness.

Because of our large and growing senior population, the need for a Falls Prevention Program is readily apparent for the Coachella Valley.

Palm Springs and the Coachella Valley are the epicenter of a rapidly growing senior population in California. The California Department of Aging reports that Riverside County is among the fastest growing counties with a projected growth of up to 300% from 1990 to 2020 of those over age 60. Riverside County is also showing similar growth of seniors over age 85. The most recent Health

Assessment and Research for Communities (HARC) Health Monitor Report focusing on the senior demographic estimated that there were approximately 130,000 individuals who are age 65 and older in the Coachella Valley. This represents over 30% of the total population. To compare, in California generally, the US Census 2015 estimate of those 65 and older was just over 13%. In Palm Springs alone, the 2010 Census shows that nearly 35% of the total population is over age 60 with more than 13% over 75. This is two times the California average for the same age groups. Other cities within the District boundaries show even larger populations of individuals over age 60. In Rancho Mirage, over 54% of the population is over age 60 while in Palm Desert, the number is 40%. In Cathedral City, 20% of the population is over age 60 and in Desert Hot Springs the percentage is closer to 14%. However, both Cathedral City and Desert Hot Springs have a much higher poverty rate among their senior populations with Cathedral City showing 14% of seniors live in poverty and 16% of seniors in Desert Hot Springs live in poverty. The Coachella Valley and Palm Springs are internationally known as a resort and retirement community, yet this shows another side to the story. There are many low income seniors who are on fixed incomes who have outlived their retirement savings and are relying solely on Social Security. The 2010 Census shows that cities in the Desert Healthcare District such as Cathedral City, Desert Hot Springs, and unincorporated areas of show even lower income for those over age 60. Additionally, according to the HARC report, nearly 20% of seniors were living at or below 250% of the Federal Poverty level (FPL). The highly respected UCLA Elder Economic Security Index indicates that a single senior renting housing requires a minimum of \$22,380 to meet basic housing, nutritional, and medical needs in Riverside County.

The fear of falling among seniors has been the focus of research on a national basis. Previously, fear of falling was studied as a consequence of a serious fall. Additional research has shown that 20% to 46% of seniors who have not reported any recent falls restrict activities and remain isolated because of that fear. Maki, Holiday & Topper, (1991). In an article Physical Activity and Mobility in Older Age (2005) the American Journal of Preventative Medicine found that limited mobility is a key factor affecting the quality of life of older Americans. The "fear of falling" encompasses more than fear of injury from a fall. Many individuals will not tell their health care provider or relative of a minor fall or their fear of falling because they fear a loss of independence. In many cases, this can lead to the failure to identify the possible cause of a fall such as a medication problem, inner ear problem, or physical ailment. A fear of falling can lead to a deteriorating spiral of inactivity with hallmarks of a loss of confidence, reduced activity and ultimately a loss of independence (Vellas, Cayla, Bocquet, Depemille, & Albarde, 1987). While many seniors see inactivity as a protection against falling, a consequence of reduced physical activity and conditioning is an increased risk of falling. (Nevitt, Cummings, Kidd, & Black, 1989)

*Does this program serve residents outside the District Boundaries? If so, approximately how many and in what Coachella Valley cities?*

1. Yes 2. The program is beginning to expand into Indio, LaQuinta, the Del Webb Communities, and Coachella and has served over 80 participants to date in these areas.

### **Results:**

*Specific benefits or tangible effects to be achieved:*

The purpose of this request is to integrate the A Matter of Balance Senior Falls Prevention Program into the community as a long-term sustainable program. Through the efforts of the two year pilot program, A Matter of Balance has been implemented district-wide through a "Train the Trainer" model that has brought this award winning program to senior centers, community centers, country clubs, and senior living communities throughout the District. The goal will be to further solidify the program at current sites as part of their ongoing programming and to expand to additional sites.

A key component of this sustainability effort is the establishment of a Coachella Valley Falls Prevention Collaborative. The purpose of the collaborative will be to bring together senior health care providers, senior service providers, program coaches and graduates and other key stakeholders to exchange information, provide resources such as program coaches, share successes and lessons learned to facilitate building a strong foundation for long term sustainability.

Mizell Senior Center will remain the resource for the training, continuing education and quality control for the coaches in order to maintain the fidelity of this evidence based program. Mizell will provide technical support and lessons learned to new sites and strengthen existing sites. Evaluation will continue as a working relationship between the Mizell falls prevention staff and HARC.

Expanded Program and Sustainability Efforts: At the end of year three, the following hallmarks will be reached:

1. Sign continuing Memorandums of Understanding with all current sites;
2. Recruit at least three additional sites focusing on lower income and Spanish speaking participants;
3. Establish the Coachella Valley Senior Falls Prevention Collaborative within the first ninety (90) days with at least seven (7) initial members representing senior centers, medical professionals, coach graduates, and program graduates;
4. Create the Coachella Valley Senior Falls Prevention Collaborative website, blog, and Facebook Page to facilitate communication among stakeholders and prospective funders;
5. Continue Coach Trainings with a goal of retaining trained coaches to be available as "roamers" to at sites that are having difficulty finding coaches for the initial courses with a goal of having at least 15 coaches that are consistently available for assignment;
6. Conduct a follow-up evaluation of the graduates from the two year pilot program to assess their continued participation in a regular exercise program (at least two times per week).

By the end of year four, we will have graduated 650 seniors over age 60 from the A Matter of Balance Program with at least 75% of those seniors continuing in an exercise program at least three months following their graduation from the Program. Evaluations of all graduates will continue through our agreement with HARC to provide further support for continued program sustainability.

Fall Prevention Education: According to the Centers for Disease Control, falls are not an inevitable consequence of aging and are preventable. The research is abundant that an evidence based program such as A Matter of Balance can help reduce falls among older adults. Accordingly, years three and four will continue a comprehensive educational program to educate seniors, medical providers, and the general community about fall prevention, fall risk factors, and specific steps seniors and older adults can make to prevent falls. The educational program will incorporate lessons learned from the pilot program with directed advertising in local print media to reach potential program participants as well as local broadcast media. The other component of the educational campaign will be outreach to senior service and healthcare providers with small "in service" trainings to healthcare professionals and to geriatric physicians who treat seniors throughout the District. The initial efforts in this regard has resulted in an ongoing program through Eisenhower Medical Center and Desert Oasis Healthcare. The goal will be to strengthen the program with Desert Regional Medical Center and other senior health care providers within the District boundaries. We have also created a prescription pad for physicians to utilize in their practice and it has been used. The key in the upcoming Sustainability Phase of this program will be to continue outreach with these physicians and medical groups to reinforce to program within their respective institution.

Media Outreach and Education: As previously outlined, the media outreach and education will be directed primarily to potential course participants. The campaigns will be designed to increase the general knowledge in the community of the program and begin to change the myth that falling is an inevitable consequence of growing older. In addition, we will continue with educational outreach in community health fairs, seminars, and direct outreach. The ultimate result of this campaign will be to spread awareness of fall prevention programs and how it can change the lives of seniors and older adults who participate. The media campaign will consist of the following:

1. Print ads will be professionally developed and published in local newspapers and publications with a high readership among the senior (over age 60) population. Our experience has shown that the highest impact is through print advertising with The Desert Sun in the Thursday Health Section. Ads will be concentrated prior to the beginning of courses to gain the highest attendance. In addition, we will develop ads for the Spanish Language newspaper to help attract more Spanish speaking participants.
2. Television advertising has been produced and will run during programs with high viewing audiences of older adults which are primarily news programs in the morning and evening newscasts. This appears to be the most effective and also lower cost. Advertising during prime time or popular game shows is prohibitive.

The Desert Sun reaches approximately 120,000 readers of which 75% are over age 65. This has been an effective means of educating potential participants about the benefits of the A Matter of Balance Program. In addition, estimates of audience reach for television advertising for individuals age 60 and older are 19,807 unduplicated reach for KESQ advertising and 19,000 unduplicated reach for KMIR.

Home Inspection and Repair: All course participants spend a portion of the class time in reviewing home safety and are provided a home inspection safety check. Our Pilot Program experience has shown that many individuals are reluctant to have a personal home inspection. Therefore, we anticipate 25% of participants agreeing to a home inspection and 75% completing the self-assessment and returning it to their coach by the conclusion of the course. Lower income participants will be provided limited assistance with home repair and will be provided with grab bars and other home safety equipment.

#### Summary:

1. Total Program participants: Year Three: 300, Year Four: 350, for a total of 650 participants.
2. A total of 15 sites offering at least three courses annually
3. Establishment of a Coachella Valley Senior Falls Prevention Collaborative
4. Train one Spanish Speaking Master Trainer
5. Trained Coaches: Continue regular coach training for individual sites and have at least 15 trained "roamer coaches" who are available to teach a course, especially in newly established sites
6. Develop and implement media and community education plan through paid media and community education programs and seminars. Paid media, will reach 85,000 persons over age 65 and 70,000 individuals over age 65 at least three times. Educational programs and seminars will be designed around National Senior Falls Prevention Day and as seminars at current and prospective program sites.
7. Each participant in the A Matter of Balance course will receive training on the importance of changes in the home to reduce fall risks. Each participant will receive a self-evaluation form in order to assess home fall risks and 85% of participants will return the form and make at least one recommended safety improvement in their home. Participants will be offered an individual in-home inspection and 40% will participate in a personal in-home assessment.

Reduction of Isolation Among Older Adults: Research has shown that 20% to 46% of seniors who have not reported any recent falls restrict activities and remain isolated because of a fear of falling. Maki, Holiday & Topper, (1991). As our community ages, the fear of falling and resulting isolation increases. In an article Physical Activity and Mobility in Older Age (2005) the American Journal of Preventative

Medicine found that limited mobility is a key factor affecting the quality of life of older Americans. The Centers for Disease Control finds many older adults, even if they have not fallen, become afraid of falling and limit their activity, which drastically decreases their quality of life. According to the 2013 HARC report, the proportion of seniors who fear falling is increasing significantly nearing 30% of seniors in the Coachella Valley. A fear of falling can significantly reduce activity, thereby leading to a higher risk of falls and limit mobility. For some seniors, this can mean they will no longer be able to live independently in their own home.

