

www.tricitymhs.org

Tri-City Mental Health Authority
Administration Office
1717 North Indian Hill Boulevard, Suite B,
Claremont, CA 91711-2788
909.623.6131 p / 909.623.4073 f

Founded by Pomona, Claremont, and La Verne
in 1960



Robin Carder (La Verne), Chair
Jed Leano (Claremont), Vice-Chair
Carolyn Cockrell (La Verne), Board Member
Paula Lantz (Pomona), Board Member
John Nolte (Pomona), Board Member
Elizabeth Ontiveros-Cole (Pomona), Board Member
Ronald T. Vera (Claremont), Board Member

GOVERNING BOARD AGENDA

WEDNESDAY, JANUARY 19, 2022

5:00 P.M.

MEETING LOCATION

There will be no in-person public meeting location. On September 16, 2021, the Legislature amended the Brown Act provisions regarding teleconferencing through Assembly Bill No. 361, codified under Government Code § 54953. Accordingly, the Governing Board will hold this public meeting via teleconference and the public seeking to observe and to address the Governing Board may participate telephonically or otherwise electronically.

Please click the link below to join the meeting:

<https://tricitymhs-org.zoom.us/j/99681287794?pwd=b2NFU0VRb28zQkxmT2lzenVFQnU4QT09>

Passcode: @?7bcTLW

Or Telephone: 1-213-338-8477

Webinar ID: 996 8128 7794

Passcode: 15811051

Public Participation. Section 54954.3 of the Brown Act provides an opportunity for members of the public to address the Governing Board on any item of interest to the public, before or during the consideration of the item, that is within the subject matter jurisdiction of the Governing Board. Therefore, members of the public are invited to speak on any matter on or off the agenda.

The public can make a comment during the meeting by using the 'raised hand' feature, or by calling in, if they wish to address a particular agenda item or to make a general comment on a matter within the subject matter jurisdiction of the Governing Board. The Chair will call on the member of the public at the appropriate time and allow the person to provide live comment. The public can also submit a comment by writing an email to molmos@tricitymhs.org. All email messages received by 3:30 p.m. will be shared with the Governing Board before the meeting. No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by Tri-City Mental Health Authority to all or a majority of the Tri-City Governing Board less than 72 hours prior to this meeting, are available for public inspection at <http://www.tricitymhs.org>

CALL TO ORDER

Chair Carder calls the meeting to Order.

ROLL CALL

Board Member Cockrell, Board Member Lantz, Board Member Nolte, Board Member Ontiveros-Cole, and Board Member Vera; Vice-Chair Leano; and Chair Carder.

POSTING OF AGENDA

The Agenda is posted 72 hours prior to each meeting on the Tri-City's website: <http://www.tricitymhs.org>

CONSENT CALENDAR

1. CONSIDERATION OF RESOLUTION NO. 631 AUTHORIZING THE IMPLEMENTATION OF TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER GOVERNMENT CODE SECTION 54953 (AB 361)

Recommendation: “A motion to adopt Resolution No. 631 finding and declaring that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Executive Director, or her designee, to continue utilizing teleconferencing accessibility to conduct the Authority’s public meetings pursuant to Government Code § 54953.”

2. APPROVAL OF MINUTES OF THE GOVERNING BOARD AND MENTAL HEALTH COMMISSION JOINT MEETING OF DECEMBER 15, 2022

Recommendation: “A motion to approve the Minutes of the Governing Board and Mental Health Commission Regular Joint Meeting of December 15, 2022.”

3. APPROVAL OF MINUTES FROM THE JANUARY 12, 2022 GOVERNING BOARD SPECIAL MEETING

Recommendation: “A motion to approve the Minutes of the Governing Board Special Meeting of January 12, 2022.”

4. APPROVAL FOR THE DISPOSAL OF OBSOLETE OR DAMAGED I.T. EQUIPMENT

Recommendation: “A motion to approve the disposal of the obsolete and damaged I.T. equipment as listed on the I.T. Equipment List for Disposal-January 2022.”

NEW BUSINESS**5. ELECTION OF OFFICERS FOR THE 2022 CALENDAR YEAR AS REQUIRED BY THE JOINT POWERS AGREEMENT BETWEEN THE CITIES OF POMONA, CLAREMONT, AND LA VERNE**

Recommendation: “That the Governing Board considers the election or re-election of a chairperson and vice chairperson.”

6. EXECUTIVE DIRECTOR RECRUITMENT UPDATE

Recommendation: “To receive and file.”

