



## REGULAR MEETING AGENDA

**EAST KERN HEALTH CARE DISTRICT BOARD OF DIRECTORS  
9300 N LOOP BLVD, CALIFORNIA CITY, CA 93505**

*Mission Statement: "Building health, well-being, and resiliency"*

**SEPTEMBER 05, 2023 5:00 pm (Hybrid meeting)**

A Quorum of the Board will be present in person.

**Participate in the meeting via Zoom by clicking on the link below:**

<https://us02web.zoom.us/j/84905740546?pwd=akl2TndBS0hvek14ZkZZRUF2d2RQQT09>

**Meeting ID: 849 0574 0546**

**Passcode: 919541**

If you wish to access the meeting by telephone, please dial  
1 669 900 6833 US (San Jose), enter the meeting ID, and then press # (pound).

Public comments may be made through teleconference when prompted by the Chair during the public comment period. Public comments may also be provided by emailing [eastkernhealthcaredistrict@gmail.com](mailto:eastkernhealthcaredistrict@gmail.com) in advance of or during the meeting. Please indicate "PUBLIC COMMENTS" in the subject line.

If you have difficulty connecting to the teleconference line, please call (213) 640-9355 or email [eastkernhealthcaredistrict@gmail.com](mailto:eastkernhealthcaredistrict@gmail.com).

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### PLEDGE OF ALLEGIANCE / INVOCATION

### ROLL CALL

### CALL TO ORDER

### APPROVAL OF AGENDA

Motion \_\_\_\_\_ Second \_\_\_\_\_

Action \_\_\_\_\_

### PUBLIC COMMENT

Members of the public are welcome to address the Board on any matter not on the Agenda and over which the Board has jurisdiction. If you wish to speak, please state your name for the record, and limit your comments to three (3) minutes.

# **PUBLIC PRESENTATIONS/COMMUNITY ANNOUNCEMENTS**

## **STAFF REPORTS**

### **FACILITIES UPDATE - R. Macedonio**

- 8051/8101 Site visit for engineers tentatively scheduled for August 26, 2023
- 8051/8101 Emergency fire damage roof repair
- Property appraisal and market evaluation updates
- N Loop outdoor lighting updates
- 9278 N Loop remodel request and updates

### **RFP**

- 9300 N Loop exterior pathway
- 9350 N Loop outdoor sunshade cover and 9300 exterior pathway

## **CONSENT CALENDAR**

All items on the Consent Calendar are considered routine, non-controversial, and will be approved by one (1) motion if no member of the Board, Staff, or public wishes to comment or ask questions. Public comments to be limited to three (3) minutes. Roll call vote required.

### **CC1: Approve warrants**

#### **A. Financial Reports**

1. YTD Budget / profit and loss statements
2. Rent
3. Payroll

#### **B. ACH payments**

#### **C. Debit card payments**

#### **D. Vendor checks**

### **CC2: Approval of Minutes**

#### **A. Minutes from 08/15/23 Special Meeting**

#### **B. Minutes from 08/30/23 Special Meeting**

## **APPROVAL OF CONSENT CALENDAR**

Motion \_\_\_\_\_ Second \_\_\_\_\_

Action \_\_\_\_\_

## **CONTINUING BUSINESS**

### **CB1: APPROVAL OF ADDENDUM TO CONTRACT FOR JOSELITO LACSON, DESIGNER**

Motion \_\_\_\_\_ Second \_\_\_\_\_

Action \_\_\_\_\_

**CB2: ADOPT UPDATED CONFLICT OF INTEREST CODE**

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**NEW BUSINESS**

**NB1: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH TURNING WEST FOR VISION AND STRATEGIC PLANNING FOR RRH ANNEXATION PROCESS**

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**NB2: AWARD BIDDER/PROPOSAL FOR EMERGENCY ROOF REPAIR OF THE FIRE DAMAGE FOR 8051/8101 BAY AVE BLDG**

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**NB3: ADVERTISE N LOOP RFP FOR 9350 SHADE CPOVER AND 9300 PATHWAY WITH PLANET BIDS**

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**NB4: DISCUSSION OF DRAFT LEASE FORMAT FOR EKHCD TENANTS**

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**COMMUNITY ENGAGEMENT**

**CE1: AD-HOC COMMITTEE REPORT FOR CANCER WALK**

Jessica Rojas, LaMiya Patrick

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**CE2: POTENTIAL PARTNERS AND COLLABORATORS FOR COMMUNITY EDUCATION CLASSES AND TRAINING**

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**DISTRICT UPDATES**

**PRESIDENT'S COMMENTS - K. Macedonio**

MDN Senior Living issue banner ad and article Tips for Healthy Living submitted conferences and seminars

**FUTURE AGENDA ITEMS**

- 1. interviews for Director candidates**
- 2. Appoint new director at 9/19/23 Special Meeting**

**DIRECTOR COMMENTS, AB 1234**

**ADJOURNMENT**

**Motion** \_\_\_\_\_ **Second** \_\_\_\_\_

**Action** \_\_\_\_\_

**Next Regular Meeting: 10/05/23 (Hybrid meeting)**

9300 N Loop Blvd, California City, CA 93505 (and via Zoom), 5:00 pm

**“Pursuant to Government code section 54954.2(a), any request for a disability-related modifications or accommodation, including auxiliary aids or services, that is sought in order to participate in this agendized public meeting should be directed to the District’s office at (760) 373-2804 at least 48 hours prior to said meeting.”**

**Date Agenda posted:**

**Agenda posted by:**



# JOSELITO M. LACSON, Designer

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August 31, 2023

**Ms. Karen Macedonio**  
**Director – East Kern Health Care District**  
8101 Bay Ave.  
California City, CA 93505

Attn Karen:

I am pleased to submit the proposal for the construction administration phase for the fire damage repair at 8101 Bay Ave. building located in California City, CA.

Please review scope of services and fees for this project:

- **Phase 1** – Construction Phase Services (**Addendum no.3**)
  - Submit and process structural repair plans by insurance company through Bldg. & Safety
  - Respond to RFI during bid time and construction duration.
  - Review contractor's estimate
  - Field visit during construction as requested by owner or contractor.
  - Final walk through and punch list at the end of the project
  - Invoice shall be billed to client on a bi-weekly basis (1<sup>st</sup> & 15<sup>th</sup> of every month)

**Fee for (Addendum-Phase 3) - shall be time and material at \$125/ Hr. (Not to exceed 60 hours)**

- Addendum#3 (Phase 1) is estimated for an additional 60 hours. If more hours are required prior to completion of work, the Designer shall submit an addendum to this contract for board approval prior to proceeding with any work.

The fee is based on Bldg. & Safety approved fire damage repair plans dated May 31,2023. Additional hours are requested for construction administration of upcoming emergency repair work and overall scope of work for insurance set.

All fees required to process plans with Bldg. & Safety and other agencies will be the responsibility of the client.

# JOSELITO M. LACSON, Designer

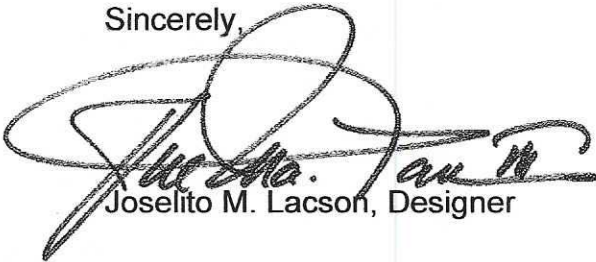
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Payments are due within fifteen (15) days of the invoice date. After thirty days, the designer may suspend services under this contract until the invoice is paid in full.

Upon your approval, please return the signed copy.

I look forward to doing business with you.

Sincerely,



Joselito M. Lacson, Designer

Accepted and acknowledged:

\_\_\_\_\_  
Client

\_\_\_\_\_  
Print and sign

# JOSELITO M. LACSON, Designer

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August 31, 2023

**Ms. Karen Macedonio**  
**Director – East Kern Health Care District**  
8101 Bay Ave.  
California City, CA 93505

Attn Karen:

I am pleased to submit the proposal for the overall architectural scope of work for the fire and water damage repair at 8101 Bay Ave. building located in California City, CA.

Please review scope of services and fees for this project:

## **Phase 1** – Architectural Plans (per McLarens Insurance guidelines)

- Site Plan and Title Sheet
  - Cal Green General Notes
  - Demolition Floor and Ceiling Plans
  - Reconstruction Floor Plan
  - Reconstruction Ceiling Plan
  - Existing Bldg. Elevations
  - Finish Schedule
  - Door Schedule
- **Phase 1 Total fixed fee - \$16,000.00**

## **Phase 2** – Architectural Plans ('Code Upgrades' as required by Bldg. & Safety after initial review)

- Full scope of work shall be determined after initial comments from Bldg. & Safety
- **Phase 2 fee – will be based on time & material with an hourly rate of \$125/per hr.**

# JOSELITO M. LACSON, Designer

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## SCOPE OF WORK: (Phase 1 & 2)

1. Architectural plans required for Planning, Building and Safety and Fire department submittal for review and approval.
2. Plan check corrections required by Planning, Building and Safety and Fire department prior to issuance of building permit.
3. Coordination of Architectural Plans with McLarens construction management team DND Construction Services

## PAYMENT SCHEDULE : (Phase 1)

- \$ 5,000.00 – Retainer fee due upon approval of contract
- \$ 4,500.00 – Upon completion of Floor Plan, Ceiling Plan, Elevations and Finish Schedule
- \$ 5,500.00 – Upon initial submittal of plans to Planning Dept. and Bldg. & Safety
- \$ 1,000.00 – Upon approval of plans from Planning Dept. and Bldg. & Safety

## PAYMENT SCHEDULE : (Phase 2)

Shall be based on the scope of work required by Bldg. & Safety and billed on a monthly basis.

Fee schedule for phase 1 is based on the initial fire and water damage assessment report provided by McLarens outside consultant. Additional assessment of the existing building was also performed by District's engineering team during a site visit on Aug. 25, 2023. As noted by Marcus Hackler, construction services representative of McLarens, the District must submit a complete set of plans for all building repairs as one project and shall be awarded the complete scope of work under one contract.

Fee schedule for phase 2 will be based on any scope of work issued as a 'code requirement item and/or California City code ordinance' by California City Building and Safety Division. All additional work under 'code upgrades or city ordinance', shall be submitted to Diane Gordon of McLarens for review and approval prior to completing any additional scope of work. All additional scope shall also be under one set of plans and shall be awarded the complete scope of work under on contract.