8. We will measure the reduction of isolation through the HARC assessment of program participants both at the end of the first year and at the end of year two. We will also assess any changes reported in subsequent HARC studies that measure the proportion of seniors who fear falling and measure that against previous years.

### **Project Tracking:**

*Measurements to be used throughout project:*

7/2017: Approval of funding request by Desert Healthcare District. Begin renewal process of current site Memoranda of Understanding.

8/2017: Visit additional program sites and secure ongoing MOU's with current sites offering the program. Begin educational and recruitment process for Coachella Valley Senior Falls Prevention Collaborative. Begin developing calendar of classes, support efforts for sites, and media campaign to support upcoming classes. Work with HARC to develop a new contract for evaluation to include one year follow-ups for course graduates. Begin preparations for September Senior Falls Prevention Awareness Day. Develop tools for assessing effectiveness of media outreach. Ask each participant how they heard about the course and incorporating this information in ongoing evaluation tools.

9/2017: Begin recruitment process for Spanish speaking Master Trainer. Set schedule of classes for remainder of 2017 in order to meet program goals. Hold first meeting of Coachella Valley Senior Falls Prevention Collaborative and begin discussions of website, Facebook Page, Blog, additional members, and development of ongoing committees and meeting schedule. Establish continuing minimum twice monthly meetings with Master Trainers to assess courses, determine any assistance sites may need to become sustaining, and assistance new sites may need to become successful. Establish outreach, assessment, and evaluation tools for existing coaches and to be used for newly recruited coaches. Create program evaluation and engagement tool for coaches to provide feedback to program staff and management.

10/2017: Begin research and application process for additional funding for financial sustainability of program. Begin recruitment of any additional coaches necessary for program. Focus coach recruitment efforts on creating a core of "roaming coaches" that can assist new sites, or sites that do not have the initial capacity to provide their own site coaches. Continue with committee meetings for Collaborative and begin soliciting proposals for building a website, blog, and Facebook Page. Assign Master Trainers to all sites. Produce Senior Falls Prevention Day event with coordinating events at program sites.

11/2017: Begin recruitment of additional sites and establish MOU's as appropriate. Implement media plan for broadcast and print media. Begin outreach and seminars to medical providers, senior living communities, and senior service providers. Begin evaluation of proposals for Collaborative electronic media and set date for website launch.

12/2017: Assess all sites with MOU's to determine that sufficient sites exist to meet program goals. Continue recruitment of additional sustainable sites. Establish that sites have continuing exercise programs for course graduates or provide referral and course schedule information to all sites to encourage continued exercise programs for graduates.

1/2018: Establish regular meeting schedule for Falls Prevention Collaborative, assess members and develop recruiting strategies for additional members. Develop member retention strategies, encourage active feedback and participation among members. Program manager visits all sites, assesses calendar

of on-going courses, provides feedback and technical assistance for course publicity and participant recruitment. Work with medical providers in Collaborative to develop joint community presentations of the importance of senior falls prevention, strategies that individuals can take to reduce their risk of falling, and recruit course participants.

2 -- 5/2018: Continue Collaborative Meetings. Assess website and social media use, assess continued engagement of coaches, meet with Master Trainers to review problems and/or concerns with sites. Engage each site coordinator and assess senior management "buy-in" to continued sustainability of courses and course offerings. Work with HARC in developing long-term assessment tools (such as one year follow-ups for graduates). Evaluate effectiveness of media plan and make necessary adjustments and tabulate how each course participant found out about the course.

6/2018: Review effectiveness of Falls Prevention Collaborative and make necessary adjustments. Encourage Collaborative to become actively engaged in developing 12 month Sustainability Plan to implement in Year Four. Begin development of 12 month Sustainability Plan to be implemented in Year Four. The plan will include an assessment of required funding, site sustainability, identification and development of potential funding sources, effectiveness of Collaborative in supporting sustainability, and required course corrections or changes. Continue reviewing course offerings, technical support to sites, continued enrollment to meet program goals, coach assessment and feedback from Master Trainers.

7/2018: Finalize final year Sustainability Plan with specific details including potential on-going course sites, funding resources, Falls Collaborative effectiveness, and community support. Submit the Final Year Sustainability Plan to the Desert Healthcare District for review and develop the next twelve month Tracking to support ongoing program Sustainability.

*If there are unanticipated costs associated with this service or program, how will they be covered?*

As previously outlined, the senior exercise and fall prevention programs are viewed as core to the mission of Mizell Senior Center by our Board of Directors. Accordingly, it is anticipated that there will be increased costs in administering the program, financial accounting, increased employee costs and overhead costs. The board is committed to working to leverage existing sources of funding, supporting and expanding our successful fund development activities through foundation, corporate, and individual support. With respect to the program, the program coaches will be volunteers who will donate their time with the administrative support and volunteer cultivation becoming a part of ongoing volunteer efforts. As a key component of the long term sustainability, the role of Mizell Senior Center will be to provide overall program review and maintenance with regular updated trainings, evaluation, and support of the various sites. After the two year sustainability phase, the costs will be reduced to the ongoing monitoring and support requirements to maintain the integrity of the A Matter of Balance program.

*Describe any critical changes to the organization, policy or staffing that are required to successfully implement this service or program. Will there be additional staff hired?*

The senior exercise and fall prevention programs are viewed as core to the mission of Mizell Senior Center by our Board of Directors. Because of the anticipated increased costs in administering the program, financial accounting, increased employee costs and additional office space we are committed to working to leverage existing sources of funding, supporting and expanding our successful fund development activities through foundation, corporate, and individual support. With respect to the program, the program coaches are volunteers who will donate their time. Increased administrative support and volunteer cultivation will become a part of ongoing volunteer efforts. To support the long term sustainability of the program, the role of Mizell Senior Center will be to provide overall program review and maintenance with regular updated trainings, evaluation, and support of the various sites. The Mizell Senior Center Board is embarking on a strategic planning process to incorporate additional organizational support for this core program into long range planning.



*Key partners and their roles:*

There are several key partners that will be crucial in attaining sustainability for this program. These include area senior centers, independent senior living communities, and medical providers. The first six months of the third year of this program will be focused on area senior centers such as Desert Hot Springs, The Cathedral Center, the LGBT Center, and Joslyn Senior Center and invite them to participate in the Coachella Valley Senior Falls Prevention Collaborative. All of these centers have expressed support for the program and have served as program sites. Additional key partners include regional medical providers such as Desert Regional Medical Center, Eisenhower Medical Center, Desert Oasis Healthcare, and other providers of care to the aging population. Many of these key partners are already participating in the program. The first year of this Sustainability Program will be focused on encouraging these healthcare providers to commit to the regional collaborative and to continue offering courses through a new Memorandum of Understanding.

Other Key Partners include senior service providers such as senior living communities and service providers. Additional outreach to these providers will be required for recruitment of participants at various course sites.

Medical providers and senior service providers will play a crucial role in referring participants, and in supporting medical provider education as well as participation in educating seniors on medical issues related to fall prevention.

## Line Item Budget - Sheet 1 Operational Costs

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

| <b>PROGRAM OPERATIONS Total Years 3 &amp; 4</b>               |   | <b>Total Program Budget</b> | <b>Funds from Other Sources Detail on sheet 3</b> | <b>Amount Requested from DHCD</b> |
|---|---|-----------------------------|---|-----------------------------------|
| <b>Total Labor Costs</b>                                      |   | 253,500                     | 80,000  | 184,000                           |
| <b>Employee Salaries</b>                                      |   |                             |   |                                   |
| <b>Employee Benefits/Taxes</b>                                |   | 47,500                      | 15,000  | 32,500                            |
| <b>Professional Services/Consultants total from Section 4</b> |   | 122,000                     | 20,000  | 102,000                           |
| <b>Equipment (itemize)</b>                                    |   |                             |   |                                   |
| 1   | Exercise Equipment                        | 1,000                       | 1,000   | 0                                 |
| 2   | Home Repair Supplies                      | 6,000                       | 3,000   | 3,000                             |
| 3   |   | 0                           |   |                                   |
| 4   |   | 0                           |   |                                   |
| <b>Supplies (itemize)</b>                                     |   |                             |   |                                   |
| 1   | Participant Manuals                       | 10,000                      | 4,000   | 6,000                             |
| 2   | Coach Training Manuals                    | 3,000                       | 1,500   | 1,500                             |
| 3   | Volunteer Training Snacks & Supplies      | 3,500                       | 1,000   | 2,500                             |
| 4   |   | 0                           |   |                                   |
| <b>Printing/Duplication</b>                                   |   | 5,000                       | 2000  | 3,000                             |
| <b>Mailing/Postage/Delivery</b>                               |   | 1,500                       | 600   | 900                               |
| <b>Travel for Master Trainer</b>                              |   | 1,500                       | 500   | 1,000                             |
| <b>Transportation/Mileage</b>                                 |   | 2,500                       | 500   | 2,000                             |
| <b>Education/Training Master Trainers - Spanish Speaking</b>  |   | 1,800                       | 400   | 1,400                             |
| <b>Facilities (Detail)</b>                                    |   |                             |   |                                   |
|   | Office/Rent/Mortgage                      | 7,000                       | 5,000   | 2,000                             |
|   | Office Supplies                           | 2,000                       | 1,000   | 1,000                             |
|   | Meeting Room Rental                       | 3,000                       | 2,000   | 1,000                             |
|   | Telephone/Fax/Internet                    | 3,000                       | 2,500   | 500                               |
|   | Utilities                                 | 2,000                       | 1,000   | 1,000                             |
|   | Insurance                                 | 5,000                       | 5,000   | 0                                 |
| <b>Indirect Program Costs</b>                                 |   |                             |   |                                   |
| 1   | Indirect Program Costs 5%                 | 27,500                      | 5,500   | 19,500                            |
| 2   |   | 0                           |   |                                   |
| 3   |   | 0                           |   |                                   |
| 4   |   | 0                           |   |                                   |
| <b>Other Program Costs not described above (itemize)</b>      |   |                             |   |                                   |
| 1   | Advertisement (Print Media)               | 22,000                      | 8,000   | 14,000                            |
| 2   | Advertise Broadcast Advertising           | 27,000                      | 8,000   | 19,000                            |
| 3   | Coachella Valley Falls Prev. Collaborativ | 5,000                       | 2,500   | 2,500                             |
| 4   |   | 562,300                     | 170,000   | 400,300                           |
| <b>Total Program Budget</b>                                   |   | 562,300                     | 170,000   | 400,300                           |