7. CONSIDERATION OF RESOLUTION NO. 632 APPROVING A PRACTICUM SITE (AFFILIATION) AGREEMENT FOR STUDENT INTERNSHIPS WITH THE CALIFORNIA BAPTIST UNIVERSITY (CBU) THROUGH ITS DEPARTMENT OF SOCIAL WORK, AND AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

Recommendation: “A motion to adopt Resolution No. 632 approving a Practicum Site (Affiliation) Agreement with the California Baptist University, and authorizing the Interim Executive Director to execute the agreement and any amendments thereafter.”

8. CONSIDERATION OF RESOLUTION NO. 633 AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH 1900 ROYALTY DRIVE, LLC FOR OFFICE SPACE LOCATED AT 1900 ROYALTY DRIVE, SUITE 200, IN POMONA, CALIFORNIA

Recommendation: “Staff recommends that the Governing Board adopt Resolution No. 633 approving the Lease Agreement for suite 200 located at 1900 Royalty Drive in Pomona, CA; and authorizing the Interim Executive Director to negotiate and execute the Lease Agreement and any Amendments thereafter.”

9. CONSIDERATION OF RESOLUTION NO. 634 AUTHORIZING THE AUTHORITY TO ENTER INTO A PARTICIPATION AGREEMENT WITH THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (CalMHSA) TO PARTICIPATE IN THE PEER SUPPORT SPECIALIST CERTIFICATION PROGRAM AND AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

Recommendation: “A motion to adopt Resolution No. 634 authorizing the Authority to enter into a Participation Agreement with CalMHSA to participate in the Peer Support Specialist Certification Program; and authorizing the Interim Executive Director to execute the Agreement and any Amendments thereafter.”

MONTHLY STAFF REPORTS

10. **JESSE DUFF, INTERIM EXECUTIVE DIRECTOR REPORT**
11. **DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT**
12. **LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT**
13. **SEYAM TEIMOORI, MEDICAL DIRECTOR REPORT**
14. **RIMMI HUNDAL, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT**
15. **NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT**
16. **KEN RIOMALES, CHIEF INFORMATION OFFICER REPORT**

Recommendation: “A motion to receive and file the month of January staff reports.”

GOVERNING BOARD COMMENTS

Members of the Governing Board may make brief comments or request information about mental health needs, services, facilities, or special problems that may need to be placed on a future Governing Board Agenda.

PUBLIC COMMENT

The public can make a comment during the open meeting by using the ‘raised hand’ feature, or by calling-in, if they wish to make a general comment on a matter within the subject matter jurisdiction of the Governing Board. The public can also make a comment before the meeting by writing an email to molmos@tricitymhs.org. All emails received by 3:30 p.m. will be shared with the Governing Board before the meeting. No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

ADJOURNMENT

The next Regular Meeting of the **Governing Board** will be held on **Wednesday, February 16, 2022 at 5:00 p.m.**, via teleconference due to the COVID-19 pandemic, pursuant to Government Code § 54953.

MICAELA P. OLMOS
JPA ADMINISTRATOR/CLERK



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Jesse H. Duff, Interim Executive Director

BY: Mica Olmos, JPA Administrator/Clerk

SUBJECT: Consideration of Resolution No. 631 Authorizing the Implementation of Teleconferencing Requirements during a Proclaimed State of Emergency Under Government Code Section 54953 (AB 361)

Summary:

On September 16, 2021, the Legislature amended the Brown Act waiving certain provisions regarding teleconferencing through Assembly Bill No. 361 (AB 361.) Accordingly, public agencies are authorized to hold its public meetings via teleconference under a proclaimed state of emergency which makes it unsafe to meet in person, provided that it allows the public, seeking to observe and to address the legislative body, to participate in real time telephonically or an internet-based service option during a virtual meeting; and the legislative body makes additional findings every 30 days in order to continue such teleconferencing pursuant to AB 361.

Background:

The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that any person may attend and participate in such meetings; and allows for legislative bodies to hold meetings by teleconference, but imposes the following requirements for doing so:

1. The public agency must give notice of each teleconference location from which a member will be participating in a public meeting.
2. Each teleconference location must be specifically identified in the meeting notice and agenda, including full address and room number.
3. Each teleconference location must be accessible to the public.
4. Members of the public must be able to address the body at each teleconference location.

On March 17, 2020, Governor Newsom issued Executive Order No. N-29-20, suspending the Brown Act's teleconferencing requirements (enumerated above) in order to address the need for public meetings during the present public health emergency (COVID-19) and allow legislative bodies to meet virtually as long as certain notice and accessibility requirements were met; and on June 11, 2021, Governor Newsom issued Executive Order No. N-8-21 continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021.

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 631 Authorizing the Implementation of Teleconferencing Requirements during a Proclaimed State of Emergency Under Government Code Section 54953 (AB 361)
January 19, 2022
Page 2

On September 16, 2021, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361), codified under Government Code § 54953, waiving certain provisions of the Brown Act in order to allow local agencies to continue to meet using teleconferencing without complying with the regular teleconferencing requirements of the Brown Act when a legislative body holds a meeting during a proclaimed state of emergency and it unsafe to meet in person.