# JOSELITO M. LACSON, Designer

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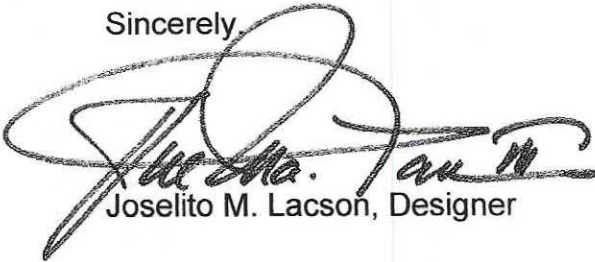
Excluded scope of work from the architectural proposal is the existing fire sprinkler system. Further evaluation and possible modification to the existing fire sprinkler system will be determined once the building department completes their initial review of the repair plans.

All fees required to process plans with Bldg. & Safety and other agencies will be the responsibility of the client.

Payments are due within fifteen (15) days of the invoice date. After thirty days, the designer may suspend services under this contract until the invoice is paid in full. Upon your approval, please return the signed copy.

I look forward to doing business with you.

Sincerely



Joselito M. Lacson, Designer

Accepted and acknowledged:

\_\_\_\_\_  
Client

\_\_\_\_\_  
Print and sign

## Engineering Services Agreement

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August 31, 2023

**Prepared For:** Karen Macedonio

**AL7 ENGINEERING, LLC (Consultant)** is pleased to present this **"Proposal"** to **Karen Macedonio (Client)** to provide engineering design services for the property at **8051-8101 Bay Ave California City, CA 93505**. Should terms and provisions described in this proposal satisfactory in its entirety, this shall be used as the agreement **"Contract"** between the involved parties. This contract shall be signed, scanned and sent to our office as the official record for this contract with the deposit as set forth in the payment schedule.

### 1.0 PROJECT DETAILS

**Project Site:** 8051-8101 Bay Ave California City, CA 93505

**Project Understanding:**

Phase I – Provide Structural plans and calculations for the lateral force resisting elements on the northwestern portion of the building due to fire damage rework (Reference ASCE 7-16 Appendix 11B Existing Building Provisions).

Phase II – Fees to be determined upon review of the proposed code upgrades per architectural and mechanical plans.

**Client(s):** Karen Macedonio

**Client Address** (If Different From Above): 9300 N Loop Blvd California City, CA 93505

**Phone Number:** (213)445-5875

**EMAIL:** directormacedonio@ekhcd.org

## 2.0 DESIGN PHASE DESCRIPTION OF SERVICES

**Structural Design:** As applicable, provide roof and framing plans, foundation plan, construction notes, and construction details.. If there is no soils report provided by the client at the start of the design process, the proposed foundation system (as applicable) will be designed per current California Building Code, and shall use a maximum soil bearing pressure of 1500 psf.

**Structural Calculations:** Provide structural analysis, which includes vertical and lateral forces, as required. Design standards shall reflect current local city/county and state building code.

**Plan Check Corrections:** Provide plan check corrections required by the city.

**Not Included:**

- Any Fees by the city, county, or local agencies required for submittal or final approval
- Any additional consulting services required by the city or county for plan completion
- Construction Phase Services such as structural observation, or site inspections

## 3.0 PAYMENT SCHEDULE

Based on the Description of Services in Section 2.0 of this contract, the total fixed fee for the service is **\$5,000**. This fee estimate is only valid within 30 days of agreement date. Any work outside of the above Description of Services, or any changes in the plans after owner approval shall be billed at a rate of \$150 per hour at 3 hours minimum.

Fee	Description
\$2500	Retainer fee within 7 days of signed contract
\$2500	Payment due upon completion of structural design, prior to first submittal.



27240 Turnberry Lane Ste. #200 Valencia, CA 91355  
 (661) 219-3063  
 admin@AL7Engineering.com

**4.0 ADDITIONAL FEES, AS REQUIRED**

Fee	Description
\$650	Site Visit
\$150 per hour	Three-hour minimum fee for Structural Observations and Report. Fees include travel time from portal to portal. Payment for structural observation report must be paid on site <i>immediately</i> after the inspection.
\$150 per hour @ 3 hours minimum	Changes in scope of design authorized by the CLIENT after the start of working drawings. The change order fee shall be approved by the CLIENT prior to start of revision

**5.0 GENERAL TERMS AND CONDITION:**

**5.1 GENERAL:** The Client shall provide the CONSULTANT all information and documents necessary for the CONSULTANT to provide its services hereunder. The CONSULTANT shall be entitled to rely upon the accuracy and completeness of all such information and documents. Nothing in this CONTRACT shall create a contractual relationship with, duty to, or a cause of action in favor of any third party against the CONSULTANT or CLIENT. The parties waive any and all claims for consequential damages, incidental damages, economic damages, lost profits, and loss of use damages relating to this CONTRACT, any services provided by CONSULTANT or in relation to the project. The CONSULTANT may terminate this CONTRACT at any time for any reason, without liability to the CONSULTANT. Upon such termination, all outstanding amounts owed to the CONSULTANT shall be paid in full. Neither party may assign this CONTRACT without the express written consent of the other party.

**5.2 BILLING:** Payment is due on receipt of invoice and shall be paid within 7 days. Any objections to the billing must be made within (14) days, in writing, or those objections are waived. A service charge of 1.5% per month will be added to any invoice unpaid by CLIENT after 30 days. The CONSULTANT has the right to suspend its service and/or terminate this Agreement, without any liability to the CONSULTANT, if payment is not made when due. In the event the CONSULTANT must institute action to collect money owed under this CONTRACT, then the prevailing party shall be entitled to its reasonable attorney's fees and expert witness fees and costs incurred therein.

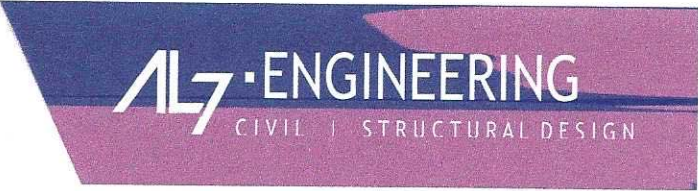


**5.3 LIMITATION OF LIABILITY:** To the fullest extent permitted by law, and notwithstanding any other provisions of this CONTRACT or the existence of the current insurance coverage at the time of services, that the total liability arising out of or in any way related to this Agreement, CONSULTANT, or the project, from any theory or cause of action, including but not limited to negligence, strict liability, indemnity, breach of contract, shall not exceed the total compensation received by the CONSULTANT under this Agreement or amount covered by the current liability insurance, whichever is greater. Under no circumstances shall CONSULTANT be liable for extra costs or other consequences due to changed conditions, or for costs related to the failure of contractors to perform work in accordance with the signed and approved plans and specifications. This limitation shall be inclusive of any and all attorney and expert fees and all costs incurred by the other party. Insurance. The CONSULTANT a professional liability insurance, and if the CLIENT directs the CONSULTANT to obtain increased insurance coverage, the CONSULTANT will take out such additional insurance, if obtainable, at the Client's expense.

**5.4 WORK PRODUCT:** The CONSULTANT will provide CLIENT and third parties at the direction of the CLIENT copies of any of CONSULTANT'S work product in electronic format with the understanding that any reuse of the work product by CLIENT or any third party is at their sole risk. CLIENT agrees to defend indemnify and hold the CONSULTANT harmless from any and all claims arising from the reuse of any of the work product.

**5.5 CONSTRUCTION PHASE.** If the CONSULTANT'S services include the preparation of documents to be used for construction and the CONSULTANT is not retained to make periodic site visits, the CLIENT assumes all responsibility for interpretation of the documents and for construction observation, and the CLIENT waives any claims against the CONSULTANT in any way connected thereto. If the CONSULTANT provides construction phase services, the CONSULTANT shall have no responsibility for any contractor's means, methods, techniques, equipment choice and usage, sequence, schedule, safety programs, or safety practices, nor shall CONSULTANT have any authority or responsibility to stop or direct the work of any contractor. The CONSULTANT'S visits will be for the purpose of endeavoring to provide the Client a greater degree of confidence that the completed work of its contractors will generally conform to the construction documents prepared by the CONSULTANT. CONSULTANT neither guarantees the performance of contractors, nor assumes responsibility for any contractor's failure to perform its work in accordance with the contract documents. The CONSULTANT is not responsible for any duties assigned to the design professional in the construction contract that are not expressly provided for in this CONTRACT. The CLIENT agrees that each contract with any contractor shall state that the contractor shall be solely responsible for job site safety and for its means and methods; that the contractor shall indemnify the CLIENT and the CONSULTANT for all claims and liability arising out of job site accidents; and that the CLIENT and the CONSULTANT shall be made additional insureds under the contractor's general liability insurance policy.

**5.6 RIGHT OF TERMINATION**



27240 Turnberry Lane Ste. #200 Valencia, CA 91355  
(661) 219-3063  
admin@AL7Engineering.com

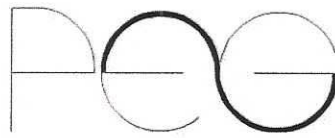
The CLIENT shall provide the CONSULTANT regular updates with the project status during the plan check phase. If the CLIENT does not send any updates with the project within a 6 month period, or if the project has not been submitted to the city/county for plan check within 6 months of submitted, the CONSULTANT may terminate this CONTRACT, without liability to the CONSULTANT.

**5.7 CERTIFICATE OF MERIT**

The Client shall make no claim for professional negligence, either directly or in the third party claim, against the Engineer unless the Client has first provided the Engineer with a written certification executed by an independent professional currently practicing in the same discipline as the Engineer and licensed in the State of California. This certificate shall a) contain the name and license number of the certifier; b) specify each and every act or omission that the certifier contends is a violation of the standard of care expected of a professional performing services under similar circumstances and same vicinity; c) state, in complete detail, the basis for the certifier’s opinion that each such act or omission constitutes such a violation. This certificate shall be provided to the Engineer not less than thirty calendar days prior to the presentation of any claim or the institution of any arbitration or judicial proceeding.

By Authorizing below, means acceptance of this agreement in its entirety.





August 31, 2023

**Joselito M. Lacson**  
40532 Polo Ct.  
Palmdale, CA 90041

**Re: Proposed Fire Damage Repair at Bay Avenue Building  
8101 Bay Avenue  
California City, CA. 93305**

Dear Joselito:

Please accept this letter as our engineering service proposal for the above referenced project. The project scope is to determine the existing conditions that are non compliant to the current Electrical Codes. This proposal is based on the site walk conducted last August 25, 2023 at Bay Avenue building.