## Line Item Budget - Sheet 1 Operational Costs

|                         |   |
|-------------------------|---|
| <b>Budget Narrative</b> | <p>Exercise Equipment: Mats, poles for balance, foam to simulate obstacles such as uneven surfaces, balance rockers, stairs, parking lot bumper blocks. Home Repair Supplies: Grab bars, hot water regulators for showers, repair of tripping hazards. Participant Manuals: A Matter of Balance Manual for each program participant. Coach Training Manuals: A Matter of Balance Training Manual approved for coaches. Volunteer Training/Snacks/Supplies: Coach Trainings and Coach Volunteer Appreciation Activities.</p> <p>Printing/Duplication: Cost of printing class materials, pre- and post assessments, outreach materials, flyers, etc. Mailing/Postage: Mailing follow-up material to participants, class confirmations, materials to coaches. Travel: this includes travel and lodging for Master Trainer to be trained Transportation/Mileage: Mileage reimbursement for master trainers, coaches, and outreach. Education/Training: Cost for training A Matter of Balance Master Trainer. Training of coaches. Office Rent: Cost of space allocated to program Office Supplies: cost of paper, pens, presentation materials, and other supplies for administration of the program Meeting Room Rental: Rental for Coach Trainings, volunteer events, community education Telephone/Internet: Allocated cost of telephone and internet services for Program Director, Program Assistant, and Senior Master Trainer. Utilities: Allocated cost of utilities for the program. Insurance: allocated cost of insurance for program and insurance certificates for program sites. Indirect Program Costs: Costs related to program integration, senior staff supervision, accounting, audit, and reporting Advertising: Display Advertising in Desert Sun and other print publications and through KESQ, KMIR, production costs. Advertising is necessary to promote the program and educate the community that falls are preventable and there are approved programs to address the problem. Coachella Valley Falls Prevention Collaborative: Website and blog set-up, Facebook and other social media pages, meeting costs associated with Collaborative</p> |
|-------------------------|---|

**Line Item Budget**  
**Sheet 2 - Labor Costs**

| <b>Staff Salaries FOR TWO YEARS</b>                                      |   | <b>TWO YEAR<br/>TOTAL<br/>Annual Salary</b> | <b>% of Time<br/>Allocated to<br/>Program</b> | <b>Actual<br/>Program<br/>Salary</b>       | <b>Amount of<br/>Salary Paid by<br/>DHCD Grant<br/>TOTAL OVER 2<br/>YEARS</b> |
|--|---|---|---|--|---|
| 1  | Fall Prevention Program Dir   | 110,000                                     | 100%  |  | 75,000  |
| 2  | Senior Master Trainer   | 160,000                                     | 50%   | \$80,000.00                                | 67,000  |
| 3  | Program Support/Outreach  | 63,500                                      | 100%  |  | 42,000  |
| 4  |   |   |   |  |   |
| 5  |   |   |   |  |   |
| 6  |   |   |   |  |   |
| 7  |   |   |   |  |   |
| 8  |   |   |   |  |   |
| <i>Enter this amount in Section 1, Employee Salaries</i>                 |   |   |   | <b>Total &gt;</b>                          | <b>\$184,000.00</b>   |
| <b>Budget Narrative</b>  | <p style="color: red;">1. Program Director: Responsible for overall coordination of program, recruitment of coaches, Development of new sites and direct marketing of the program, developing program MOU's with locations, insuring pre- and post assessments, recruit ancillary medical professionals, supervision of Senior Master Trainer and Program Support positions. (Bilingual Preferred) 2. Senior Master Trainer: Responsible for overseeing training of Master Trainers and Coaches. Ongoing coach assessment and insuring classes meet standards of A Matter of Balance and monitoring classes. 3. Program Support/Outreach: Provides administrative support for program, coach outreach, compiling assessments, outreach for class participants, coordinating services such as home repair.</p> |   |   |  |   |
| <b>Consultants/Contractors</b>   |   | <b>Hourly Rate</b>                          | <b>Hours/<br/>Month</b>                       | <b>24 months<br/>total<br/>Monthly Fee</b> | <b>Total over 2 years<br/>Amount of Salary<br/>Paid by DHCD<br/>Grant</b>     |
| 4  | Steven Matthews-Master Tr.  | \$75.00                                     | 25/mo. X 24                                   | \$1,875.00                                 | 40,000  |
| 4  | Nolan Spencer - Master Tr.  | \$75.00                                     | 25/mo. X 24                                   | \$1,875.00                                 | 40,000  |
| 4  | Master Trainer - partial  | \$75.00                                     | 12.5/mo.X16                                   | \$937.50                                   | 10,000  |
| 5  | Handyman for Home Repair  | \$25.00                                     | varies  | \$166.67                                   | 2,000   |
| 6  | 4 x Medical Prof. Stipend   | \$100.00                                    | varies  | \$125.00                                   | 2,000   |
| 7  | HARC Program Eval/Ann   |   |   |  | 8,000   |
|  |   |   |   |  |   |
|  |   |   |   |  |   |
| <i>Enter this amount in Section 1, Professional Services/Consultants</i> |   |   |   | <b>Total &gt;</b>                          | <b>\$102,000.00</b>   |

**Line Item Budget**  
**Sheet 2 - Labor Costs**

|                         |  |
|-------------------------|--|
| <b>Budget Narrative</b> | <p>4. Master Trainer: The Master Trainers are trained and certified in A Matter of Balance. Responsible for training coaches and monitoring coaches and classes. Develop and teach follow-up Evidence Based Tai Chi classes. Master Trainers should be medical or para-medical professionals. 5. Handyman for Home Repair: Responsible for installing home repair items, grab-bars, repairing trip hazards, etc. On call and reviewed by staff to insure seniors receive quality work. 6. Medical Professionals: Stipend for medical professionals to assist in pre-class evaluations such as pharmacy, vision, physical therapists, hearing. Per CDC, these areas should be assessed because of their relation to senior falls. 7. HARC Assessment: Retain HARC to perform 90 and 180 day and one year follow-up of class participants to determine effectiveness of class and continued participation in some form of regular exercise. Develop follow-up questions for larger surveys to determine scope and impact of program. Survey effectiveness of public education program.</p> |
|-------------------------|--|

## Line Item Budget - Other Program Funds

| <b>Funding for this program received from other sources</b>  |                                    | <b>Amount</b>  |
|--|------------------------------------|----------------|
| Fees   |                                    | 12,500         |
| Donations  |                                    | 20,000         |
| Grants (List Organizations)  |                                    |                |
| 1  | Auen Foundation                    | 12,500         |
| 2  | Regional Access Project Foundation | 50,000         |
| 3  | Prospective Foundation Funding     | 40,000         |
| 4  |                                    |                |
| Fundraising (describe nature of fundraiser)  |                                    |                |
|  | Annual Stars Among Us Gala         | 35,000         |
| Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize) |                                    |                |
| 1  |                                    |                |
| 2  |                                    |                |
| 3  |                                    |                |
| 4  |                                    |                |
| <b>Total funding in addition to DHCD request</b>   |                                    | <b>170,000</b> |

|                         |  |
|-------------------------|--|
| <b>Budget Narrative</b> | <p style="color: red;">Fees: This is the amount anticipated from program participant fees for the program.</p> <p style="color: red;">Donations: As we publicize the program, we will be soliciting donations to support it. Auen Foundation: We have received funding from the Auen Foundation in the amount of \$12,500 for the remainder of the 1st year and anticipate a renewal. Regional Access Project Foundation: We have received funding for this program and are allocating a portion to support District programming. The remainder is for East Valley (out of District Programming). Prospective Foundation Funding: We are seeking Core Operating Support funding and program funding for S. Mark Taper Foundation and researching other prospective foundations. Annual Event: We will allocate \$30,000 from our annual event for this program and promote the program at the event.</p> |
|-------------------------|--|

## EXHIBIT B

### PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES

|  |                    |
|--|--------------------|
| <u>Project Title</u>   | <u>Start/End</u>   |
| Coachella Valley Senior Falls Prevention Program - A Matter of Balance - Phase 2 | 8/1/2017-7/31/2019 |

**PAYMENTS:**

(4) Payments: \$90,067.50  
 10% Retention: \$40,030.00

**Total request amount: \$400,300.00**

| Scheduled Date | Grant Requirements for Payment   | Payment   |
|----------------|--|---|
| 8/1/2017       | Signed Agreement submitted and accepted.   | Advance of \$90,067.50<br>for time period<br>8/1/2017 - 1/31/2018 |
| 2/1/2018       | 1 <sup>st</sup> six-month (8/1/2017 - 1/31/2018) progress and budget reports submitted & accepted. | Advance of \$90,067.50<br>for time period<br>2/1/2018 - 7/31/2018 |
| 8/1/2018       | 2 <sup>nd</sup> six-month (2/1/2018 - 7/31/2018) progress and budget reports submitted & accepted. | Advance of \$90,067.50<br>for time period<br>8/1/2018- 1/31/2019  |
| 2/1/2019       | 3 <sup>rd</sup> six-month (8/1/2018- 1/31/2019) progress and budget reports submitted & accepted.  | Advance of \$90,067.50<br>for time period<br>2/1/2019- 7/31/2019- |
| 8/1/2019       | 4 <sup>th</sup> six-month (2/1/2019 - 7/31/2019) progress and budget reports submitted & accepted. | \$0   |
| 8/31/2019      | Final report (8/1/2017 - 07/31/2019) and final budget submitted and accepted                       | \$40,030.00<br>(10% retention)                                    |