In addition, Government Code section 54953 adds new procedures and clarifies the requirements for conducting remote (virtual) meetings, including the following:

- Public Comment Opportunities in Real Time – a legislative body that meets remotely pursuant to AB 361, must allow members of the public to access the meeting via a call-in option or an internet-based service option, and the agenda for the remote meeting must provide an opportunity for members of the public to directly address the body in real time. A legislative body cannot require public comments to be submitted in advance of the meeting.
- No Action During Disruptions – in the event of a disruption that prevents the local agency from broadcasting the remote meeting, or in the event of a disruption within the local agency’s control that prevents members of the public from offering public comments using the call-in option or internet-based service option, AB 361 prohibits the legislative body from taking any further action on items appearing on the meeting agenda until public access is restored.
- Periodic Findings – Government Code § 54953(e)(B) requires the legislative body to hold a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risk to the health or safety of attendees.

The Governing Board must make these findings no later than 30 days after the first teleconferenced meeting is held after September 30, 2021, and must also make these findings every 30 days thereafter, in order to continue to allow teleconference accessibility for conducting public meetings (Government Code § 54953(e)(3).) AB 361 will sunset on January 1, 2024.

Tri-City Mental Health Authority (TCMHA) has already implemented the above stated requirements for conducting public meetings and is in compliance with AB 361, thus there will be no change of the currently established procedures. Teleconference accessibility is available via call-in option or through via RingCentral Webinars platform (internet-based service option) and both the telephone number and meeting link are listed on the published agenda for each meeting as well as on TCMHA’s website.

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 631 Authorizing the Implementation of Teleconferencing Requirements during a Proclaimed State of Emergency Under Government Code Section 54953 (AB 361)
January 19, 2022
Page 3

The JPA Administrator/Clerk monitors public comment submitted via email correspondence (as published on the agenda); and designated staff monitors comment via teleconference throughout each public meeting and provides access for public comment opportunities in real time both verbally (via call-in or by using the 'raised hand' feature) and in writing (in the 'chat' option.)

Funding:

None required.

Recommendation:

Staff recommends that the Governing Board approve and adopt Resolution No. 631 finding and declaring that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Interim Executive Director, or his designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953.

Attachments:

Attachment 1-A: Resolution No. 631 - DRAFT

RESOLUTION NO. 631

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO IMPLEMENT TELECONFERENCING REQUIREMENTS FOR CONDUCTING PUBLIC MEETINGS DURING A PROCLAIMED STATE OF EMERGENCY PURSUANT TO GOVERNMENT CODE SECTION 54953 (AB 361)

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. **Findings.** The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority” or “TCMHA”) wishes to continue using teleconferencing to conduct public meetings as allowed under Government Code § 54953, since a state of emergency as a result of the threat of COVID-19 still exists and continues to impact the ability of members of the Governing Board, Mental Health Commission, Tri-City staff, and public to meet safely in person.

B. The State of California and the Authority continue to follow safety measures in response to COVID-19 as ordered or recommended by the Centers for Disease Control and Prevention (CDC), California Department of Public Health (DPH), California Occupational Safety and Health Administration (Cal/OSHA), and/or County of Los Angeles, as applicable, including facial coverings when required and social distancing.

C. The Authority will make these findings every 30 days in order to continue such teleconferencing pursuant to Government Code § 54953 (AB 361), which will sunset on January 1, 2024.

D. The Interim Executive Director or his designee, are authorized to continue utilizing teleconferencing accessibility to conduct public meetings, and implement teleconference requirements in compliance with AB 361 (Stats. 2021, ch. 165) and Government Code § 54953 (as amended), effective immediately.

2. **Action**

The Governing Board finds and declares that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Interim Executive Director, or his designee, to continue utilizing teleconferencing accessibility to conduct the Authority’s public meetings pursuant to Government Code § 54953.

[Continued on page 2]

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on January 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By: _____

By: _____

DRAFT



MINUTES

GOVERNING BOARD / MENTAL HEALTH COMMISSION REGULAR JOINT MEETING

DECEMBER 15, 2021 – 5:00 P.M.

The Governing Board and the Mental Health Commission held on Wednesday, December 15, 2021 at 5:03 p.m. its Regular Joint Meeting Via Teleconference pursuant to Government Code § 54953, which allows the continuation to hold meetings without gathering in a room in an effort to minimize the spread and mitigate the effects of COVID-19 (Corona Virus Disease of 2019).

CALL TO ORDER Chair Carder called the meeting to order at 5:00 p.m.

ROLL CALL Roll call was taken by JPA Administrator/Clerk Olmos.