The following are the electrical code non existing conditions:

1. The Main Electrical Switchboard located in the electrical closet is in violation of code required working clearance per National Electric Code 110-16. Working Space About Electric Equipment (600Volts Nominal, or less).
2. The electrical panel A located in Main Conference Room electrical closet is in violation of code required working clearance per National Electric Code 110-16. Working Space About Electric Equipment (600Volts Nominal, or less).
3. A number of electrical duplex receptacles near sinks are not ground fault circuit interrupter (GFCI) type are in violation of National Electric Code 210-8.
4. All existing lighting system is not in compliant with the latest Title 24 Energy Code. Existing system installed are fluorescent lamps with toggle switches. Latest Title 24 Energy Code requires less power density, dimming switches, lighting occupancy sensors and photocell controlled lighting in areas with windows. Entirely new lighting system is needed to comply with latest Energy Code.
5. Existing emergency lighting unit equipment in the hallway areas, lobby, and main conference room do not meet the emergency egress lighting minimum foot-candle requirement by California Building Code.
6. The existing lighted exit signs in most areas are inadequate for egress lighting.

Our work shall include:

**A. Design Phase**

1. Review of electrical as built drawings and one site visit for verification of existing conditions.
2. Coordination with Architect, Consultants, and all other members of the design team.
3. Preparation of final drawings suitable for, bid, construction.
4. Preparation of Specifications in final typed form.
5. Submittal to Building and Safety Department through your office.

**B. Construction Administration Phase**

1. Review Shop Drawings.
2. Responses to inquiries during bid and construction.
3. Assistance to Architect with clarifications and addenda.
4. Provision of one final punch list at the finish of construction.

Our proposal for **Phase 1** to bring the building back to the same original condition prior to fire is **\$ 7,865**.

Our proposal for **Phase 2** to correct the above electrical and energy code violations including providing new wiring to any HVAC units being replaced is **\$19,620**

**Our hourly rates are as follows:**

Principal	\$190/hr
Engineer	\$150/hr
Draftsman	\$85/hr
Clerical	\$55/hr

Sincerely,

**PACIFIC ENGINEERS GROUP**

  
Jimmy Fong, PE  
Principal

# Quotation for Engineering Services



Hovde Engineering Inc.  
1201 Coe Street  
Camarillo, CA 93010  
(805) 388-7689  
1-800-982-4270

Energy \* Drafting \* Engineering  
darrell@energystudy.com

To: Joselito Lacson

August 30, 2023

## Job Title:

8101 Bay Ave Phase 1

## Job Scope:

**Mechanical**  
Documentation as required to replace ducting and appurtanances to function in the repaired floorspace \$400

**Plumbing**  
Documentation as required for permit meet the new floor plan for the damaged space - \$600

Energy compliance - Completed previously, any modifications during design will be at no cost.

**Price:** \$1,000

**Quote Expires on:** 2/26/24

Proposed by:  
Hovde Engineering Inc



Agreement by  
\_\_\_\_\_

\_\_\_\_\_  
Signature Date

# Quotation for Engineering Services



Hovde Engineering Inc.  
1201 Coe Street  
Camarillo, CA 93010  
(805) 388-7689  
1-800-982-4270

Energy \* Drafting \* Engineering  
darrell@energystudy.com

To:

Joselito Lacson

August 30, 2023

## Job Title:

8101 Bay Ave Phase 2

## Job Scope:

### Mechanical

Engineering, Calculations, and Documentation as required to obtain a permit to renovate the building and bring it up to code as describe in the findings document dated 8/30/23 - \$4000

### Plumbing

Engineering, Calculations, and Documentation as required to obtain a permit to renovate the building and bring it up to code as described in the findings docuemnt dated 8/30/23 - \$1200

Energy compliance - \$500

Price: \$5,700

Quote Expires on: 2/26/24

Proposed by:

Hovde Engineering Inc

D

Agreement by

Printed Name

Signature

Date





*Your Guide to  
Healthy Human Work Systems*

**Guided Negotiation and Strategic Planning Consultation**

Date Submitted: August 24, 2023

## Your Situation

East Kern Health Care District has been presented with a once in an opportunity to expand its missional impact to the residents of East Kern County. Ridgecrest Regional Hospital, a premier Level IV trauma hospital with 25 beds, is seriously interested in becoming annexed to the EKHCD. This merger of interests and mission presents many desirable benefits to both the EKHCD and Ridgecrest Regional Hospital by opening up federal funding for expanded service to residents of East Kern County. The Board of EKHCD recognizes that a healthy and vibrant population is one that has a hopeful and positive view of its own future and wherein residents are invested in a future that they themselves had a hand in shaping. This mindset means that stakeholders (defined as those who have a "stake" in the outcome. In this situation, stakeholders are all those who would benefit from the expanded health care offerings that will arise from Ridgecrest Regional Hospital becoming part of EKHCD) should have a role to play in this consolidation so that their needs are fully considered.

Energized by this opportunity, the Board of East Kern Health Care District desires to engage an expert team of Organization Development consultants with skills and expertise in bringing organizations together to merge cultures and co-create a mutually agreed upon future.

To this end, the Board turns to TurningWest, an international Organization Development and Leadership consulting firm headquartered in Southern California to expertly design, facilitate, and execute a comprehensive process that leads to a successful annexation of Ridgecrest Regional Hospital into East Kern Health Care District.

Rewarding as it is, your day-to-day work is already challenging and time-consuming. It's not reasonable that you take on another significant, difficult-to-do-well task of great importance and impact. We get that. An expertly designed process that leads to a fruitful annexation and a strategic plan, one created with input from many sources, provides the breadth and depth to help East Kern Health Care District achieve its goals for service to its targeted beneficiaries. You don't want to waste time, resources, or reputation by using an inadequate process that results in inaccurate analysis and irrelevant strategies. In short, you need a consultant team that is expert at designing and facilitating such a process leading to a strategic plan that builds a new future for the District. We offer you a proven process, actionable results, and tangible support serving organizations in your industry.



## The TurningWest Solution

### *Phase I: Agreement to Letter of Intent (LOI)*

The first phase of this consultation will be a designed and expertly facilitated process whereby both East Kern Health Care District and Ridgecrest Regional Hospital can work through various issues to arrive at a Letter of Intent (LOI) agreement that will lead to the annexation of the hospital into the East Kern Health Care District. While some of this work has already begun, the TurningWest team will work to create a mutually acceptable process that leads to the agreements necessary for each board of directors to formally approve this annexation process. We will deploy the best-practice Wilder Collaboration Factors Inventory model. The Wilder model specifies twenty (22) factors that lead to successful collaborations between organizations. TurningWest will provide expert facilitation, conflict utilization skills, and will serve to record and preserve the negotiated points into a formal Letter of Intent to be presented to each Board. TurningWest will be present at the presentation and discussion of this LOI at each Board of Directors' meeting.

### *Phase II: Stakeholder Engagement*

Public processes such as these demand public involvement to the extent that the voice of local residents is considered. The TurningWest consultant team will employ best-practice stakeholder engagement techniques that define clearly the public role in this proposed annexation and returns the promised feedback to the community (see the IAP2 Stakeholder Engagement Spectrum). Both EKHCD and Ridgecrest Hospital leadership will help to establish the how, who, and why various groups of stakeholders will be engaged by TurningWest as the two entities seek to hear the varying voices of the community and learn their perceived needs and desires..

### *Phase III: Strategic Planning*

Strategic plans are an imperative for governmental bodies led by elected officials whose terms regularly rotate. A strategic plan, formally adopted by such a board of elected officials, provides consistency for years to come and informs newly elected board members what the chosen direction, strategy, and plans are for the governmental body. Well constructed strategic plans create stability that allows for momentum leading to measurable results.

Once the Letter of Intent has been formally adopted by both Boards of Directors and after completing the desired level of stakeholder engagement, the process will then move to a formal strategic planning process so that both entities are fully on board with how all this planning will come to fruition.

As a national Organization Development (OD) consulting firm specializing in helping build healthy human work systems, TurningWest possesses a deep knowledge of the sociology and theoretical underpinnings of organizational mission and mechanisms. This uniquely positions us as a guide for organizations like East Kern Health Care District and Ridgecrest Regional Hospital leading to a successful consummation of this annexation.

We are experts in TransOrganizational Development (TOD), which is the art and science of joining missional organizations. We utilize best-practice stakeholder engagement methodologies that unlock the voice of the people without creating a firestorm of controversy and opposition. Inherent to our approach is an ability to design and execute superior team processes leading to world-class Strategic Plans that generate buy-in on Day One. Insights gained through our hundreds of successful projects will guide the development of these negotiations leading to your first comprehensive, three-year Strategic Plan together. Of course, all successful Strategic Plans call for built-in periods (generally annually but sometime quarterly) where the plan is reviewed and updated. This will be an integral component of the final Plan for EKHCD.

### **Value of Our Approach to Strategic Planning**

The value of a consultation with the strategic planning process consultants of TurningWest, Inc. includes:

- deepened understanding of and trust between colleagues;
- increased ownership of the decisions and responsibility for action;
- learning from the process, colleagues, external sources, and from consultants;
- being equipped and empowered to act and adapt, backed by experiential and academic validation;
- the establishment of shared mental models (namely, that everyone has the same set of expectations and outcomes) which will streamline future work;
- best-in-class project management tools and expertise to accelerate the launch of your expansionary programs;
- building momentum that will help launch the Plan.

### **Outcomes and Deliverables**

Our proven process will deliver to you the following Outcomes to meet your stated Goal:

1. An expertly designed and facilitated negotiation process that leads to a mutually agreed upon Letter of Intent (LOI);
2. An expertly designed and facilitated Stakeholder Engagement process that captures the insights of the local community and incorporates pertinent insights into serving the population with greater impact;
3. A Strategic Plan that learns from best practice national models of other like-missioned organizations so that the distinctiveness of East Kern Health Care District and Ridgecrest Regional Hospital are maximized and the organizational cultures effectively integrated.
4. A Strategy that builds upon academic knowledge of Organization Development to position East Kern Health Care District to continue to be the leader in healthcare for the region and a trusted partner of faith-based communities, local organizations, corporations, businesses, families, and other partners.
5. A Strategy that includes plans for creating and executing programs and services that are designed to increase East Kern Health Care District's ability to serve its population.
6. A set of Goals and Objectives that intentionally builds deep and lasting relationships with stakeholders toward co-creating opportunities for program beneficiaries using the social determinants of health (research shows that five factors make for healthy communities, families, and individuals. These are 1) access to quality healthcare, 2) access to quality education, 3) healthy social and community life, 4) healthy physical environment and neighborhood, and 5) economic opportunities).
7. A set of Goals and Objectives designed to enhance communications between the EKHCD Board, RRH, and stakeholders throughout the process to achieve buy-in that increases communication, cooperation, and collaboration.