**TOTAL GRANT AMOUNT: \$400,300.00**

**DELIVERABLES:**

1. Total Program participants: Year Three: 300, Year Four: 350, for a total of 650 participants.
2. A total of 15 sites offering at least three courses annually
3. Establishment of a Coachella Valley Senior Falls Prevention Collaborative
4. Train one Spanish Speaking Master Trainer
5. Trained Coaches: Continue regular coach training for individual sites and have at least 15 trained "roamer coaches" who are available to teach a course, especially in newly established sites



Date: July 25, 2017

To: BOARD OF DIRECTORS

Subject: Grant #939 – Loma Linda University, Institute for Community Partnerships

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**GRANT REQUEST:** Project Title: *Community Health Needs Assessment for Cathedral City Dream Homes Neighborhood* - \$178,016 for 16 months

**ACTION BY PROGRAM COMMITTEE: (Please choose one)**

- **Full recommendation and forward to the Board for consideration with the Committee's recommendation that an award of \$178,017 be approved, over a 16-month period, to Loma Linda University Institute for Community Partnerships to conduct a community health needs assessment in the Cathedral City Dream Homes Neighborhood. *PROGRAM COMMITTEE MEMBERS CHOSE THIS OPTION***
- **Recommendation with modifications**
- **Deny**

**USE OF DISTRICT FUNDS:**

Funding will allow a community health assessment to be conducted that will identify community strengths and areas for improvement. Specifically, the assessment will identify and measure the demographics of the community, disease incidence and prevalence, population-based health, access to healthcare, and community health needs in the Cathedral City neighborhood, The Dream Homes community, and how they are accessing healthcare to address needs.

Five (5) community members from the Dream Homes neighborhood will be hired as Community Health Workers (CHWs or promotores), and alongside LLU researchers, will develop and conduct their community health assessment. Results will guide the local community, the City of Cathedral City, the Desert Healthcare District and other stakeholders in prioritizing community needs and consider appropriate interventions and allocation of available community resources to address identified health disparities. The five residents of the Dream Homes neighborhood will receive specialized job training which could potentially lead to possible employment opportunities elsewhere.



**Grant Application  
Organization #939**

Organization Name

Loma Linda University

Address

24887 Taylor Street, Suite 201

City

Loma Linda

State

CA

Postal Code

92350

Primary Phone Number

909.558.8544

Website URL

[www.llu.edu](http://www.llu.edu)

Organization Type

(select from the list that best describes your organization)

Education-College/University

Background

Brief history of the organization, mission, purpose, key accomplishments, etc.

Loma Linda University is a health-sciences educational institution with more than 4,000 students. More than 55 programs are offered by the schools of Allied Health Professions, Dentistry, Medicine, Nursing, Pharmacy, Public Health, Religion and Behavioral Health. Curricula range from certificates of completion and associate in science degrees to doctor of philosophy and professional doctoral degrees. Students from more than 80 countries around the world and virtually every state in the nation are represented in Loma Linda University's student body. LLU educates and encourages a balanced life – high tech science, research, and spirituality. For over a century, Loma Linda's pioneering leaders have been developing faithful, innovative approaches to health care for the whole person. Being faithful to their mission is the strength behind LLUH's skilled healthcare staff, renowned clinicians, advanced technology and world-class facilities, and the inspiration driving our vision of

innovating excellence in providing whole-person health care.

The Loma Linda University Health Institute for Community Partnerships (ICP) promotes community engagement through service-learning, research, and programming to improve the quality of life in local communities. ICP is committed to creating sustainable community partnerships in which mutual learning and empowerment improve the health and well-being of diverse communities. ICP's purpose and mission is to help Loma Linda University Health remain responsive and relevant to its community. In partnership with El Sol Neighborhood Educational Center, ICP developed a Community Health Worker(CHW) Academy to provide certified training for CHW's to be employed throughout Southern California.

## Contact Information

### PRIMARY CONTACT FOR THIS REQUEST

First Name

Juan Carlos

Last Name

Belliard

Title

Director, Institute for Community Partnerships

E-mail

jbelliard@llu.edu

Office Phone

909-558-7754

Extension

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### PRIMARY CONTACT FOR THE ORGANIZATION

If request contact differs from organization Executive Director.

First Name

Aleta

Last Name

Savage

Title

Director, Research Affairs Financial Management

E-mail

asavage@llu.edu

Office Phone

909-558-4589

Extension

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## **ADDITIONAL CONTACT - GRANT WRITER**

If different from Primary Contact

First Name

Nipher

Last Name

Malika

Title

Research Associate

E-mail

nmalika@llu.edu

Office Phone

909-558-7754

Extension

## Request Summary

### DESCRIBE THE BASIC DETAILS OF YOUR REQUEST

Note: following pages will ask for specific additional details

#### Strategic Link

What objective of the District's Strategic Plan does this request seek to address?

**GOAL#2: Facilitate access to and availability of health and wellness services for District Residents**

#### Service or Program Title

Name of the service or program; this is how your request will be identified. (Note: the red check mark to the right of each text box is "spell check")

Community Health Assessment for Dream Homes

#### Service or Program Description

1. Briefly describe your service or program, including a) what specific challenge or opportunity does this address; b) is this a new service or program; c) is this the expansion of a new service or program, and; d) is this strengthening a current service or program. 2. Specifically, what component of the service or program are you requesting the District to fund?

The Dream Homes Initiative will be a community-driven initiative with the recruitment, training and on-going support of 5 community leaders living in the Dream Homes area. A community forum will be held to help inform the community of the initiative and help with the recruitment of the community health workers. These 5 community health workers will attend a three month course at the Loma Linda University: Community Health Worker Academy, where they will learn culturally-appropriate community health assessment data collection and interviewing techniques. Upon graduation of the Community Health Worker Academy, the Dream Homes Community Health Workers will conduct a community health assessment to identify, 1)community demographics, 2)incidence and prevalence of diseases, 3)healthcare practices and healthcare access and 4)community social determinants of health. An explanatory mixed-methods approach will be employed utilizing two data collection phases - quantitative followed by qualitative. Phase one will consist of a cross-sectional quantitative assessment utilizing a face-to-face interview-administered survey and phase two will employ the qualitative assessment consisting of a community mapping activity, key informant interviews, and focus groups.

This initiative will help identify the key social determinants of health affecting the Dream Home Residents. Knowing what factors enable or prevent them from the optimal quality of life will aid the residents to know how to overcome their hindrances and magnify their assets. This is a new program to the Dream

Homes community however it is not a new project for LLU as it was successfully done in North Palm Springs. The continuation of LLU's investment in addressing the health needs of a community through community based partnership projects like this one, allows communities to take ownership of their own health and quality of life.  
LLUH is requesting funding for the entire project.

**Program Area/Type of Support**

What type of support is requested? (select from drop-down list)

District initiatives

**Term of Service or Program**

How long (# of months) is the service or program?

16

**Service or Program Start Date**

When does this service or program begin?

8/1/2017

**Service or Program End Date**

When does this service or program end?

12/31/2018

**Service or Program Budget**

What is the total cost of the service or program (including the amount requested from DHCD)?

178016

**Request Amount**

How much are you requesting from DHCD?

178016

**Target Population**

Describe the population you will be serving.

The target population includes residents of Dream Homes community of Cathedral City

**Age Group of Target Population**

All Ages

**Individuals with issues**

How many District residents overall are affected by this health issue or challenge?

2500

### District Participant Number

How many District residents will be served by this program or project?

2500

### Geographical Area Served (within District)

Where do they live? (select from drop-down menu)

Cathedral City

### Total Participant Number (Two-Part Question)

1. Does this program serve residents outside the District boundaries? 2. If so, approximately how many and in what Coachella Valley cities?

No

### Core Know How

What specific expertise does your organization have that will allow you to achieve success of this service or program.

El Sol Neighborhood Educational Center (El Sol) is a grassroots nonprofit organization with the purpose of serving the educational needs of low-income and non-English speaking individuals. A community health worker program was developed as a result of the need for community-based education and outreach on health topics. The use of CHWs allows the community access to health care, safe and affordable housing and opportunities for education to remove the disparities. To build additional rigor and consistency into its training process, El Sol partnered with Loma Linda University to develop a Community Health Workers Academy that combines evidence based content with a structured approach to building the specific competencies CHWs need to be effective in their work with the community.

### Past Achievement

What related accomplishments has the organization achieved in the past three years?

The Academy has successfully trained community members on mental health, stress, obesity, prenatal health, postpartum depression, domestic violence, stress and nutrition. The partnership between LLU and El Sol has brought fourth CHWs that have worked with marginalized populations in Medi-cal through county funds to retain and enroll those with mental health disorders, substance use disorders, homelessness as well as families with mixed immigration status. Currently the Community Health Worker academy is housed at the LLU San Bernardino Campus, San Manuel Gateway College. Trainings have expanded to different specialties focused on education and health. Clinical CHWs are prepared to function as a member of a clinical care team, in both inpatient and outpatient settings, with a case management approach to patient care. While Community health and education workers

address the social determinants that drive health and education. Both graduates of the specialty trainings are employed by the San Bernardino Unified School District, SACH Clinic and Loma Linda Medical Center.

### Sustainability

How will you financially sustain this service or program once the grant term ends?

This assessment will be completed within the grant term however what should be done after the grant period is over is dependent on the community. The goal of this grant period is to not only address the health needs and assets of the community, but to empower the community to take ownership of their own wellbeing. Therefore the sustainability of this project will depend greatly on the degree to which the community is empowered to take ownership and responsibility of their health.

## Results & Approach

### Results Statement

Provide the specific benefits or tangible effects that will be achieved at the end of program period?

By the end of the program period:

- a community health assessment report will be produced
- community health workers and research team will present key findings and recommendations to DHCD, community stakeholders and community members.
- Five Dream Home residents will receive specialized job training which could lead to possible employment opportunities elsewhere.

### Tracking

How will you measure your progress throughout the program? Please use a twelve-month timeline, outlining key activities and measurable outcomes associated with each month.