GOVERNING BOARD

PRESENT: Robin Carder, City of La Verne, Chair
Jed Leano, City of Claremont, Vice-Chair
Carolyn Cockrell, City of La Verne, Board Member (joined at 5:08 pm)
Paula Lantz, City of Pomona, Board Member
John Nolte, City of Pomona, Board Member (joined at 5:36 p.m.)
Elizabeth Ontiveros-Cole, City of Pomona, Board Member
Ronald T. Vera, City of Claremont, Board Member
Benita DeFrank, City of Pomona, Alternate Board Member

ABSENT: None.

MENTAL HEALTH COMMISSION

PRESENT: Anne Henderson, Chair (joined at 5:10 p.m.)
Wray Ryback, Vice-Chair (joined at 5:13 p.m.)
Carolyn Cockrell, GB Member Liaison (joined at 5:08 pm)
Clarence D. Cernal (joined at 5:23 p.m.)
Joan M. Reyes
Twila L. Stephens
Alfonso "Al" Villanueva (joined at 5:15 p.m.)
Toni L. Watson

ABSENT: Isabella A. Chavez
Nichole Perry
David J. Weldon

STAFF: Jesse Duff, Interim Executive Director
Darold Pieper, General Counsel
Diana Acosta, Chief Financial Officer
Liz Renteria, Chief Clinical Officer
Seeyam Teimoori, Medical Director
Rimmi Hundal, Director of MHSA & Ethnic Services
Natalie Majors-Stewart, Chief Compliance Officer
Ken Riomales, Chief Information Officer
Kitha Torregano, HR Manager
Mica Olmos, JPA Administrator/Clerk

Chair Carder made announcement regarding how the public can participate and provide live comment during the meeting in compliance with AB 361.

At 5:08 p.m. Board Member Carolyn Cockrell joined the meeting.

PRESENTATIONS

1. AWARD OF RECOGNITION TO ANTONETTE NAVARRO, FOR HER 13 YEARS OF LEADERSHIP AND DEDICATED SERVICE TO TRI-CITY SINCE 2008

Chair Carder expressed appreciation for the years that she had worked with former Executive Director Toni Navarro; shared a story when they met 13 years ago and noted that her leadership has been wonderful guiding Tri-City through so much; that it is hard to be in charge, but Ms. Navarro had the stability to handle all circumstances; and expressed admiration for everything she had done, such getting Tri-City out of bankruptcy, that we are moving forward with so many different projects which is really impressive; she then shared a few of Ms. Navarro's most notable accomplishments during her career at Tri-City: 1) established Tri-City's original Top 10 Values that served to organize the agency staff and community around a central mission and set tone for vision and transformation forward; 2) identified quality assurance needs and gaps then recruited and implemented quality assurance/best practices department that resulted in billing system transformation that corrected significant payment distribution delays and improved cash flow and led to reduction of disqualified claims due to documentation errors from 50% to less than 6% in first 2.5 years; 3) reorganized clinical services infrastructure and created and implemented Full Service Partnerships, Field- Capable Services for Seniors and Supplemental Crisis program to serve more people; which significantly contributed to Tri-City being able to fully resolve its bankruptcy in 2021; 4) had the vision and oversaw initial implementation of the Therapeutic Community Garden (TCG); 5) established Pomona's Promise Health Access Committee in October 2020; and 6) established the partnership with LA County Public Health Dept. Pomona Center and created a colocation of Tri-City staff in what is called Pomona Wellness Complex to expand prevention and early intervention services to persons/families at risk of or experiencing co-occurring disorders.

At 5:10 p.m., Commission Chair Anne Henderson joined the meeting.

Vice-Chair Leano then presented to Ms. Navarro and plaque which read: "*The Governing Board of Tri-City Mental Health Authority wish to express their appreciation to Antonette (Toni) Navarro, Executive Director for her 13 years of dedicated service to the residents of the Cities of Pomona, Claremont, and La Verne, from August 18, 2008 – December 7, 2021*"

At 5:13 p.m., Vice-Chair Wray Ryback joined the meeting.

Former Executive Director Navarro thanked the Board for the plaque and shared a Certificate of Recognition presented to her by Mayor Jed Leano (Tri-City's Vice-Chair of the Governing Board) on behalf of the City of Claremont which stated that it was presented "*in recognition and appreciation of her dedicated service and significant contributions throughout the years as Executive Director for Tri-City, and that the Claremont community wished her all the best with her future endeavors*"; she then expressed appreciation for Jed Leano and the City of Claremont, noting that both plaque and proclamation are proudly displayed in her new office.

At 5:15 p.m., Commissioner Al Villanueva joined the meeting.