## Project and Process Description

As an Organization Development (OD) firm, we believe that a guided comprehensive Strategic Planning process must be informed by and seek to shape organizational culture. One of the challenges for EKHCD and Ridgecrest Regional Hospital after annexation will be to build a culture where staff can execute those strategies laid out in the Plan.

Thus, our approach takes culture into foremost consideration as we approach our work of bringing two entities into a negotiation process, then engages stakeholders, and finally arrives at co-creating a strategic plan. With this completed, thought will need to be given to how will East Kern Health Care District deliver on its promises to Ridgecrest Regional Hospital given its limited staff. We will aim for a plan that directly confronts this challenge.

Throughout our process, our OD experts will observe the two organizations' meta-processes and organizational cultures. With an eye toward improving team/group dynamics and organization functions, we will note any areas within your sociological structures that might benefit from additional attention. At appropriate times, we will share these observations with you, offering recommendations and resources along the way.

Our consultative model is grounded in the academic discipline of Organization Development (OD). What this means to us is that we believe that a significant value of our work with you lies in the sociological dynamics of minds coming together to form a shared mental model. This process simultaneously molds a team and lays the foundation for success in its future collaborative work.

The following diagram illustrates our approach to Strategic Planning. It is described on the next page below.

### **The TurningWest Strategic Planning Process**

## The TurningWest Strategic Planning Process



Working from the bottom up, this planning model follows a standardized framework intentionally designed for customized adaptability.



## IAP2'S PUBLIC PARTICIPATION SPECTRUM

The IAP2 Federation has developed the Spectrum to help groups define the public's role in any public participation process. The IAP2 Spectrum is quickly becoming an international standard.

INCREASING IMPACT ON THE DECISION		↑	
<b>PUBLIC PARTICIPATION GOAL</b>	<b>INFORM</b>	<b>CONSULT</b>	<b>INVOLVE</b>
	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
<b>PROMISE TO THE PUBLIC</b>	We will keep you informed.	We will keep you informed, listen to concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.
		<b>COLLABORATE</b>	<b>EMPOWER</b>
		To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
		We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

## Proposed Phases and Timeline

We expect this Project will follow the timeline below. The headings in the leftmost column reference the phases illustrated in our Strategic Plan diagram.

Milestones	Responsible	Expected Date of Completion
<b>Design</b> – define success for this project and then design the process and goals. Establish weekly Task Force meetings to guide the project to completion.	<b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b>	<b>T = 0 to T+ 1 week</b>
<b>Negotiated Agreement</b> - an expertly designed and facilitated process will arrive at mutual agreement on the most important elements of the proposed annexation.	<b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b>	<b>T + 1 week to T+ 4 weeks</b>
<b>MILESTONE: Letter of Intent</b>	<b>EKHCD, and Ridgecrest Regional Leaders</b>	<b>T + 4 weeks</b>
<b>Approval by Boards of Directors</b> - TurningWest will accompany both sets of leaders in formally presenting the LOI for official approval.	<b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b>	<b>T + 5 weeks to T + 8 weeks</b>
<b>MILESTONE: END PHASE I</b>		
<b>Stakeholder Engagement</b> - a thoughtfully planned and well-executed stakeholder engagement process will be led by TurningWest.	<b>TurningWest</b>	<b>T + 8 weeks to T + 16 weeks</b>
<b>MILESTONE: END PHASE II</b>		

<p><b>Context</b> – conduct a thorough Environmental Scan. This comprehensive research and input stage will examine the outsider and insider perspectives through Heuristic interviews with key informants.</p>	<p><b>TurningWest</b></p>	<p><b>T + 12 weeks to T + 16 weeks</b></p>
<p><b>Foundation</b> –articulate/clarify the organization's Values – Mission – Vision statements and why and how they are integral to the Plan. If further work is needed to create the V-M-V, the Task Force will work with leadership to develop and finalize.</p>	<p><b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b></p>	<p><b>T + 16 weeks</b></p>



<p><b>Strategy</b> – from the Environmental Scan, a distinctive Strategy (as defined by Michael Porter in “What is Strategy?”, HBR, 1996) will be selected and leveraged. The two elements of Porter’s definition of Strategy include:</p> <p><b>Position</b> – examine and decide which organizational activities to align with and deepen within the chosen Strategy. This bears on how the organization is experienced externally, or the orgs position in the market.</p> <p><b>Perspective</b> – align and support the internal behaviors and functions with the Strategy. The Task Force will make prioritized decisions about how to best “fit” organizational activities together including the “trade-offs”. This includes resources, structure, systems, HR practices, etc.</p>	<p><b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b></p>	<p><b>T + 16 weeks to T + 20 weeks</b></p>
<p><b>Areas of Focus</b> – group ideas and options that support the Task Force's chosen Strategy into broad categories. This helps with efficacy and efficiencies once the Plan is launched.</p>	<p><b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b></p>	<p><b>T + 20 weeks</b></p>
<p><b>Goals</b> – determine S.M.A.R.T. goals (Specific, Measurable, Achievable, Relevant, Time-based) within each Area of Focus. The goals support the implementation of that Focus Area.</p>	<p><b>TurningWest, EKHCD, Ridgecrest Regional Leaders, and Community Leadership</b></p>	<p><b>T + 21 weeks</b></p>

<p><b>Implementation &amp; Integration of Plan</b> - prepare for implementation &amp; integration to ensure the least amount of dust collecting. The following essential elements will continue to shape the culture and anchor the plan.</p> <p><b>Management</b> – Who is the Plan’s point person? What authority do they have? How is it built into agendas?</p> <p><b>Culture Anchors</b> – How will the Strategy shape language, norms, operations, etc.? What gets “cut-loose”?</p> <p><b>Execution</b> – Meeting agendas, metrics, accountability practices, reports, rewards, etc.</p> <p><b>Staffing</b> – Structure changes, responsibilities adjusted, positions created, training, performance reviews.</p> <p><b>Change Management</b> – Who is the point person on this? How will they be equipped? Communication tools?</p> <p><b>Resource allocation</b> – Progress evaluation criteria, tracking ROI, resource development; What to stop.</p>	<p><b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b></p>	<p><b>T + 21 weeks to T + 23 weeks</b></p>
<p><b>Final Report</b> – a collaborative three-year Strategic Plan delivered for approval by the Board of Directors. The organization will be responsible for the graphic design and printing of the Plan.</p>	<p><b>TurningWest, EKHCD, and Ridgecrest Regional Leaders</b></p>	<p><b>T = 24 weeks</b></p>

## Terms and Conditions

### *Investment*

Our professional fee (“Fee”) for this proposal is **\$57,875.00**. Our fees are all-inclusive of our time and expenses and travel except as specified below under Expenses.

### *Installment Terms*

Payment of the Fee is due in **five (5)** installments in accordance with the following schedule:

1. **\$7,875** is due upon acceptance of the agreement;
2. **\$20,000** is due upon completion and delivery of the Letter of Intent for Board approval;
3. **\$10,000** is due upon completion and delivery of final input from the Stakeholder Engagement process;
4. **\$10,000** is due upon delivery of the Environmental Scan Report;
5. **\$10,000** will be due upon completion of the final Strategic Plan and presented to the East Kern Health Care District for approval.

### *Final Product Clarifications*

What is **not included** in this consultation proposal is the final graphical preparation of the Strategic Plan. You may choose to have your own graphic artist polish the Strategic Plan into a PDF or print-ready version or we can enlist our highly talented graphic designer. The fee for our graphic designer is \$75/hour and the total cost usually runs around \$500. We can provide you with a preliminary estimate once we near completion of the Plan, should you like us to complete the graphic design on your behalf.

### *Timeframe*

All work on this project will conclude no later than **March 31, 2024** unless mutually negotiated by both parties.

### *Expenses*

East Kern Health Care District will provide all necessary office support, photocopying, and office supplies as necessary. TurningWest strives to keep all expenses to a minimum. Any expenses that may arise will be mutually negotiated before any expenditure of funds.

### *TurningWest Team*

TurningWest operates in a multi-disciplinary team fashion. Your project's Team Lead Consultant will be Dr. Steven Goodwin who will be assisted by Megan Sands and Karen Cheung. This team will be supported by Kelly Forster, Executive Assistant, who will provide logistical and scheduling support. Other members of the TurningWest Team may be assigned as necessary.

### *Conditions and Confidentiality*

We recognize that during the course of this project TurningWest, Inc. will have access to the private and sensitive business knowledge of Elizabeth House. TurningWest, Inc. agrees that it will not at any time or in any manner, either directly or indirectly, use any information for our benefit, or divulge, disclose, or communicate in any manner any information to any third party without the prior written consent of Elizabeth House. TurningWest, Inc. will protect all information and treat it as strictly confidential.



## Acceptance

The signatures below indicate acceptance of the details, terms, and conditions in this proposal, and provide the approval to begin work as specified. Alternatively, your deposit indicates full acceptance and will signify approval to begin. We are prepared to begin working on this project immediately.

*For TurningWest, Inc.*

 SIGNATURE  
Steven Goodwin

Dr. Steven Goodwin

August 24, 2023

*For East Kern Health Care District*

 SIGNATURE  
Karen Macedonio

Karen Macedonio

August 24, 2023

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## Billing Information

Contact Person

Billing Email Address

Billing Street Address

Billing City, State and Zip Code

Contact Phone number.



## TURNINGWEST TEAM BIOGRAPHIES



**The Rev. Dr. Steven Goodwin** – Steven’s greatest desire is to facilitate personal and organizational transformation. A consummate learner, he brings a wealth of theoretical and practical insight to those he serves. He has the unique ability to translate first-order research into effective applications for his clients. Catalyzing his interpersonal skills and decades of experience, he builds trusted alliances to maximize human potential.

Steven is passionate about helping others find their avenue to change the world. As a result, his clients successfully build an organizational vehicle which releases people to accomplish their dreams.

Steven is President & CEO of TurningWest, a national consulting firm specializing in Organization Development and Leadership consulting. Through more than 30 years as an effective leader and via his doctoral work in Organization Development and Leadership focused on turning around underperforming organizations, Steven has acquired specialized expertise in creating healthy organizations and stronger leaders. He marries the academic knowledge of Organization Development and Leadership to the experiential. He has consulted with organizations as diverse as the Los Angeles County Dept of Mental Health and Dept of Children & Family Services, First 5 LA, LA Public Library, universities, media companies, foundations, both for-profit and non-profit organizations, and agribusinesses.