The LLU faculty coordinator will perform a process evaluation throughout the 16 month long project to ensure that objectives are being met and that work is progressing in a timely manner. Process evaluation also enables modifications to the project to be made in order to improve efficiency or effectiveness of the project.

See timeline and logic model.

### Cost implications

If there are unanticipated costs associated with this service or program, how will they be covered?

The Institute for Community Partnerships will be able to cover any unanticipated costs for this project

### Organizational Change Required

Describe any critical changes to the organization, policy or staffing that are required to successfully implement this service or program. Will there be additional staff hired?

Additional staff will be needed to conduct this assessment. A Loma Linda University staff member will be needed at 40% FTE to oversee the assessment and analysis, evaluate the process, and write the final report. Four Loma Linda University Students will assist the CHWs in implementing the assessment however their time will be in-kind and only their travel will be compensated. A coordinator from El Sol based in Palm Springs and familiar with the key stakeholders, will provide administrative and oversight support coordinating efforts in the Dream Homes community. Five Promotores will be hired at 50% FTE to conduct the assessment, assist with the analysis, and to report the findings and recommendations.

### Key Partners

Are any partners or intermediaries critical to your success? If so, what role must they play and what is the evidence that they are committed to play it?

El Sol will be a key partner in this project in that they will assist in the hiring and provide a coordinator to perform administrative work and oversight for the CHWs. Key staff within the City of Cathedral City are also a key partner in this initiative. They are currently assisting in advertising and promoting the health assessment as well as being the main liaisons to the residents of the neighborhood.

Other Partners with affiliation and buy in with Dream Homes will be approached for collaboration.



## Line Item Budget - Sheet 1 Operational Costs

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

| <b>PROGRAM OPERATIONS</b>                                |                             | <b>Total Program Budget</b> | <b>from Other Sources<br/>Detail on</b> | <b>Amount Requested from DHCD</b> |
|--|-----------------------------|-----------------------------|---|-----------------------------------|
| <b>Total Labor Costs</b>                                 | <b>Detail on sheet 2</b>    | 128,123                     |   | 128,123                           |
| <b>Equipment (itemize)</b>                               |                             |                             |   |                                   |
| 1  |                             | 0                           |   |                                   |
| 2  |                             | 0                           |   |                                   |
| 3  |                             | 0                           |   |                                   |
| 4  |                             | 0                           |   |                                   |
| <b>Supplies (itemize)</b>                                |                             |                             |   |                                   |
| 1  | food for community meetings | 2000                        |   | 2000                              |
| 2  | office supplies             | 300                         |   | 300                               |
| 3  |                             | 0                           |   |                                   |
| 4  |                             | 0                           |   |                                   |
| <b>Printing/Duplication</b>                              |                             | 1000                        |   | 1000                              |
| <b>Mailing/Postage/Delivery</b>                          |                             | 0                           |   | 0                                 |
| <b>Travel</b>  |                             | 4874                        |   | 4874                              |
| <b>Education/Training</b>                                |                             | 18500                       |   | 18500                             |
| <b>Facilities (Detail)</b>                               |                             |                             |   |                                   |
|  | Office/Rent/Mortgage        | 0                           |   |                                   |
|  | Meeting Room Rental         | 0                           |   |                                   |
|  | Telephone/Fax/Internet      | 0                           |   |                                   |
|  | Utilities                   | 0                           |   |                                   |
|  | Insurance                   | 0                           |   |                                   |
|  | Maintenance/Janitorial      | 0                           |   |                                   |
| <b>Other Facility costs (itemize)</b>                    |                             |                             |   |                                   |
| 1  |                             | 0                           |   |                                   |
| 2  |                             | 0                           |   |                                   |
| 3  |                             | 0                           |   |                                   |
| 4  |                             | 0                           |   |                                   |
| <b>Other Program Costs not described above (itemize)</b> |                             |                             |   |                                   |
| 1  | Indirect Costs              | 23220                       |   | 23220                             |
| 2  |                             | 0                           |   |                                   |
| 3  |                             | 0                           |   |                                   |
| 4  |                             | 0                           |   |                                   |
| <b>Total Program Budget</b>                              |                             | 178017                      | 0                                       | 178,017                           |

## Line Item Budget - Sheet 1 Operational Costs

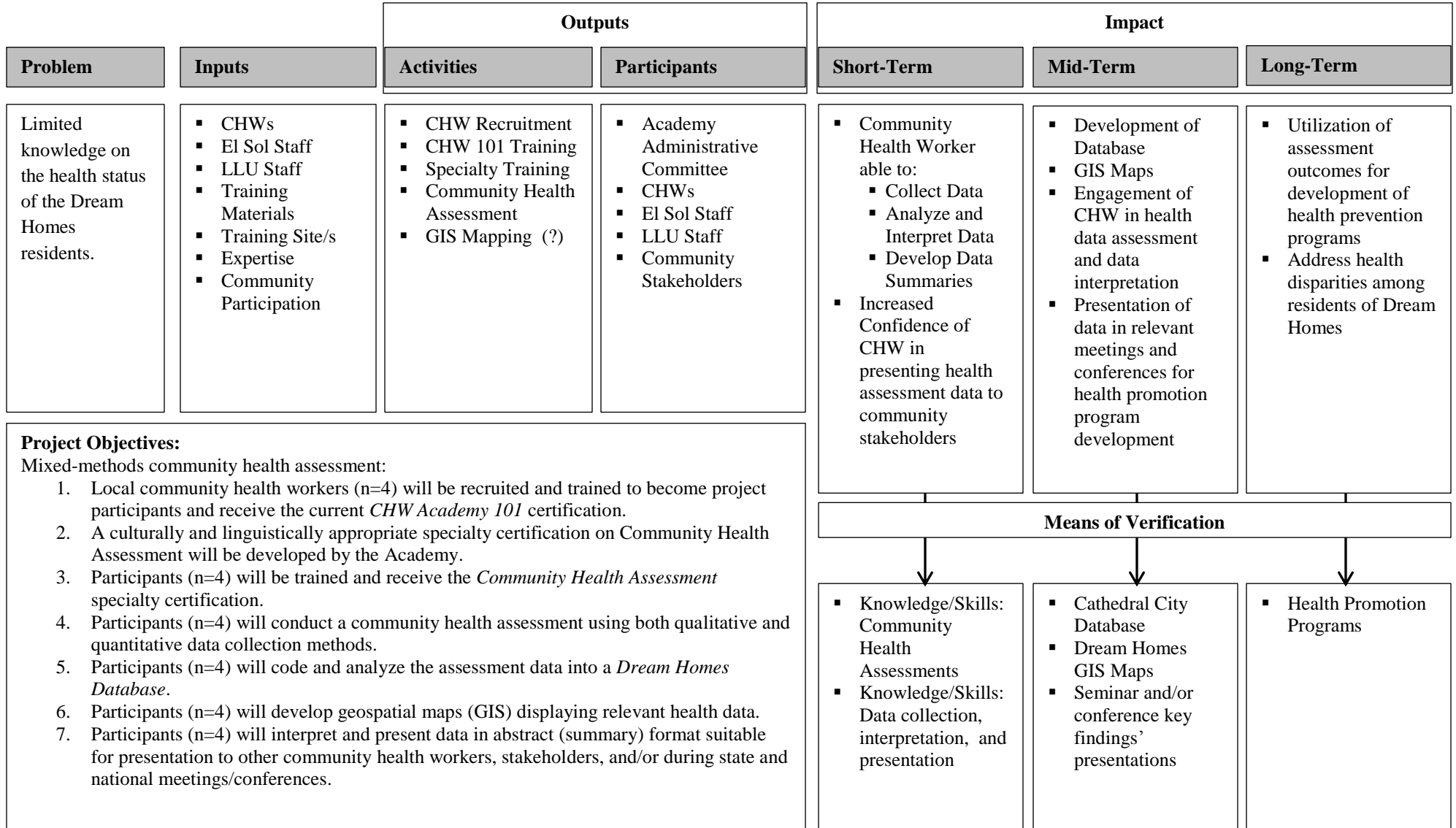
|                  |   |
|------------------|---|
| Budget Narrative | <p><b>Equipment:</b> Equipment for this project will be purchased by the Desert Health Care District</p> <p><b>Supplies:</b> Food for 10-12 community meetings/focus groups, general offices supplies such as but not limited to pens, paper, clipboards, folders, printer ink cartridges, etc.</p> <p><b>Printing/Duplication:</b> Printing of final report.</p> <p><b>Travel:</b> Roundtrip reimbursement for mileage for training facilitators in Loma Linda and Loma Linda University graduate students to Dream Homes. Roundtrip reimbursement for El Sol coordinator to Dream Homes and CHW'S roundtrip travel to San Manuel Gateway College in San Bernardino. Mileage is calculated at \$0.50 per gallon.</p> <p><b>Education/Training:</b> Tuition expenditure for 5 students at \$3700 per student.</p> |
|------------------|---|