Board Member Vera said that he had mentioned at the last meeting about the great job that Ms. Navarro has done; that he happened to stop by when Jed Leano was presenting the City of Claremont Certificate of Recognition, and at that time he wished her well; and again, it is hard to believe she is in Santa Barbara so quickly and that he is looking forward to working with her again, somehow.

Commissioner Watson expressed gratitude for Ms. Navarro' encouragement through her personal journey of getting to good mental health; and that she will do great things as she did great things at Tri-City.

Former Executive Director Navarro expressed gratitude for all the learning she gained from all commissioners and board members, and of a lot of different ways; that all of them were her mentors, guides, and teachers; that it is been comforting to know, as she sits in many meetings in Santa Barbara, that what they are doing and talking about rhymes and resonates with things that we have already done, or are in the process of implementing at Tri-City, noting that it feels really wonderful and it makes her feel comfortable and exciting to see just how incredible and successful they are at Tri-City; and that she really believes that over the next few years Tri-City is going to be a model for Cal-Aim implementation, not just for LA County region but for the state because Tri-City is uniquely positioned as an agency to do that; and expressed excitement for seeing staff present at state conferences about all the great things Tri-City is doing.

Chief Financial Officer Acosta shared that Tri-City is starting a new tradition of having former executive directors hand print and placed in our new TCG.

MENTAL HEALTH COMMISSION

2. APPROVAL OF MINUTES – MENTAL HEALTH COMMISSION REGULAR MEETING OF NOVEMBER 9, 2021

Commissioner Watson moved, and Commissioner Reyes seconded, to approve the Minutes of the November 9, 2021 Mental Health Commission Regular Meeting.

Chair Henderson opened the meeting for public comment; and there was no public comment.

There being no comment, the motion was carried by the following vote: AYES: Board Member Liaison Cockrell; Commissioners Reyes, Villanueva, and Watson; and Vice-Chair Ryback. NOES: None. ABSTAIN: Commissioner Stephens; and Chair Henderson. ABSENT: Commissioners Cernal, Chavez, Perry, and Weldon.

At 5:23 p.m., Commissioner Clarence Cernal joined the meeting.

3. “RECOVERY MOMENTS” STORY

Gamaliel Polanco, Wellness Center Manager, shared the story of Ben who has been participating in employment services available at the Wellness Center with the goal to obtain a full-time employment with benefits; that he was able to do so through a job fair held at the Wellness Center; and discussed Ben’s current job and the sense of pride he has for the services he provides.

Director of MHSA and Ethnic Services Hundal shared that the Wellness Center, under the leadership of Gamaliel Polanco, has a lot support groups for employment services which include conducting mock job interviews, assist in the computer lab to write and submit resumes, and provide clothing and makeup to dress for job interviews. She then recommended that the Board and the Commission visit and tour the Wellness Center.

CONSENT CALENDAR – GOVERNING BOARD

At the request of Board Member Lantz, Chair Carder pulled Agenda Item No. 4 and 6, and at the request of Board Member Vera, Chair Carder pulled Agenda Item No. 7, from Consent Calendar for discussion.

There being no further comment, Vice-Chair Leano moved, and Board Member Ontiveros-Cole seconded, to approve Consent Calendar Agenda Items Nos. 5, 8, and 9 only. The motion was carried by the following vote: AYES: Alternate Board Member DeFrank; Board Members Cockrell, Lantz, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: Board Member Nolte.

5. APPROVAL OF MINUTES FROM THE NOVEMBER 17, 2021 GOVERNING BOARD REGULAR MEETING

Recommendation: “A motion to approve the Minutes of the Governing Board Regular Meeting of November 17, 2021.”

8. CONSIDERATION OF RESOLUTION NO. 628 ADOPTING CLASSIFICATION AND SALARY SCHEDULE TO COMPLY WITH THE NEW STATE MINIMUM WAGE REQUIREMENTS EFFECTIVE JANUARY 1, 2022

Recommendation: “A motion to adopt Resolution No. 628 establishing a revised Classification and Salary Schedule for Tri-City Mental Health Authority effective January 1, 2022 to comply with the new State Minimum Wage requirements.

9. CONSIDERATION OF RESOLUTION NO. 629 ESTABLISHING CLIENT AND PARTICIPANT SERVICES AND SUPPORTS FUNDS: REQUESTS, APPROVALS, AND DISBURSEMENTS POLICY AND PROCEDURE NO. VII.9, EFFECTIVE DECEMBER 15, 2021

Recommendation: “A motion to adopt Resolution No. 629 establishing Client and Participant Services and Supports Funds: Requests, Approvals, and Disbursements Policy and Procedure No. VII.9, Effective December 15, 2021.”