Steven has written numerous books and journal articles. He is currently writing a book with the working title “Realigning Culture: Creating Lasting Organizational Transformation.” He has the ability to both write and to bring insights to life as an engaging speaker and teacher who has taught at both the masters and doctoral levels. He has spoken to audiences across the nation giving thousands of sermons, speeches, keynote presentations, and seminars. He is the Co-Chair of the Organization Development Network (ODN) as well as a member of the International Coach Federation (ICF). He is an ICF trained executive coach and has earned his official ACC coaching credential.

Steven’s vision is to make this a better world by enabling organizations to reach their goals thus contributing to a more just and prosperous planet. He believes that more capable leaders make all the difference in improving the lives of our fellow humans.

When not working, he is a mountain climber, backpacker, fly-fisherman, and still loves to play pick-up basketball. Steven has been married to Lisa for 38 years and is the proud father of Johnny and Grace who are off on their own journey to change the world.

## TURNINGWEST TEAM BIOGRAPHIES



**Megan Sands** – As a Consultant for TurningWest, Megan supports the Consultant team’s accomplishment and management of client projects and deliverables. She works eagerly to advance the team’s practice and transformational work of organization development.

Megan’s education includes a Master of Science in Industrial Organizational Psychology at California State University, Long Beach and a Bachelor of Arts in

Psychology and Minor in Business Administration from California Baptist University. Her education compliments her consultant experience and adds to her growing expertise in the areas of organizational behavior, personnel psychology, and organization development. This marriage between scientific discipline and industry practice directly informs her work at TurningWest.

Since starting as an intern at TurningWest, Megan has consulted on projects including organization culture assessments, reorganization, team development, leadership training, executive coaching, strategic planning, and job analyses. At TurningWest, Megan works in collaboration with colleagues and clients to serve the needs presented and integrates research into practice.

Prior to TurningWest, Megan held responsibilities in a research lab, applying for grants, developing and presenting a curriculum. She was also a leader at an international center providing support for international students and increasing cultural engagement on the university campus.

In her studies and experiences, she seeks to work hard, achieve, and learn; she is motivated by values of authenticity, teamwork, justice, and diversity. Megan learns and adapts quickly to new environments and opportunities; she enjoys the fast pace and variation of tasks in her role. She assists team members with focus, diligence and positivity.

When Megan is not working or studying, she values spending time with family and friends, eating good food, going to the movies, reading, and traveling.

## TURNINGWEST TEAM BIOGRAPHIES



**Karen Cheung** — As an Associate Consultant, Karen's skills are systematic, steadfast and her commitment to high principles, thoughtful words and considerate actions inspire the team to do its best work. Her diplomatic approach produces quality results for Turning West, our consultants and ultimately our clients.

Prior to joining the Turning West Team, Karen was a highly respected food and beverage professional with over 25 years in the Hospitality Industry. She attended California Polytechnic

University, Pomona where she was the Director of Finance for The Hospitality Management Council, member of CMAA (Club Managers Association of America), Roundtable for Food Service Professionals, Cal Poly Hospitality Association, and Harvest Auction Volunteer. She recently completed training in executive coaching and working towards the International Coaching Federation credential.

She graduated with a Bachelor of Science degree majoring in Hospitality Management from California Polytechnic University. Karen started her career at a prestigious private yacht club in Corona Del Mar, California. After 3 years and many events, she accepted a position with ARAMARK, Sports and Entertainment. As the Director of Operations at the Historic Shrine Auditorium, she successfully planned and executed high profiled red-carpet events such as the Prime time EMMYs, MTV Movie Awards 2005, VH1 BIG in '04, NAACP Image Awards and Los Angeles Auto Show. From there Karen had to make a difficult decision to either accept a job offer to work as a catering manager for the 2008 Beijing Summer Olympics or a position as the Director of Food and Beverage at Doubletree Monrovia. The opportunity to open a hotel excited her because it gave her the chance to create the systems and foundation of a successful food and beverage operation. Karen went on to become a Director of Retail Operations at the Los Angeles Convention Center, Operations Manager at The LA Greek Theatre and Assistant General Manager of the LA Music Center.

Karen has a Doberman named Q and loves fostering retired racing Greyhounds. She also loves working on her 1970 Datsun Roadster 1600 and is an avid autocross racer in her 2005 MINI Cooper S.



## TURNINGWEST TEAM BIOGRAPHIES



**Kelly Forster** – Kelly loves to keep things well ordered. As TurningWest’s Executive Assistant, she keeps the TurningWest Team organized and on track. She is methodical, efficient, detailed oriented, and does all this with a delightful personal grace that make details less of a chore.

She systematically tracks the myriad of details the TurningWest Team handles on behalf of clients. She cares for our clients in a graceful, efficient, coordinated, and productive manner.

She prepares well-researched and accurate documents; manages our busy calendars; and efficiently handles daily office tasks.

Kelly is highly focused and results-oriented in supporting complex, deadline-driven projects and is able to identify goals/priorities and resolve issues in their initial stages before they become larger problems.

Before coming to TurningWest, Kelly worked for the past 10+ years in administration with public charter schools throughout Southern California. She has excelled at handling challenges and enjoyed improved processes. She directly worked with Principals, Vice Principals, and school districts to coordinate summer school programs. Her excellent problem-solving skills made her a leader in streamlining processes in all the nearby schools in the district.

Kelly graduated with a Bachelor of Science in Hospitality Management from Cal State Polytechnic University in Pomona. She regularly attends training to further advance her skills. Combined with her degree and her temperament she brings a warm and delightful personality to TurningWest.

During her free time, Kelly finds joy in the company of her family and friends, engaging in various activities such as overlanding, camping, and tackling remodeling projects. Kelly has been married to Mark for 23 years, and together, they are proud parents of a high schooler and a college student.

## LEASE AND AGREEMENT

As of \_\_\_\_\_, the East Kern Healthcare District, herein "Landlord" or "District", and \_\_\_\_\_, herein "Tenant," (Landlord and Tenant may be referred to individually as "Party" or collectively as "Parties") agree as follows:

### 1. Purpose and Scope

To lease District property to Tenant who will establish a Community Health Center on the Leasehold Premises.

### 2. Leasehold Premises

Landlord leases to Tenant and Tenant takes from Landlord, lease **XXX** sq. ft. of Landlord's building located at \_\_\_\_\_ (as further described in Exhibit "A" attached hereto) ("Property"), for the purpose of establishing the above referenced Community Health Center.

### 3. Term

The term of this lease is for five **(5)** years commencing on \_\_\_\_\_, \_\_\_\_\_, and terminating \_\_\_\_\_, \_\_\_\_\_ ("Initial Term"). This Lease may be extended for additional one (1) year terms ("Renewal Term") on the same terms and conditions set forth herein, provided Tenant gives Landlord at least ninety (90) days written notice of its intention to extend prior to the expiration of the then current term, and provided further that Tenant is not in default under the Lease. If the Lease is extended, the rent may be increased, but not decreased, and shall not be increased more than 3% per year in accordance with Section 3 (b) below. Either Party may provide the other Party thirty (30) days written notice of its intention not to extend the Lease prior to the expiration of the Initial Term or any Renewal Term, in which case the Lease shall expire at the end of the Initial Term or the Renewal Term.

### 4. Consideration

Lease of Property for Lease Term: Landlord leases the Property to Tenant and Tenant leases the Property from Landlord for the Lease Term. The Lease Term is for the period stated in Section 3 above and shall begin and end on the dates specified in Section 3 above, unless the beginning or end of the Lease Term is changed under any provision of this Lease. The "Commencement Date" shall be the date specified in Section 3 above for the beginning of the Lease Term, unless advanced or delayed under any provision of this Lease.

- (a) Base Rent. Commencing \_\_\_\_\_, \_\_\_\_\_, and for the six months of \_\_\_\_\_ through \_\_\_\_\_, Tenant shall pay Base Rent in the amount of \_\_\_\_\_ (\$ \_\_\_\_\_), to be paid by Tenant in advance on the first day of each month.

The Base Rent shall then be of One Thousand Eight Hundred Seventy-Five Dollars (\$2,500) for the following six months, i.e., July 2020 through December 2020, to be paid by Tenant in advance on the first day of each month.

The Base Rent shall then be Two Thousand Five Hundred Dollars (\$2,500) for the rest of the lease term, to be paid by Tenant in advance on the first day of each month.

- (b) Operating Expense Rent – Improvements, Repairs, Maintenance, Replacement, Insurance, Taxes, and Property Management. Tenant is responsible for its prorata share of all operating expenses for the Building including but not limited to the following Building services: repairs, maintenance, replacement with respect to the Common Areas (including the roof, shell, pavement and resurfacing of the parking lot and sidewalks), heating, ventilation and air conditioning (“HVAC”), plumbing, glass, electrical, power generator (connected for operation of the Premises and all equipment located therein during power outages), battery backup, card access for the doors for the Building, door hardware, locks and keys, video monitoring systems, alarm systems, Common Area utilities, utilities for the Building (provided that such utilities are not metered separately as to the Premises), Common Area janitorial services, maintenance services, security services, snow removal, water, sewer and garbage, insurance, property taxes and assessments, and third party property management fees incurred in the operation and management of the Building and the Common Areas (collectively, “Operating Expenses”). Operating Expenses for repairs or replacements of a capital nature (whether or not capitalized), such as improvements, repairs or replacements to the parking lot or other paved areas, and Tenant’s obligation shall be amortized over the useful life of the improvement in accordance with generally accepted accounting principles, but in no event shall Tenant be obligated to pay any portion of such amortized costs extending beyond the Term of this Lease.

For purposes of this Lease, Operating Expenses shall specifically exclude electric, gas and security (if any) for Tenant’s Use of the Premises to the extent that such charges are separately billed to Tenant and are the sole responsibility of Tenant. Tenant agrees to use landlord-provided janitorial services, which shall be charged to Tenant directly or as Operating Expenses. Tenant shall separately contract and pay for security services for Tenant’s Premises if desired by Tenant. Building common area security, if provided by Landlord, is not responsible for security for Tenant’s Premises and is only there for convenience. If due to the nature of Tenant’s business, Landlord requires additional security for the Building or Premises, this will be at Tenant’s expense and billed directly to Tenant. Operating Expenses shall further exclude (i) amounts reimbursable from insurance proceeds or under warranty or paid for by any other tenant in the Building or any third party, (ii) interest, late charges or penalties incurred as a result of Landlord’s failure to pay bills in a timely manner; (iii) any charge for depreciation, interest on encumbrances or ground rents paid or incurred by Landlord; (iv) brokerage or

leasing commissions; (v) amounts incurred to remediate any Hazardous Materials (as defined below) not caused by Tenant.