**Line Item Budget**  
**Sheet 2 - Labor Costs**

| <b>Staff Salaries</b>  |   |               |                                |                       |                                     |
|--|---|---------------|--------------------------------|-----------------------|-------------------------------------|
| Employee Position/Title  |   | Annual Salary | % of Time Allocated to Program | Actual Program Salary | Amount of Salary Paid by DHCD Grant |
| 1  | LLU Faculty Coordinator   | 57,065        | 0.40                           | 22826                 | 30587                               |
| 2  | El Sol Coordinator  | 38,400        | 0.5                            | 19200                 | 22656                               |
| 3  | Promotor  | 28,800        | 0.5                            | 14400                 | 14976                               |
| 4  | Promotor  | 28,800        | 0.5                            | 14400                 | 14976                               |
| 5  | Promotor  | 28,800        | 0.5                            | 14400                 | 14976                               |
| 6  | Promotor  | 28,800        | 0.5                            | 14400                 | 14976                               |
| 7  | Promotor  | 28,800        | 0.5                            | 14400                 | 14976                               |
| 8  |   |               |                                |                       |                                     |
| <i>Enter this amount in Section 1, Employee Salaries</i>                 |   |               |                                |                       | <b>Total &gt;</b>                   |
|  |   |               |                                |                       | 128123                              |
| <b>Budget Narrative</b>  | <b>LLU Faculty Coordinator:</b> 40% FTE plus 34% fringe benefits for 16 months.<br><b>El Sol Coordinator:</b> 50% FTE plus 18% fringe benefits at the rate of \$20/hour for 16 months.<br><b>Promotores (5):</b> 50% FTE at the rate of \$15/hour for 16 months plus 4% for workers comp. |               |                                |                       |                                     |
| <b>Consultants/Contractors</b>   |   |               |                                |                       |                                     |
| Consultant/Contractor Name   |   | Hourly Rate   | Hours/Week                     | Monthly Fee           | Amount of Salary Paid by DHCD Grant |
| 1  |   |               |                                |                       |                                     |
| 2  |   |               |                                |                       |                                     |
| 3  |   |               |                                |                       |                                     |
| 4  |   |               |                                |                       |                                     |
| 5  |   |               |                                |                       |                                     |
| 6  |   |               |                                |                       |                                     |
| 7  |   |               |                                |                       |                                     |
| 8  |   |               |                                |                       |                                     |
| <i>Enter this amount in Section 1, Professional Services/Consultants</i> |   |               |                                |                       | <b>Total &gt;</b>                   |
|  |   |               |                                |                       | 0                                   |
| <b>Budget Narrative</b>  |   |               |                                |                       |                                     |

## Line Item Budget - Other Program Funds

| <b>Funding for this program received from other sources</b>  |   | <b>Amount</b> |
|--|---|---------------|
| Fees   |   |               |
| Donations  |   |               |
| Grants (List Organizations)  |   |               |
|  | 1   |               |
|  | 2   |               |
|  | 3   |               |
|  | 4   |               |
| Fundraising (describe nature of fundraiser)  |   |               |
|  |   |               |
|  |   |               |
| Other Income, e.g., bequests, membership dues, in-kind services, investment income, fees from other agencies, etc. (Itemize) |   |               |
|  | 1   |               |
|  | 2   |               |
|  | 3   |               |
|  | 4   |               |
| <b>Total funding in addition to DHCD request</b>   |   |               |
| <b>Budget Narrative</b>  | <p style="color: red;">Loma Linda University's cognizant federal agency is DHHS. The federally approved indirect cost rate of 15% is applied to modified total direct costs (MTDC) per year for community grants. The total indirect costs are calculated as follows:</p> <p style="color: red;">Person 14,097</p> <p style="color: red;">Travel \$4,874</p> <p style="color: red;">Training Costs \$18,500</p> <p style="color: red;">Supplies \$3,300</p> <p style="color: red;">Total Direct Costs \$154,797</p> <p style="color: red;">Total Indirect Costs MTDC \$154,797 x 15% = \$23,220</p> |               |



**Project Outcomes**  
Identify:

|  |  |
|--|--|
| 1. Demographics of Dream Homes Residents                   | 3. Current practices of healthcare practices and healthcare access |
| 2. Dream Homes population disease incidence and prevalence | 4. Community (population-based) key social determinants of health  |

**Page 285 of 303**

## EXHIBIT B

### PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES

|   |                        |
|---|------------------------|
| <u>Project Title</u>  | <u>Start/End</u>       |
| Community Health Assessment for Cathedral City Dream Homes Neighborhood | 8/1/2017<br>12/31/2018 |

**PAYMENTS:**

(4) Payments: **\$40,053.60**  
 10% Retention: **\$17,801.60**

**Total request amount: \$178,016.00**

**GRANT AND PAYMENT SCHEDULE REQUIREMENTS:**

| Scheduled Date | Grant Requirements for Payment  | Payment   |
|----------------|---|---|
| 08/01/2017     | Signed Agreement submitted & accepted   | Advance of <b>\$40,053.60</b><br>for time period<br>08/01/2017 - 11/30/2017 |
| 12/01/2017     | 1 <sup>st</sup> quarter (08/01/2017 - 02/28/2018)<br>progress and budget reports submitted & accepted   | Advance of <b>\$40,053.60</b><br>for time period<br>12/01/2017 - 03/31/2018 |
| 04/01/2018     | 2 <sup>nd</sup> quarter (12/01/2017 - 03/31/2018)<br>progress and budget reports submitted and accepted | Advance of <b>\$40,053.60</b><br>for time period<br>04/01/2018 - 07/31/2018 |
| 08/01/2018     | 3 <sup>rd</sup> quarter (04/01/2018 - 7/31/2018)<br>progress and budget reports submitted and accepted  | Advance of <b>\$40,053.60</b><br>For time period<br>08/01/2018 - 12/31/2018 |
| 01/01/2019     | 4 <sup>th</sup> quarter (08/01/2018 - 12/31/2018)<br>progress and budget reports submitted and accepted | \$0   |
| 01/31/2019     | Final report (08/01/2017 - 12/31/2018)<br>submitted & accepted  | <b>\$17,801.60</b><br>(10 % retention)                                      |

**TOTAL GRANT AMOUNT: \$178,016.00**

**DELIVERABLES:**

**PROJECT EVIDENCE**

By the end of the program period, a complete report with results of the assessment and recommendations will be produced. Community Health Workers and research team will present key findings and recommendations to DHCD, community stakeholders, and community

members. In addition, this project will provide specialized job training and employment for five individuals from the community, which could lead to possible employment opportunities elsewhere as CHWs after the project is completed.

## Consulting Agreement

This Consulting Agreement, dated effective May XX, 2017 (this "Agreement"), is between The Desert Healthcare District and/or the Desert Healthcare Foundation (the "Client") and Mary Odell (the "Consultant").

### Background

The Client is of the opinion that the Consultant has the necessary qualifications, experience and abilities to provide services to the Client. The Consultant is agreeable to providing such services to the Client on the terms and conditions set out in this Agreement.

### Scope of Work

The Client hereby agrees to engage the Consultant to provide the Client with services consisting of assistance in operationalizing the strategic plan dated July 2017-June 2020. The consultant's scope of work will focus on the Resources and Philanthropy priority area and will include but may not be limited to providing recommendations regarding the infrastructure of the Foundation, internal protocols and procedures, grantmaking strategies and procedures, and the grants database. The Consultant's scope of work will also include a review and evaluation of the organization's current operating procedures and grantmaking processes. The Consultant will provide a written report. Services might also include a site visit to the Foundation, conversations with existing staff and any other tasks which the parties may agree on.

### Ownership of Work Product

The Consultant agrees that all Work Product produced by the Consultant under this Agreement and all proprietary rights therein shall be and are the exclusive property of the Client

### Time and Availability

The Consultant will devote up to sixty (60) hours in performing these services. The Consultant will log hours and bill the Client for the actual numbers of hours spent performing the agreed-upon scope of work. Any additional hours must be approved in advance by the Client.

### Compensation

For services rendered by the Consultant as required by this Agreement, the Client will provide compensation to the Consultant of \$150.00 per hour. The Client will be invoiced after the work is complete. Payment of invoices submitted by the Consultant to the Client are due within 30 days of receipt.

### Reimbursement of Expenses

The Consultant may be reimbursed from time to time for reasonable and necessary expenses incurred in connection with providing the Scope of Work under this Agreement. All expense must be pre-approved by the Client.

### Confidentiality

Confidential information refers to any data or information relating to the Client, whether business or personal, which would reasonably be considered to be private or proprietary to the Client and that is not generally known. The Client will rely heavily upon Consultant's integrity and prudent judgment to use this information only in the best interests of the Client. The Consultant agrees that she will not disclose, divulge, reveal, report or use, for any purpose, any confidential information except as authorized by the Client or as required by law. The obligation of confidentiality will apply during the term of this Agreement and will survive indefinitely upon termination of this Agreement.

### Standard of Conduct

In rendering consulting services under this Agreement, Consultant shall conform to high professional standards of work and business ethics. Consultant shall not use time, materials, or equipment of the Client without the prior written consent of the Client.



**Independent Contractor**

In providing services under this Agreement, it is expressly agreed that the Consultant is acting as an independent contractor and not an employee. The Consultant and the Client acknowledge that this Agreement does not create a partnership or joint venture between them and is exclusively a contract for services. The Consultant shall be responsible for all taxes arising from compensation and other amounts paid under this Agreement, and shall be responsible for all payroll taxes. Neither federal, nor state, nor local income tax, nor payroll tax of any kind, shall be withheld or paid by the Client on behalf of Consultant. Consultant will not be eligible for, and shall not participate in, any employee pension, health, welfare, or other fringe benefit plan of the Client. No workers' compensation insurance shall be obtained by Client covering Consultant. The manner in which Consultant's services are rendered shall be within Consultant's sole control and discretion. Consultant is not authorized to speak for, represent, or obligate the Client in any manner without the prior express written authorization from an officer of the Client

**Indemnification**

Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each party agrees to indemnify and hold harmless the other party, and its respective affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its respective affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

**Modification of Agreement**

Any amendment or modification of this Agreement or additional obligation assumed by either party in connection with this Agreement will only be binding if evidenced in writing signed by each party. The Contractor will not assign or otherwise transfer its obligation under this Agreement without the prior written consent of the Client.

**Entire Agreement**

It is agreed that there is no representation, warranty, collateral Agreement or condition affecting this Agreement except as expressly provide in this Agreement.

**No Conflict**

Consultant warrants that Consultant has not previously assumed any obligations inconsistent with those undertaken by Consultant under this Agreement.

**IN WITNESS WHEREOF**, this Agreement is executed as of the date set forth above.

**CLIENT**

**CONSULTANT**

By: \_\_\_\_\_ By: \_\_\_\_\_

Its: \_\_\_\_\_ Date: \_\_\_\_\_

Date: \_\_\_\_\_



Date: July 25, 2017

To: BOARD OF DIRECTORS

Re: Behavioral Health Consultant

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**PROGRAM COMMITTEE Recommendation:** to recommend to the Board of Directors to approve the retention of a Behavioral Health consultant. This is consistent with the Board's approval of the adoption of a comprehensive three (3) year strategic plan and new vision that identifies homelessness and primary care and behavioral health access as two separate Community Health Focus Areas.