NEW BUSINESS – GOVERNING BOARD

4. CONSIDERATION OF RESOLUTION NO. 625 AUTHORIZING THE IMPLEMENTATION OF TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER GOVERNMENT CODE SECTION 54953 (AB 361)

Board Member Lantz pointed out that the Governing Board meets on the third Wednesday of the month and expressed concern with Tri-City not maintaining the 30-day requirement under AB 361 to authorize conducting public meetings via teleconference, since often times there are not 30, or less days, between the Board's regularly scheduled meetings.

At 5:36 p.m., Board Member John Nolte joined the meeting.

Tri-City Counsel Pieper said that the problem stated by Board Member Lantz is very real because the legislature did not remember that there are more than 30 days in some months; that the other agencies that he is dealing with, are having actually a five-minute special meeting to bridge that gap; and that, thus far, they have not had any trouble finding a moment when they can get a quorum together for a very short five-minute meeting to pass the resolution.

Discussion ensued regarding the possibility of conducting the meetings in person again; however, government regulations regarding distancing, prevents holding the meetings in person because the agency does not have a large conference room where the Board, the Commission, staff, and the public six-feet apart from each other to comply with the distance mandate.

There being no further discussion, Vice-Chair Leano moved, and Board Member Lantz seconded, to adopt Resolution No. 625 finding and declaring that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Interim Executive Director, or his designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

6. CONSIDERATION OF RESOLUTION NO. 626 OF THE GOVERNING BOARD OF TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING ITS 2022 MEETING SCHEDULE

There being no further comment, Vice-Chair Leano moved, and Board Member Ontiveros-Cole seconded, to adopt Resolution No. 626, establishing the Governing Board & Mental Health Commission 2022 Meeting Schedule. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

7. CONSIDERATION OF RESOLUTION NO. 627 AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT ON BEHALF OF TRI-CITY A COMPETITIVE FUNDS ROUND 4 APPLICATION TO PARTICIPATE IN THE NO PLACE LIKE HOME (NPLH) PROGRAM

Board Member Vera stated that he recalls the Governing Board approving a resolution last year to provide some monies to this project; and it appears that in addition to what we have approved, plus this that we're going to put in, it is now close to \$5 million to this project.

Interim Executive Director Duff explained that the Governing Board had authorized staff in December of 2020 to submit an application for round 3 competitive funds, and we were not successful, thus, we never received round three money; and that this application is for round 4.

Discussion ensued about non-competitive funds under NPLH available to Tri-City have been allocated to the Claremont project; and that these competitive funds will be for a different project.

Board Member Vera referred to the amount that we may be entitled under the competitive allocation which is approximately \$2.4 million, and inquired the reason that other counties with similar population to Tri-City are going to receive more money than what Tri-City is entitled to, noting that the funding is based on what they call PIT counts.

Interim Executive Director Duff explained that PIT is Point In Time, which refers to a homeless count conducted annually in December; that the formula is based on these numbers; and that Tri-City's was lower than the other counties with similar populations, which affects the amount that Tri-City is entitled to.

There being no further comment, Board Member Vera moved, and Vice-Chair Leano seconded, to authorize Tri-City to partner with the Cesar Chavez Foundation for 8 units of permanent supportive housing in the West End Village Housing Project; and adopt Resolution No. 627 authorizing the Executive Director to file on behalf of Tri-City a NPLH Competitive Allocation Round 4 Application for an amount not to exceed \$2,455,488. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

10. REVIEW OF THE ISSUANCE OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2021

Chief Financial Officer Acosta apologized for the late submittal of the audited financial statements noting that there were some unexpected circumstances; however, staff was able to get them finalized for tonight's meeting for the Board to receive the file.

Phillip White, partner with Eide Bailly, LLP, the external auditors, indicated that the Board has received two different items related to the audit for the year ended June 30 2021, and referred to the governance letter, which includes a summary of the significant aspects of the audit of the financial statements. He explained that the letter starts with the auditors responsibility in relation to the financial statement audit, and what their role is, which is to express an opinion on the presentation of Tri-City's financial statements; that they consider the internal controls of the agency in order to design their audit procedures; that county estimates are included in the financial statements; that the most significant estimates deals with the pension amounts that are included; that their role regarding those estimates is to consider the inputs to arrive at those balances, and they were able to determine that those estimates are reasonable based on the known information at the time; that there are some footnotes that are significant, noting that one that has been in there awhile deals with the bankruptcy which is finally gone to zero; however, that the Board will not see that footnote in the financial statements next year at all. He also reported that they did not have any significant difficulties in completing their procedures; that they did not have disagreements with management concerning financial matters as they went through the process; and that they were also able to obtain a list of representations from management to close out the audit.