Proration of Operating Expenses and Utilities shall be on a square footage basis adjusted for hours of operation and Tenant's proration shall be calculated by multiplying the Operating Expenses by a fraction, the numerator being the rentable square feet of the Premises and the denominator being the total rentable square feet of the Building (including any space occupied by Landlord) adjusted based on Tenant's hours of operation. Tenant's pro rata share of Operating Expenses is currently estimated at \$5.00 per rentable square foot. Utility Expenses are currently estimated at \$1.95 per rentable square foot. The total Operating Expenses shall be prorated and be payable by Tenant as Additional Rent on a monthly basis as follows:

(1) Tenant's prorated share of the Operating Expenses shall be computed and paid in monthly estimated payments as estimated by Landlord, in Landlord's reasonable discretion. Such Additional Rent shall be paid by Tenant on or before the 1st day of each month with Base Rent for such month. As soon as is reasonably possible following the end of each calendar year, Landlord shall furnish to Tenant a statement showing the Building's actual Operating Expenses for the preceding calendar year and Tenant's pro rata share thereof. In the case of a deficiency, Tenant shall promptly remit its pro rata share of such deficiency to Landlord within fifteen (15) days following receipt of Landlord's statement of actual expenses. In the case of a surplus, Landlord shall either apply said surplus to the next installment of Additional Rent for Operating

Expenses due from Tenant under this Lease, or promptly refund the same to Tenant within thirty (30) days (including following the expiration of the Term hereof). In the event that during all or any portion of any calendar year the Building is not fully rented and occupied, Landlord may elect to make an appropriate adjustment in Operating Costs for such year, using sound accounting and management principles to determine the total Operating Costs that would have been paid or incurred by Landlord had the Building been fully rented and occupied. The amount so determined shall be deemed to have been Operating Costs for such year.

(2) Tenant may review, at its sole cost and expense, any Operating Expenses prorated to Tenant by Landlord including, without limitation, any assessed property taxes. Landlord shall make available the applicable statements and invoices supporting the actual Operating Expenses available to Tenant for review. Tenant shall have the right to come in to Landlord's accounting office, on reasonable prior notice to Landlord, to examine and review copies of the records pertaining to the Operating Expenses on an annual basis after Tenant has receipt the statement of actual expenses from Landlord. The reasonable cost to receive copies of these statements will be covered by the Tenant except as otherwise expressly provided herein. If such annual examination shall disclose any

overcharge by Landlord, Landlord shall promptly reimburse Tenant for any overpayment of Tenant's proportionate share of Operating Expense.

- (c) Time and Manner of Payment. Upon execution of this Lease, Tenant shall pay Landlord the Base Rent in the amount stated in above for the first month of the Lease Term. On the first day of the second month of the Lease Term and each month thereafter, Tenant shall pay Landlord the Base Rent, in advance, without offset, deduction, or prior demand. The Base Rent shall be payable at Landlord's address or at such other place as Landlord may designate in writing.
- (d) If the rent is not paid by the 25<sup>th</sup> day of each month, Landlord shall also be paid a penalty at the rate of 1.5% per month on the unpaid balance. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by Law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.
- (e) An Initial Security Deposit of \$6,000 shall be paid by Tenant prior to occupancy.

**5. Security Deposit**

- (a) Upon the execution of this Lease, Tenant shall deposit with Landlord a Security Deposit in the amount set forth in Section 4 above, Landlord may apply all or part of the Security Deposit to any unpaid rent or other charges due from Tenant or to cure any other defaults of Tenant. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord's written request. Tenant's failure to do so shall be a material default under this Lease. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit.
- (b) Upon termination of this Lease under Article Seven (Damage or Destruction), Article Eight (Condemnation) or any other termination not result from Tenant's default, and after Tenant has vacated the Property in the manner required by this Lease, Landlord shall refund or credit to Tenant (or Tenant's successor) the unused portion of the Security Deposit, any advance rent or other advance payments made by Tenant to Landlord, and any amounts paid for real property taxes and other reserves which apply to any time periods after termination of the Lease.

**6. Delivery of Premises**



By entering into this Lease Agreement, Tenant agrees that Tenant was granted ample time and opportunity to inspect the Property and to have qualified experts inspect the Property prior to the execution of this Lease. Tenant accepts the Property, including all improvements located on the Property, "AS IS" and "WHERE IS," "WITH ALL FAULTS," with Tenant accepting all defects, if any. Landlord makes no warranty, express or implied, with respect to the Property, including any Build-Out of the Property, including but not limited to any warranty as to the habitability, fitness or suitability of the Property (including any Build-Out of the Property) for a particular purpose or as to the absence of any toxic or otherwise hazardous substances. Tenant agrees that neither Landlord nor any of Landlord's representatives or agents (collectively, "Landlord Related Persons") have made or given any warranties, guaranties, or representations of any kind whatsoever, whether oral or written, express or implied, including but not limited to any express or implied warranties or representations regarding the water, soil or geology of the Property; the presence or absence of hazardous or toxic substances as such terms are defined in federal, state or local laws; the status or effect of present zoning of platting, if any, of the Demise Premises; or regarding the past or present compliance of Landlord with laws and regulations pertaining to health, safety, design, construction, accessibility, land use, environmental matters, pollution, or any laws pertaining to the handling, generating, treating, storage, transporting or disposing of hazardous substances.

## **7. Signage**

Landlord agrees to install signage as legally permissible on CA City Blvd to provide direction to the Property within thirty (30) days of the Commencement Date and to maintain such signage during the Lease Term. Tenant must not, without Landlord's prior written consent, (a) make any changes to the building front; (b) install any exterior signs, windows, or door lettering, placards, or advertising media of any type, lighting, decorations, paintings, awnings, canopies, or the like; or (c) erect or install any interior signs; window or door lettering, placards, decorations, or advertising media of any type within six feet of any exterior window, or wall. All signs, lettering, placards, banners, portable signs, decorations, and advertising media must conform in all respects to the sign criteria established by Landlord for the Property from time to time in the exercise of its sole discretion. All signage is subject to Landlord's requirements as to construction, method of attachment, size, shape, height, lighting, color, and general appearance. Tenant must keep all signs in good condition and in proper operating order at all times.

## **8. Use of Premises**

The premises shall be used for an urgent care facility and no other use unless approved in writing by Landlord.

- (a) **Manner of Use.** Tenant shall not cause or permit the Property to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, which annoys or interferes with the rights of other tenants of Landlord, or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits, including a Certificate of Occupancy, required for Tenant's occupancy of the Property and shall promptly take all actions necessary to

comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Property, including the Occupational Safety and Health Act.

- (b) **Regulatory Matters.** Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable federal, state, and local law, including without limitation, the Medicare/Medicaid Anti-Kickback statute (the "Anti-Kickback Law") and Section 1877 of the Social Security Act (the "Stark Law"), as amended. Notwithstanding any unanticipated effect of any of the provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would constitute a violation of the Anti-Kickback Law or the Stark Law. Without limiting the generality of the foregoing, Landlord and Tenant expressly agree that nothing contained in this Lease shall require either party to refer any patients to the other, or to any affiliate or subsidiary of the other.
- (c) If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either party to be in violation of such laws due to the existence of any provision of this Lease, then Landlord and Tenant agree to negotiate in good faith for a period of 90 days to modify the terms of this Lease to comply with applicable law. Should the parties hereto fail to agree upon modified terms to this Lease within this time, either Landlord or Tenant may immediately terminate this Agreement by giving written notice to the other party.
- (d) For purposes of this Section of this Lease, "protected health information", or PHI, shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 (the "Privacy Standards"), as promulgated by the Department of Health and Human Services ("HHS") pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Tenant agrees to reasonably safeguard PHI from any intentional or unintentional disclosure in violation of the Privacy Standards by implementing appropriate administrative, technical and physical safeguards to protect the privacy of PHI. Tenant further agrees to implement appropriate administrative, technical and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord, its subcontractors and agents. The parties agree that neither the Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI of Tenant. However, in the event PHI is disclosed by Tenant or its agents to Landlord, its, contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and to require its contractors, subcontractors and agents to maintain, the privacy and confidentiality of such PHI. The parties agree that the foregoing does not create, and is not intended to create, a

"business associate" relationship between the parties as that term is defined by the Privacy Standards.

- (e) **Hazardous Materials.** As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds, and other chemical products, asbestos, PCBs, and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, or disposed of in or about Property by Tenant, its agents, employees, contractors, subTenants, or invitees without prior written consent of Landlord. Landlord shall be entitled to take into account such other factors or facts as Landlord may reasonable determine to be relevant in determining whether to grant or withhold consent to Tenant's proposed activity with respect to Hazardous Material. In no event, however, shall Landlord be required to consent to the installation or use of any storage tanks on the Property.
- (f) Tenant must not, without Landlord's prior written consent, keep anything within the Property or use the Property for any purpose which creates a risk of toxic or otherwise hazardous substances or which increases the insurance premium cost or invalidates any insurance policy carried on the Property or other parts of the Property. Tenant must comply with all regulations and requirements of applicable health and safety authorities for the disposal of medical wastes. Tenant must arrange for regular and frequent disposal of such medical wastes. All property kept, stored or maintained within the Property by Tenant is at Tenant's sole risk. Tenant indemnifies Landlord and holds Landlord harmless from and against any and all liability, liens, claims, demands, damages, expenses, fees, costs, fines, penalties, suits, proceedings, actions and causes of action (including, but not limited to, all attorneys' fees and expenses) arising out of or relating to, directly or indirectly, any violation or alleged violation by Tenant of any law, rule or regulation relating to the Property ("Environmental Laws"), now existing or later arising, except for violations of Environmental Laws caused by Landlord. This indemnification survives the expiration or termination of this Lease. Tenant must immediately notify Landlord if Tenant suspects, discovers or receives notice of any violation of Environmental Laws, and agrees to cooperate with Landlord in identifying and investigating any such violation or suspected violation. Tenant further agrees to abide by the terms of any and all protocols, procedures and agreements of which Landlord gives Tenant written notice and which address

the detection, management or remediation of environmental or health hazards at the Property.