**Primary Care and Behavioral Health Access:** "Support programs, services and workforce development efforts that increase access to primary care and behavioral health services for Coachella Valley residents". (from the approved strategic plan)

Primary care settings have become a gateway for many individuals with behavioral health and primary care needs. To address these needs, many primary care providers are integrating behavioral health care services into their setting. Models have emerged that include the use of care managers, behavioral health consultants, behavioralists, or consultation models.

A separate consultant is recommended to determine the current needs, strengths, and gaps in the local mental health system with the intention to aid community stakeholders in understanding priority areas that should be addressed to create a mental health system that meets the needs of the community. The consultant should also have the knowledge of behavioral health issues and understands educational needs to assist with enhancing primary care utilization of behavioral health interventions. *A scope of work follows.*

**Fiscal Impact:** Not to exceed initially \$50,000

## BEHAVIORAL/MENTAL HEALTH CONSULTANT – SCOPE OF WORK

Desert Healthcare District/Foundation requests proposals for professional consulting services to work with the Board of Directors, the CEO, staff team, stakeholders, residents and community members in the development and implementation of a comprehensive, data-driven, and participatory behavioral health needs assessment that will serve as the blueprint for improving the behavioral health system of care of the Coachella Valley.

Conducting a community Behavioral/Mental Health Needs Assessment addresses PRIMARY CARE AND BEHAVIORAL HEALTH ACCESS, one of the four Community Health Focus Area of the Board-approved three-year strategic plan. The assessment should be comprehensive with respect to each of the three strategic plan priorities: Providers, Facilities and Services; One Coachella Valley; and Community Health and Wellness as well as the subcategories of the District/Foundation vision statement of Resources & Philanthropy; Public Policy; Community Education; and Outreach & Collaboration.

**Scope of Work:** In coordination with the Board of Directors, CEO, staff team, stakeholders, residents, and community members, the consultant will assist in the following activities:

The initial set of activities are from the adopted comprehensive three (3) year strategic plan:

- Evaluate targeted capital funding opportunities for primary care and behavioral health facilities and services in underserved areas
- Implement initiatives that build primary care and behavioral health workforce and increase sustainable primary care and behavioral health services for underserved Valley residents.
- Policy analysis, data and research evaluating the impact of policies on primary care and behavioral health workforces and strengthen sustainability and integration of the delivery system
- Educate/connect residents to programs and services, and promote awareness of primary care and behavioral health access issues and potential solutions
- Cultivate relationships with service providers, educational institutions and others reinforcing the delivery system and building the workforce.

Other scope of work activities that are consistent to the adopted comprehensive three (3) year strategic plan:

- Develop, conduct and compile a comprehensive needs assessment -clearly define the problem
- Identify current resources and gaps
- Review best practices and operational models - mobilize support for innovative solutions
- Estimated cost and phases/timeline to complete an actionable plan, including a projected budget for implementation -use resources more effectively



Date: July 25, 2017

To: BOARD OF DIRECTORS

Re: Homelessness Consultants

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**PROGRAM COMMITTEE Recommendation:** to recommend to the Board of Directors to approve the retention of a Homelessness consultant. This is consistent with the Board's approval of the adoption of a comprehensive three (3) year strategic plan and new vision that identifies homelessness and primary care and behavioral health access as two separate Community Health Focus Areas.

**Homelessness:** "Participate in community efforts and support programs and services to address homelessness in the Coachella Valley" (from the approved strategic plan)

Homelessness is a complicated issue that includes those individuals that are mentally ill; however not all homeless individuals are mentally ill. Services, programs, housing (rapid re-housing and permanent supportive housing), wrap around services, etc. all contribute to assisting the transitional and chronic homeless on different levels of care.

A separate consultant experienced in planning processes that meet the needs of homeless persons through services or shelter; or other direct experience with the target population is recommended to provide the information needed for the creation of an actionable strategic direction designed to serve as the blueprint for improving and meeting the needs of the homeless. *A scope of work follows.*

**Fiscal Impact:** Not to exceed initially \$50,000

## HOMELESSNESS CONSULTANT – SCOPE OF WORK

Desert Healthcare District/Foundation requests proposals for professional consulting services to work with the Board of Directors, the CEO, staff team, stakeholders, residents and community members in the development and implementation of the District/Foundation's West Valley Homelessness Initiative (WVHI): A Collective Fund and pooled matching initiative addressing short term, medium term and long-term goals, objectives and outcomes.

The WVHI is a beginning initiative addressing HOMELESSNESS, one of the four Community Health Focus Area of the Board-approved three-year strategic plan. The WVHI should be comprehensive with respect to the total homeless population (chronic, transitional, and emergency) and each of the three strategic plan priorities: Providers, Facilities and Services; One Coachella Valley; and Community Health and Wellness as well as the subcategories of the District/Foundation vision statement of Resources & Philanthropy; Public Policy; Community Education; and Outreach & Collaboration.

**Scope of Work:** In coordination with the Board of Directors, CEO, staff team, stakeholders, residents, and community members, the consultant will assist in the following activities:

The initial set of activities are from the adopted comprehensive three (3) year strategic plan:

- Evaluate opportunities to expand homeless and/or housing facilities and services in the community
- Implement targeted initiatives that address homelessness
- Policy analysis, data and research evaluating the impact of policies on homelessness
- Educate/connect residents to programs and services, and promote awareness of homelessness issues and potential solutions
- Develop partnerships and relationships with homeless and housing services providers, other social service providers and non-traditional allies

Other scope of work activities that are consistent to the adopted comprehensive three (3) year strategic plan:

- Develop and design a comprehensive plan addressing the People, Housing, Employment/Socio-Economic Stability, System Coordination, and Funding
- Develop, conduct and compile a comprehensive needs assessment -clearly define the problem
- Review best practices and operational models - mobilize support for innovative solutions
- Estimated cost and phases/timeline to complete an actionable plan, including a projected budget for implementation -use resources more effectively
- Create a fund development plan to procure various types of funding for the WVHI Collective Fund and other initiatives that address homelessness

**DESERT HEALTHCARE DISTRICT  
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE  
MEETING MINUTES  
July 11, 2017**

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Meeting of the Finance, Administration, Real Estate and Legal Committee of the Desert Healthcare District was held in the Desert Healthcare District Conference Room, 2<sup>nd</sup> Floor, Palm Springs, CA

**Attendance:**

Members

Mark Matthews, Chairman/Treasurer  
Director Les Zendle, MD

Absent

Herb K. Schultz, CEO  
Arthur Shorr, Community Member  
Richard Cagen, Community Member

Staff

Chris Christensen, CFO/COO  
Donna Craig, Senior Program Officer  
Mary Pannoni, Accounting/Admin Support  
Andrea S. Hayles, Clerk to the Board

Community Members

Sid Rubenstein, Community Member

**CALL TO ORDER**

The meeting was called to order at 3:03 p.m. by Chairman Matthews.

**APPROVAL OF AGENDA**

Chairman Matthews asked for an approval of the agenda.

It was moved and seconded (Director Zendle, Community Member Rubenstein) to approve the agenda. Motion passed unanimously.

**PUBLIC COMMENT**

**APPROVAL OF MINUTES**

Submitted for approval:

1. Minutes – May 9, 2017

It was moved and seconded (Community Member Wild, Director Zendle) to approve the minutes of May 9, 2017 minutes.

Motion passed unanimously.

### **CEO Report – Final Strategic Plan and FY18 Annual Budget – Information**

In the absence of Herb K. Schultz, CEO, Chris Christensen, CFO/COO explained the Board adopted the Three Year Strategic Plan inclusive of the Infrastructure and Organizational Staff Report.

### **CHIEF OPERATING OFFICER’S REPORT - LPMP Leasing Update**

Chris Christensen, CFO/COO provided an overview of his COO Report, which included the Las Palmas Medical Plaza occupancy rate and leasing activity.

### **FINANCIAL REPORTS**

1. Financial Statements – The District’s and LPMP Financial Statements for June 2017 was reviewed.
2. Accounts Receivable Aging Summary – The June 2017 accounts receivable detail was reviewed.
3. Deposits – District – The District’s June 2017 deposits detail was reviewed.
4. Property Tax Receipts – The property tax receipts were reviewed.
5. Deposits – LPMP – The LPMP’s June 2017 deposit detail was reviewed.
6. DHCD Check Register – The June 2017 check register for the District was reviewed.
7. Credit Card – The June 2017 credit card expenditures was reviewed.
8. LPMP Check Register – The June 2017 check register for the LPMP was reviewed.
9. RPP Update – The RPP update was reviewed.
10. Grant Payment Schedule - The grant payment schedule was reviewed.

**It was moved and seconded (Chair Matthews, Director Zendle) to approve the April 2017 District Financial Reports - Items 1-10 and to forward to the Board for approval. Motion passed unanimously.**

### **PUBLIC COMMENT**

There were no public comments.

### **OTHER MATTERS**

1. Disability Claim Potential Settlement  
Chris Christensen, CFO/COO outlined the disability claim settlement.

**It was moved and seconded (Director Zendle, Chairman Matthews) to forward to the Board without a recommendation. Motion passed unanimously.**

2. Fire Sprinkler Estimate for Las Palmas Medical Plaza

**It was moved and seconded (Director Zendle, Chairman Matthews) to approve the Fire Sprinkler Estimate for Las Palmas Medical Plaza and forward to the Board for**

**approval. Motion passed unanimously.**

3. New Lease Proposal LPMP – Suite 1E 201-203 (Palmtree Clinical Research)
  - Chris Christensen, CFO/COO explained the lease proposal for Palmtree Clinical Research.
  - Gerry Bocian, CEO, Palmtree Clinical Research provided an overview of his organization, the programs and services, and introduced the shareholders.
  - Mr. Bocian requested that the Tenant Improvement Allowance is increased from \$33/sf to \$50/sf.
  - Mr. Bocian requested the District reimburse Palmtree Clinical Research with progress payments for the Tenant Improvement Allowance.
  - Director Matthews requested a copy of the most recent tax returns to determine the financial need of the progress payments.
  - Director Zendle stated that on the condition Mr. Christensen can justify the variations to the lease are within good business practices, and that Palmtree Clinical Research can financially sustain the lease, he is in approval.