He then referred to the financial statements and pointed out that there are two deliverables that the Board has from the external auditors: 1) the independent auditor's report based on their audit of the financial statements, which is indicative of an unmodified audit opinion or a clean audit opinion, meaning that the different financial statements that are included, the balance sheet, the income statement, the statement of cash flows, and the related notes, are all fairly presented in accordance with GASP (Governmental Accounting Standards Board); and that under in the assets section of the balance sheet, there are notes receivables, liabilities, footnotes, and the change in net position there was a positive \$3.1 billion for the entire year ending June 30 2021. He then expressed excitement to see that the bankruptcy liabilities are zero. He then referred to the second deliverable, their report on internal control and compliance, and under the caption internal control over financial reporting, there were no instances of significant deficiencies, or material weaknesses, in internal control that were identified during the audit; that there were no instances of non-compliance identified through the audit this year.

Chief Financial Officer Acosta thanked Mr. White for his presentation, noting that the payoff of the bankruptcy was a huge accomplishment, as well as the subsequent event footnote of having the mortgage paid off shortly after, which it will also be off of our books next year.

There being no further discussion, Board Member Nolte moved, and Vice-Chair Leano seconded, to accept and file the final issued audited Financial Statements for Fiscal Year ended June 30, 2021. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

11. TCMHA EXECUTIVE DIRECTOR RECRUITMENT UPDATE AND TIMELINE

Kitha Torregano, HR Manager, reported that at the last governing board meeting in November the Governing Board appointed an AdHoc Committee to review and select a recruiting firm to assist with recruitment process of a new executive director; that on December 1st she met with the AdHoc Committee to review the top three recruiting firms and they decided on Wendy Brown Creative partners, and discussed their qualifications, noting that Wendi Brown is available during the timeline that we need; that her proposal includes a timeline of a 3-month recruitment process, with a 24-month guarantee; meaning, if the candidate leaves the agency before that 24-month deadline, she will perform all the same recruiting services all over again free of charge.

Vice-Chair Leano thanked HR Manager Torregano and the entire staff for coordinating the AdHoc Committee, noting that the meetings were very efficient and swift; that they have heard from their colleagues on the Governing Board that experience in behavioral health was a real priority; and explained the particulars that helped the AdHoc Committee decide on recommending Wendi Brown to the Board.

Agency Counsel Pieper indicated that normally a contract of this size would be returned to the Board, and in this case in January; and inquired whether the AdHoc Committee is approving going ahead to negotiate and bring a contract back in January, or if they were anticipating that we would execute a contract based on this recommendation, even though it would normally exceed the authority of the executive director.

Discussion ensued regarding whether or not moving forward with authorizing the executive director to execute the agreement with Wendi Brown Creative Partners, and not wait until January.

There being no further discussion, Board Member Vera moved, and Vice-Chair Leano seconded, to acquire the services of Wendi Brown, of Wendi Brown Creative Partners, and authorize the Interim Executive Director to execute the agreement, to conduct the Executive Director recruitment. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

MONTHLY STAFF REPORTS

12. JESSE DUFF, INTERIM EXECUTIVE DIRECTOR REPORT

Interim Executive Director Duff provided an update on the onsite work requirement at Tri-City, indicating that staff was coming one day a week on site for some period of time, and in October, it was increased to two days on site; that the intention was to move to three days on site in early January; however, with the spread of the new COVID variant and per the direction from the state and other organizations, we are going to stay with the two days, and postpone the three days in the spring.

13. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

Chief Financial Officer Acosta announced that the finance team is gearing up for the next season of preparing Tri-City's annual operating budget, noting that they will be heavily involved with that the first quarter of the year.

Board Member Vera inquired if there was any information from the state in terms of the allocation of MHSA dollars and whether it is going to change in any significant way for Tri-City. Chief Financial Officer Acosta replied that staff are still hearing to expect a decline in MHSA revenues in 2023; however, so far Tri-City has actually been receiving funds slightly higher, and sometimes increasingly higher, than we originally expected; and indicated that staff continues to monitor closely the revenues that are coming in.

14. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

Chief Clinical Officer Renteria stated that the issues that we are discussing in the clinical department are optimistic and hopeful, and pointed out that a current staff member has been promoted to be the new program manager and will start January 24th overseeing the adult program services, noting that she is very pleased that we were able to do this. She then discussed creating a pathway internally for staff members to promote within the agency and get the appropriate training so that we can continue to provide services in a more timely manner and retain our clinicians and other staff members.

15. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

Medical Director Teimoori was absent and no report was presented.

16. RIMMI HUNDAL, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

Director of MHSA & Ethnic Services Hundal reported that this is the time of the year when staff is starting to work in collecting data for the MHSA Plan Update for 2022-23; and encouraged the Commission and Board to become a stakeholders.

She then indicated that staff continue to do trainings based on the community needs and requests, and discussed webinars that were hosted. She then announced that the Wellness Center will be doing a tree lighting event on Friday at 3:30 p.m.; that staff is collecting ideas for the next Innovations Plan and invited those who have ideas to share, to attend tomorrow's meeting from 5:00 p.m. - 6:00 p.m.