- (g) Tenant must comply with all regulations and requirements of applicable health and safety authorities for the disposal of medical waste. Tenant must arrange for regular and frequent disposal of such medical waste.
- (h) Tenant is responsible for keeping the Property secure and to make expenditures sufficient to provide security of the Property generally in keeping with security measures of similar leased property within the same geographical area as the Property. TENANT ACKNOWLEDGES AND AGREES THAT LANDLORD MAKES NO REPRESENTATION OR WARRANTY REGARDING THE SECURITY OF THE DEMISED PREMISES OR THE MANNER OR ADEQUACY OF SECURITY SERVICES TO BE PROVIDED BY TENANT.
- (i) **Indemnity.** Tenant shall defend and indemnify Landlord against and hold Landlord harmless from any and all costs, claims, or liability arising from: (a) Tenant's use of the Premises; (b) any breach or default in the performance of Tenant's obligations under this Lease; (c) any misrepresentation or breach of warranty by Tenant under this Lease; (d) use, storage, release or spill of any Hazardous Substances, or (ed) other acts or omissions of Tenant. Tenant shall defend Landlord against any such cost, claim, or liability at Tenant's expense with counsel reasonably acceptable to Landlord or, at Landlord's election. Tenant shall reimburse Landlord for any legal fees or costs incurred by Landlord in connection with any such claim. As a material part of the consideration to Landlord, Tenant assumes all risk of damage to property or injury to persons in or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord , except for any claim arising out of Landlord's gross negligence or willful misconduct. As used in this Section, the term "Tenant" shall include Tenant's employees, agents, contractors, and invitees.

Landlord shall defend and indemnify Tenant against and hold Tenant harmless from any and all costs, claims, or liability arising from: (a) Landlord's entry onto the Premises; (b) any breach or default in the performance of Landlord's obligations under this Lease; (c) any misrepresentation or breach of warranty by Landlord under this Lease; or (d) other acts or omissions of Landlord. Landlord shall defend Tenant against any such cost, claim, or liability at Landlord's expense with counsel reasonably acceptable to Tenant or, at Tenant's election. Landlord shall reimburse Tenant for any legal fees or costs incurred by Tenant in connection with any such claim except for any claim arising out of Tenant's gross negligence or willful misconduct. As used in this Section, the term "Landlord" shall include Landlord's employees, agents, contractors, and invitees.



- (j) **Landlord's Access.** Landlord or its agents may enter the Property at all reasonable times to show the Property to potential buyers, investors or other parties; to do any other act or to inspect and conduct tests in order to monitor Tenant's compliance with all applicable environmental laws and all laws governing the presence and use of Hazardous materials; or for any other purpose Landlord deems necessary. Landlord shall give Tenant prior notice of such entry, except in the case of an emergency.
- (k) **Quiet Possession.** If Tenant pays the rent and complies with all other terms of this Lease, Tenant may occupy and enjoy the Property for the full Lease Term, subject to the provisions of this Lease.
- (l) **Construction by Tenant.** Tenant may, at any time during the Lease Term, erect, maintain, alter, remodel, reconstruct, rebuild, replace, and remove buildings and other improvements on the premises, and correct and change the contour of the premises, subject to the following:
- a. Tenant bears the cost of any such work.
  - b. The Property must at all times be kept free of all mechanic's and material men's liens.
  - c. Landlord must be notified of the time for beginning and the general nature of any such work, other than routine maintenance of the existing building or improvements, at the time the work begins. The conditions of Paragraph g. of this Section 8., concerning Landlord's approval of plans, must be followed.
  - d. Landlord must make reasonable efforts to cooperate with Tenant concerning easements, dedications, zoning, and restrictions of the Property; provided, however, that Tenant shall exclusively bear the costs and expenses incurred by Landlord in taking such actions or providing such cooperation.
  - e. The following rules govern Landlord's approval of construction additions, and alterations of the building or other improvements on the Property:
    - i. **Written Approval Required.** No building or improvement may be constructed on the Property unless the plans, specifications, and proposed location of the building or other improvement has received Landlord's written approval and the building or other improvement complies with the approved plans and specifications and proposed location. No material addition to or alteration of any building or structure erected on the Property may be begun until plans and specifications covering the exterior of the proposed

addition or alteration have been first submitted to and approved by Landlord.

- ii. Submission of Plans. Tenant must, at its own expense, engage a licensed architect or engineer to prepare plans and specifications for constructing a medical professional building and surgical center or additions or alterations to buildings that require Landlord's approval under Subparagraph 1 above. Tenant must submit [number of copies] copies of detailed working drawings, plans, and specifications for construction or alterations to buildings or improvements for any such projects for Landlord's approval before the project begins.
- iii. Landlord's Approval. Landlord will promptly review and approve all plans submitted under Subparagraph g. above or note in writing any required changes that must be made to plans. Any required changes must be made and resubmitted to Landlord.
- iv. Effect of Approval. Landlord's approval of any plans applies only to the conformity of the plans to the general architectural or engineering design, and Landlord, by approving the plans and specifications, assumes no liability or responsibility for the architectural or engineering design or for any defect in any building or improvement constructed from the plans or specifications.
- v. Any buildings, improvements, additions, alterations, and fixtures constructed, placed or maintained on the Property during the Lease Term are considered part of the real property of the Property and must remain on the Property and become the property of Landlord when this Lease terminates. Further, all plans and specifications for constructing a medical professional building and surgical center or additions or alterations to a building (including detailed working drawings, plans, and specifications for construction and or alterations to buildings or improvements) prepared at the direction of Tenant for the Property shall be the property of Landlord.
- vi. All construction work done by Tenant within the Property must be performed in a good and workmanlike manner and in compliance with all governmental requirements. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability, or damage resulting from such work, and Tenant, if requested by Landlord, shall furnish a bond or other security satisfactory to Landlord against any such loss, liability or damage.
- vii. If Tenant uses a general contractor to perform construction work within the Property, prior to the commencement of such work Tenant must require such general contractor to execute and record a Bond to Pay Claims (the "Bond") in accordance with [citation of statute], as such may be amended, superseded or replaced from time to time, and must deliver a copy of the recorded Bond to Landlord. The delivery of the Bond within the time period set forth above is a condition precedent to Tenant's ability to enter on and begin its

construction work at the Property and, if applicable, to any reimbursement from Landlord for the cost of the construction work.

**9. Conditions of Property**

- (a) **Existing Conditions.** Tenant accepts the Property in its condition as of the executing of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Property or the suitability of the Property for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection and inquiry regarding the condition of the Property and is not relying on any representations of Landlord or any Broker with respect thereto. If Landlord's Broker has provided a Property Information Sheet or other Disclosure Statement regarding the Property, a copy is attached as an exhibit to the Lease.
- (b) **Exemption of Landlord from Liability.** Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise, or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Property, whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas, or rain; (b) the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures or any other cause; (c) conditions, arising in or about the Property or from other sources or places; or (d) any act or omission of any other tenant of Landlord. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. The provisions of this subsection shall not, however, exempt Landlord from liability for Landlord's gross negligence or willful misconduct.
- (c) **Condition upon Termination.** Upon the termination of the Lease, Tenant shall surrender the Property to Landlord in the same condition as received except for ordinary wear and tear which the Tenant was not otherwise obligated to remedy under any provisions of the Lease.
- (d) **Maintenance and Repair of Property.** At all times during the Lease Term, Tenant must keep and maintain all buildings and improvements in a good state of appearance and repair at Tenant's sole cost and expense. Tenant must keep the Property in good, clean, and habitable condition and must at its sole cost and expense keep the Property free of insects, rodents, vermin and other pests and make all needed repairs and replacements, including replacement of cracked or broken glass; except for repairs of plumbing and air conditioning that are necessary for the use of the premises for the purposes stated in Section One. Without limiting the coverage of the previous sentence, it is understood

that Tenant's responsibilities include the repair and replacement of all lighting, and other electrical, mechanical, and electromotive installation, equipment, and fixtures and also include all utility repairs in wiring, regardless of when or how the defect or other cause for repair or replacement occurred or became apparent. If any repairs required to be made by Tenant under this Lease are not made within sixty (60) days after written notice delivered to Tenant by Landlord or, in the case of a situation which by its nature requires an immediate response or a response in fewer than sixty days, Landlord may at its option make such repairs without liability to Tenant for any loss or damage which may result to its business by reason of such repairs; and Tenant must pay to Landlord upon demand, as additional rent under this Lease, the cost of such repairs plus interest at the maximum contractual rate which could legally be charged in the event of a loan of such payment to Tenant, such interest to accrue continuously from the date of payment by Landlord until repayment by Tenant.

#### **10. Assignment**

Tenant shall not assign this Lease or sublease the premises, or any right or privilege without Landlord's prior written consent. One consent by Landlord shall not be a consent to a subsequent assignment or sublease. Tenant's unauthorized assignment or sublease shall be void and shall terminate this Lease at Landlord's option. Tenant's interest in this Lease is not assignable by operation of law.

#### **11. Defaults**

(a) Tenant shall be in material default under this Lease:

- i. If Tenant abandons the Property or if Tenant's vacation of the Property results in the cancellation of any insurance required under this Lease and Agreement.
- ii. If Tenant fails to pay rent or any other charge when due;
- iii. If the Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) days after written notice from Landlord; provided that if more than thirty (30) days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within the thirty (30)-day period and thereafter diligently pursues its completion. However, Landlord shall not be required to give such notice if Tenant's failure to perform constitutes a non-curable breach of this Lease. The notice required by this Paragraph is intended to satisfy any and all notice requirements imposed by law on Landlord and is not in addition to any such requirement.



iv. If Tenant makes a general assignment or general arrangement for the benefit of creditors; (ii) if a petition for adjudication of bankruptcy or for reorganization is filed by or against Tenant and is not dismissed within thirty (30) days; (iii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Property or of Tenant's interest in the Lease and possession is not restored to Tenant within thirty (30) days; or (iv) if substantially all of Tenant's assets located in the Property or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If a court of competent jurisdiction determines any of the acts described in this subparagraph (d) is not a fault under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as additional Rent, the excess, if any, of the rent (or any other consideration) paid in connection with such assignment or sublease over the rent payable by Tenant under this Lease.

(b) **Remedies.** On the occurrence of any material default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have;

- i. Terminate Tenant's right to possession of the Property by any lawful means.
- ii. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant has abandoned the Property. In such event, Landlord shall be entitled to all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due.
- iii. Pursue any remedy now or hereafter available to Landlord under the laws or judicial decisions under the state in which the Property is located.

(c) **Cumulative Remedies.** Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

## 12. **Protection of Lenders**

(a) **Subordination.** Landlords shall have the right to subordinate this Lease to a deed of trust or mortgage encumbering the Property, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Tenant shall cooperate with Landlord and any lender which is acquiring a security interest in the Property or the Lease. Tenant shall execute such further documents and assurances as such lender may require, provided that Tenant's obligation under the Lease shall not be increased in any material way (the performance

of ministerial acts shall not be deemed material), and the Tenant shall not be deprived of its rights under this Lease. Tenant's right to quiet possession of the Property during the Lease term shall not be disturbed if Tenant pays the rent and performs all of Tenant's obligations under this Lease and is not otherwise in default.