**It was moved and seconded (Director Zendle, Community Member Rubenstein) to approve and move forward to the Board for approval the Palmtree Clinical Research lease terms pending the deliverable of the most recent tax returns, review of the financials, and adjustments to the \$50/per sq. ft. Tenant Improvement Allowance.**

**It was moved and seconded (Director Zendle, Community Member Rubenstein) that upon the execution of the lease, the District will allow up to 5 months of progress payments. Motion passed unanimously.**

4. Lease Extension LPMP – Suite 3E104-105 (LabCorp)
  - Chris Christensen, CFO/COO outlined the lease.
  - Chairman Matthews requested that the lease include installation of the sprinkler system in the Tenant Improvements.

**It was moved and seconded (Chairman Matthews, Director Zendle) to approve the LPMP Extension LPMP LabCorp with the stipulation that the sprinkler system installation is included in the Tenant Improvements and forward to the Board for approval. Motion passed unanimously.**

5. Lease Extension LPMP – Suite 3W 103-104 (Dr. Gundry)
  - Chris Christensen, CFO/COO explained the details of the lease.

**It was moved and seconded (Chairman Matthews, Director Zendle) to approve the LPMP Extension LPMP Dr. Gundry and forward to the Board for approval. Motion passed unanimously.**



6. Lease Transfer LPMP – Suite 2W 102 (Dr. Fazouni)
  - Chris Christensen, CFO/COO explained the details of the lease.

**It was moved and seconded (Director Zendle, Chairman Matthews) to approve the Lease Transfer LPMP Dr. Fazouni and forward to the Board for approval.  
Motion passed unanimously.**

#### **PUBLIC COMMENT**

#### **ADJOURNMENT**

The meeting was adjourned at 4:45 p.m.

ATTEST: \_\_\_\_\_  
Mark Matthews, Chairman Finance and Administration Committee/Treasurer  
Desert Healthcare District Board of Directors

## **Chief Operating Officer's Report**

**July 11, 2017**

### **Operations:**

The 3-Year Strategic Plan and FY 17-18 Annual Budget were adopted/approved at the June 27, 2017 Board of Directors Meeting. A copy of the final Annual Budget is included in the packet.

The annual audit preparation is underway, which will require an actuarial update for the Retirement Protection Plan. Yearend field work is schedule to begin July 24<sup>th</sup>.

### **Las Palmas Medical Plaza - Property Management:**

Included in the Committee packet is a cost estimate to complete the interior infrastructure for the fire sprinkler system for the Committee's review and consideration for approval. The infrastructure will allow the individual suite upgrades to be completed when new leases/renewals are executed.

### **Occupancy:**

See attached unit rental status report.

**87.8%** currently occupied –

Total annual rent including CAM fees is **\$1,099,094**.

### **Leasing Activity:**

A new standard AIR lease agreement form was approved at the June 27, 2017 Board of Directors meeting, which will be used for future new leases and lease renewals.

The District has received serious interest in a lease for the large 2,800 square foot suite (1E 201-203). The prospective tenant is working with an architect to work through potential floor plan. A lease proposal is included in the Committee packet for the Committee's review and consideration.

**Las Palmas Medical Plaza  
Unit Rental Status  
As of July 1, 2017**

| Unit  | Tenant Name | Deposit            | Lease Dates  |    | Term | Unit<br>Sq Feet | Percent<br>of Total | Monthly<br>Rent | Annual<br>Rent | Rent Per<br>Sq Foot | Monthly<br>CAM | Total Monthly<br>Rent Inclg CAM | Total Annual<br>Rent Inclg CAM |
|---|-------------|--------------------|--------------|----|------|-----------------|---------------------|-----------------|----------------|---------------------|----------------|---------------------------------|--------------------------------|
|   |             |                    | From         | To |      |                 |                     |                 |                |                     |                |                                 |                                |
|   |             |                    |              |    |      |                 |                     |                 |                |                     | \$ 0.60        |                                 |                                |
| 1E, 201-203                                 | Vacant      |                    |              |    |      | 2,800           | 5.87%               |                 |                |                     |                |                                 |                                |
| 1W, 105                                     | Vacant      |                    |              |    |      | 1,080           | 2.15%               |                 |                |                     |                |                                 |                                |
| 2W, 102                                     | Vacant      |                    |              |    |      | 640             | 1.30%               |                 |                |                     |                |                                 |                                |
| 3W, 105-108                                 | Vacant      |                    |              |    |      | 1,536           | 3.11%               |                 |                |                     |                |                                 |                                |
| <b>Total - Vacancies</b>                    |             |                    |              |    |      | <b>6,036</b>    | <b>12.23%</b>       |                 |                |                     |                |                                 |                                |
| <b>Total Suites-33 - 32 Suites Occupied</b> |             | <b>\$54,038.90</b> |              |    |      | <b>49,356</b>   | <b>87.8%</b>        | <b>65,722</b>   | <b>788,659</b> | <b>\$ 1.52</b>      | <b>25,870</b>  | <b>91,591</b>                   | <b>1,099,094</b>               |
| <b>Summary - All Units</b>                  |             |                    |              |    |      |                 |                     |                 |                |                     |                |                                 |                                |
| <b>Occupied</b>                             |             | <b>43,320</b>      | <b>87.8%</b> |    |      |                 |                     |                 |                |                     |                |                                 |                                |
| <b>Vacant</b>                               |             | <b>6,036</b>       | <b>12.2%</b> |    |      |                 |                     |                 |                |                     |                |                                 |                                |
| <b>Total</b>                                |             | <b>49,356</b>      | <b>100%</b>  |    |      |                 |                     |                 |                |                     |                |                                 |                                |



Date: July 25, 2017

To: F&A Committee Meeting

Subject: Resolution No. 17-01 – Statement of Investment Policy

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**Staff recommendation:** Consideration to approve Resolution No 17-01 Desert Healthcare District Statement of Investment Policy for FY 17-18.

**Discussion:**

The District is required to approve the Statement of Investment Policy by Board Resolution.

**Fiscal Impact:**

There is no fiscal impact by approving Resolution No. 17-01.

**RESOLUTION NO. 17-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE DESERT HEALTHCARE DISTRICT  
APPROVING STATEMENT OF INVESTMENT POLICY  
FOR FISCAL YEAR 2017/2018**

WHEREAS, pursuant to Government Code section 53646, the Board of Directors of the Desert Healthcare District shall annually approve a Statement of Investment Policy; and

WHEREAS, the annual Statement of Investment Policy of the Desert Healthcare District is as follows:

Desert Healthcare District (“District”) funds not required for immediate expenditure will be invested in compliance with the provisions of Government Code sections 53600-53683. Criteria for selecting investments and the absolute order of priority are safety, liquidity, and yield. Investments will be made in a range of instruments and maturity dates to insure diversification and liquidity of assets in an emergency or when a large cash outlay is necessary.

The instruments of investment to be used are Certificates of Deposit, Local Agency Investment Fund, Treasury Bills and Notes, U.S. governmental Agency Obligations, Repurchase Agreements, and Savings Accounts. Deposits will be fully collateralized as required by government Code section 53652 or insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and the Contract for Deposit of Monies will indicate the type and amount of collateral.

Investments in repurchase agreements or reverse purchase agreements shall not be made without the prior approval of the Board of Directors and shall be subject to the provisions of Government Code section 53601.

All Certificates of Deposit shall mature not later than one (1) year from the date of investment and Governmental Instruments shall mature not later than five (5) years from the date of investment.

No investment shall be made pursuant to the provisions of Government Code section 53601.1 in financial futures or financial option contracts without the prior approval of the Board of Directors. Only a Primary Government Securities Dealer shall be used for the purchase of Agency Obligations.

No Investments shall be made in stocks or holdings of companies which manufacture or sell tobacco products, or securities of companies in the soft drink or restaurant industries.

Adhering to the provisions of this Statement of Investment Policy, the Chief Executive Officer with District consultants shall coordinate the investment of surplus funds with guidance and approval from the Treasurer and the Board of Directors.

A list of investments will be submitted to the Board of Directors on a quarterly basis indicating type, purchase and maturity dates, rate, amount, fund, and percentages.

A committee of the Board of Directors shall meet no less than on a quarterly basis with staff and District consultants to review District investments, to appraise market conditions, and report to the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Desert Healthcare District as follows:

Section 1: The Annual Statement of Investment Policy for fiscal year 2016/2017 is hereby approved and the District Treasurer is directed to follow this Statement of Investment Policy in investing District funds.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Directors of the Desert Healthcare District held on June 28, 2016 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Carole Rogers, President  
Board of Directors

ATTEST:

\_\_\_\_\_  
Kay Hazen, Vice President/Secretary  
Board of Directors



Date: July 25, 2017  
To: Board of Directors  
Subject: Disability Claim – Potential Settlement

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**Staff recommendation:** Consideration to conduct an assessment/valuation of potential disability claim settlement.

**Background:**

- Claimant was injured approximately 1992 while an employee of Desert Hospital.
- Claimant has since been under long term disability care.
- Claimant has received conservative treatment (approximately \$8,500) over the 25 years.
- Although the treatment costs have been low, it is remotely possible costs might increase as claimant ages.
- Claimant is interested in a potential settlement.
- If the District would like to pursue a settlement, a Medicare Set Aside (MSA) assessment must be conducted since the Claimant is a Social Security Beneficiary.
- The cost of the MSA is approximately \$2,600 to be paid by the District.
- Staff recommends conducting the MSA to provide better information for potential settlement.
- The Finance & Administration Committee recommended forwarding to the full Board for consideration.

**Fiscal Impact:**

If no MSA assessment – unknown future medical treatment costs.

If MSA assessment is selected - Approximately \$2,600 to conduct a Medicare Set Aside assessment. Followed by a presently unknown settlement amount should the District choose to settle the claim.