- (b) **Attornment.** If Landlord's interest in the Property is acquired by any ground Landlord, beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee or successor to Landlord's interest in the Property or recognize such transferee or successor as Landlord under this Lease.
- (c) **Estoppel Certificates.** Upon Landlord's written request, Tenant shall execute, acknowledge, and deliver to Landlord a written statement certifying: (i) the none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representation or information with respect to Tenant or the Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Property may require. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Landlord may give any such statement by Tenant to any prospective purchaser or encumbrancer of the Property Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.
- (d) **Failure to Deliver Estoppel Certificates.** If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped for denying the truth of such facts.
- (e) **Tenant's Financial Condition.** Within ten (10) days after written request from Landlord such financial statements as Landlord reasonably requires for verification of the net worth of Tenant or any assignee, subtenant, guarantor, or Tenant. In addition, the Tenant shall deliver to any lender designated by Landlord any financial statements required by such lender to facilitate the financing or refinancing of the Property. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as

of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth in the Lease.

**13. Insurance.**

Tenant must, at its sole cost and expense, procure and maintain the insurance described below in accordance with the following requirements:

- (a) The minimum insurance coverages are as follows: Property insurance (the “Tenant's Property Insurance”) which covers: (a) the Property for damages to the Property in the amount of \$[dollar amount of property insurance] for comprehensive (property) damages; (b) all of Tenant's personal property in, on, at, or about the Property, including, but not limited to, Tenant's furniture, trade fixtures, equipment, inventory, and merchandise (collectively, “Tenant's Personal Property”); and (c) all improvements must be written on the broadest available “special form” policy form; must include an agreed-amount endorsement for no less than 100% of the full replacement cost of the Tenant's Personal Property (new, without deduction for depreciation), the Property and improvements to the Property; must be written in amounts of coverage that meet any coinsurance requirements of the policy or policies; must include vandalism and malicious mischief coverage and sprinkler coverage; and must name Landlord as an “insured as its interest may appear.”
- (b) Commercial general liability insurance (“Tenant's Liability Insurance”) written on an “occurrence” policy form, covering Bodily Injury, Property Damage, and Personal Injury (all as defined in SECTION FIFTEEN, Paragraph B, below), arising out of or relating, directly or indirectly, to Tenant's business operations, conduct, assumed liabilities, or use or occupancy of the Property. Tenant's Liability Insurance must include the broadest available form of contractual liability coverage. It is the intent of Landlord and Tenant that Tenant's contractual liability coverage will provide coverage to the maximum extent possible of Tenant's indemnification obligations under this Lease. The minimum acceptable limits for Tenant's Liability Insurance are \$[dollar amount of tenant's liability insurance per occurrence] per occurrence. Tenant must cause the District to be named as “additional insureds” by endorsement satisfactory in form and substance to Landlord.
- (c) Workers' Compensation Insurance and Employers' liability Insurance. The minimum acceptable limits for Workers' Compensation Insurance are as set forth in the applicable statutes of [name of state], and for the Employers' liability Insurance are \$[dollar amount of employers' liability insurance per accident] per each accident, \$[dollar amount of employers' liability insurance for disease per employee] disease per employee, and \$[dollar amount of employers' liability insurance for disease] disease policy limit. All such policies must contain waivers of subrogation in favor of Landlord.

- (d) At all times during which construction work is being performed by or on behalf of Tenant at the Property, Tenant must maintain “Builder's Risk” insurance, covering the full replacement value of all such work being performed, naming Landlord as an “insured as its interest may appear,” and being written in amounts of coverage that meet any coinsurance requirements of the policy or policies.
- (e) The insurance requirements set forth in Subparagraph 1 above are independent of Tenant's waiver, indemnification, and other obligations under this Lease and cannot be construed or interpreted in any way to restrict, limit, or modify Tenant's waiver, indemnifications and other obligations or to limit in any way Tenant's liability under this Lease. In addition to the requirements set forth in Subparagraph 1, each insurance company issuing one or more policies of insurance Tenant is required to carry under this SECTION FOURTEEN must have a rating of no less than A: VIII in the current Best's Insurance Guide or A: [number of rating] in the current Standard and Poor Insurance Solvency Review and must be admitted to engage in the business of insurance in [name of state]. The insurance Tenant is required to carry under this Lease must be primary insurance for all claims under such insurance and must provide that any insurance carried by the Landlord Parties is strictly excess, secondary, and noncontributing with any insurance carried by Tenant. The insurance Tenant is required to carry under this Lease must provide that it cannot be canceled, not renewed, or be subject to a change in coverage or limits of coverage except after [number of days] days' prior written notice to Landlord and Landlord's lenders. Tenant is permitted to provide its insurance through a blanket policy as long as Tenant, at Tenant's sole cost and expense, procures a “per location” endorsement or an equivalent reasonably acceptable to Landlord.
- (f) Tenant must deliver to Landlord adequate proof that Tenant is carrying the type and amount of insurance coverage required by this Lease before Tenant enters onto the Property and at any time (but no more than twice per year) upon request from Landlord. Additionally, Tenant must deliver to Landlord, no less than [number of days] days before the expiration date of any policy, adequate proof that Tenant has obtained renewal or replacement coverage for at least one year immediately following such expiration.

**14. Arbitration and Waiver of Jury Trial.**

If a dispute arises between the Parties it shall be resolved by arbitration conducted by the American Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as then in effect. Such arbitration shall be conducted at a location within Kern County, California agreeable to both Parties before three (3) arbitrators who shall be selected by mutual agreement of the Parties. If agreement is not reached on the selection of arbitrators within fifteen days, then each of the Parties shall select an arbitrator and the two (2) arbitrators so selected shall select a third. The provisions of the Commercial Arbitration Rules of



the American Arbitration Association shall apply and govern such arbitration except that the prevailing party shall be entitled to recover from the other party its attorney's fees and costs actually incurred in such amount as may be determined by the arbitrators.

**15. Legal Costs**

- (a) **Legal Proceedings.** If Tenant or Landlord shall be in breach or default under this Lease, such party (the "Defaulting Party") shall reimburse the other party (the "Nondefaulting Party") upon demand for any costs or expenses that the Nondefaulting Party incurs in connection with any breach or default of the Defaulting Party under this Lease, whether or not suit is commenced or judgment entered. Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights, or otherwise. Furthermore, if any action for breach of or to enforce the provisions of this Lease is commenced, the court in such action shall award to the party in whose favor a judgment is entered, a reasonable sum as attorneys' fees and costs. The losing party in such action shall pay such attorneys' fees and costs.

**16. Miscellaneous**

- (a) **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 Disability Act.
- (b) **Non-Discrimination.** Tenant promises, and it is a condition to the continuance of this Lease, that there will be no discrimination against, or segregation of, any person or group of persons on the basis of race, color, sex, creed, national origin or ancestry in the leasing, subleasing, transferring, occupancy, tenure or use of the Property or any portion thereof.
- (c) **Landlord's Liability; Certain Duties** As used in this Lease, the term "Landlord" means only the current owner of the fee title to the Property or the leasehold estate under a ground lease of the Property at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee all funds that Tenant previously paid if such funds have not yet been applied under the terms of this Lease.

- i. Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord and to any mortgagee or beneficiary under any deed of trust encumbering the Property whose name and address have been furnished to Tenant in writing. Landlord shall not be in default under this Lease unless Landlord (or such ground Landlord, mortgagee or beneficiary) fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. However, if such non-performance reasonably requires more than thirty (30) days to cure, Landlord shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.
  - ii. Notwithstanding any term or provision herein to the contrary, the liability of Landlord for the performance of its duties and obligations under this Lease is limited to Landlord's interest in the Property, and neither the Landlord nor its employees, officers, or other principals shall have any personal liability under this Lease.
- (d) **Severability.** A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.
- (e) **Interpretation.** The captions of the sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine, and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, successors, or others using the Property with Tenant's expressed or implied permission.
- (f) **Incorporation of Prior Agreements; Modifications.** This Lease is the only agreement between the Parties pertaining to the lease of the Property and no other agreements are effective. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.
- (g) **Notices.** All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid. All notices shall be effective upon delivery. Either party may change its notice address upon written notice to the other party. Notices to Tenant and Landlord shall be delivered to the address specified in above. Notices given pursuant to the provisions of this Lease, or necessary to carry out its provisions, shall be in writing and delivered personally to the person to whom the notice is to be given, or mailed postage

prepaid, addressed to such person. Landlord's and Tenant's address for this purpose shall be:

Landlord: East Kern Health Care District  
c/o General Manager  
[address]  
[city, state, zip]  
[phone]

Tenant: [name]  
[address]  
[city, state, zip]  
[phone]

- (h) **Waivers.** All waivers must be in writing and signed by the waiving party.
- (i) **Joint and Several Liability.** All parties signing this Lease as Tenant shall be jointly and severally liable for all obligations of Tenant.
- (j) **Force Majeure.** If Landlord cannot perform any of its obligations due to events beyond Landlord's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Landlord's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood, or other casualty, shortages of labor or material, government regulation or restriction, and weather conditions.
- (k) **Execution of Lease.** This Lease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. Landlord's delivery of this Lease to Tenant shall not be deemed to be an offer to lease and shall not be binding upon either party until executed and delivered by both parties.
- (l) **Survival.** All representations and warranties of Landlord and Tenant shall survive the termination of this Lease.

*(signature page following)*

**THE PARTIES HAVE CAUSED THIS LEASE AND AGREEMENT TO BE EXECUTED AS OF THE DATE FIRST WRITTEN ABOVE.**

Landlord and Tenant have signed this Lease at the place and on the dates specified adjacent to their signatures below.

[NAME]  
Executed By:

[NAME]  
Executed By:

\_\_\_\_\_  
[name], [title]

\_\_\_\_\_  
[name], [title]

Attested By:

\_\_\_\_\_  
Secretary

Approved as to Form by:

\_\_\_\_\_  
District Counsel



## Cancer Walk Report 8/31/2023

- Establish Sponsor letters and get out by Sept. 8, 2023 to retain sponsors for the cancer walk.
- Once a sponsor is retained, order the Bags & Shirts for the cancer walk & committee by Sept. 15, 2023.
- Market the cancer walk once sponsors are retained within the community for teams and patrons to pre-register.
- Collaborating on additional fundraising ideas within the walk.
- LaMiya to follow up with our local health departments for swag bag items.
- Establishing flyers and updating website for T-shirt orders for Committee and teams.