Board Member Vera stated that it was his understanding that that one of the innovation projects that Tri-City had was rejected by the department. Director of MHSA and Ethnic Services Hundal replied in the affirmative and added that the money reverted back to the state; and that we are in the next cycle. Board Member Vera indicated that perhaps she can send out a note to the Board Members regarding what has been discussed and what the Board can provide in the way of innovative ideas that might be considered worthy projects. Director of MHSA and Ethnic Services Hundal indicated that a survey is on Tri-City's website to collect ideas, and explained that the innovation project has to have a mental health piece and a learned edge to it (research focused). Board Member Vera further inquired how much money is eligible for this innovation project. Director of MHSA and Ethnic Services Hundal replied approximately \$500,000.

17. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

Chief Compliance Officer Majors-Stewart reported that staff is continuing to prepare for the January 2022 implementation of the revised criteria for accessing the Service Delivery System, which is basically the new language for medical necessity criteria for specialty mental health services. She explained that the new set of access criteria will broaden the eligibility parameters for clients seeking services with Tri-City and across the state of California; that the new criteria will create some changes with our current evaluation process, and it could increase the number of clients that will be enrolled in services and that we end up retaining and clinical services, noting that the implementation plan is on target to implement in January, and the impact of the implementation will be monitored and any plan adjustments will be made as needed.

18. KEN RIOMALES, CHIEF INFORMATION OFFICER REPORT

Chief Information Officer Riomales reported that staff is currently on track to still go live in June of 2022 with the Cerner project, which will be ongoing between now and then for the agency and for the team that is working on that project. He then stated that IT received approximately 2615 support tickets requests, which are the measurement of how much need there is the agency relative to technical support in operations for the past year to date; that they are averaging about 259 tickets per month and this represents approximately 25% increase in the need for the agency for the last three months that coincides with staff coming back into the office. He stated that the agency is very productive and there is a constant need for IT support; that they are doing their best to meet the need; and that they are still in the process of looking for an additional resource to add to the IT team to assist with that.

There being no further comment, Vice-Chair Leano moved, and Board Member Cockrell seconded, to receive and file the month of December staff reports. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Nolte, Ontiveros-Cole, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: None.

GOVERNING BOARD / MENTAL HEALTH COMMISSION COMMENTS

Commissioner Watson reported that she facilitates a support group through the phone; that she also facilitates a creative writing group at the Wellness Center, and noted that attendance was at its maximum the last couple of times; that she was thrilled that they are able to meet in person; and that people seem like they are very eager as well to meet in person.

Chair Carder concurred with Commissioner Watson's comment, noting that people are eager to get out and see one another, but in a safe way to do it; and said that she heals quickly, and thanked her for joining the meeting today.

Commissioner Villanueva shared that he participates on the Monday DRA group and stated that there is a preponderance of approximately 40% of group participants who do not have transportation, and he was asked to express a request to continue with the teleconferencing because it is very convenient for the people who do not have cars to participate in these meetings.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

At 6:33 p.m., on consensus of the Governing Board and Mental Health Commission, its Joint Meeting of December 15, 2021 was adjourned. The next Regular Meeting of the Mental Health Commission will be held on Tuesday, January 11, 2022 at 3:30 p.m. via teleconference due to the COVID-19 pandemic, pursuant to Government Code § 54953. The next Regular Meeting of the Governing Board will be held on Wednesday, January 19, 2022 at 5:00 p.m., via teleconference due to the COVID-19 pandemic, pursuant to Government Code § 54953.

Micaela P. Olmos, JPA Administrator/Clerk



MINUTES

SPECIAL MEETING OF THE GOVERNING BOARD JANUARY 12, 2022 – 5:00 P.M.

The Governing Board held on Wednesday, January 12, 2022 at 5:02 p.m. a Special Meeting Via Teleconference pursuant to Government Code § 54953, which allows the continuation to hold meetings without gathering in a room in an effort to minimize the spread and mitigate the effects of COVID-19 (Corona Virus Disease of 2019).

CALL TO ORDER Chair Carder called the meeting to order at 5:02 p.m.

ROLL CALL Roll call was taken by JPA Administrator/Clerk Olmos.

GOVERNING BOARD

PRESENT: Robin Carder, City of La Verne, Chair
Jed Leano, City of Claremont, Vice-Chair
Carolyn Cockrell, City of La Verne, Board Member
Paula Lantz, City of Pomona, Board Member
Ronald T. Vera, City of Claremont, Board Member
Benita DeFrank, City of Pomona, Alternate Board Member

ABSENT: John Nolte, City of Pomona, Board Member
Elizabeth Ontiveros-Cole, City of Pomona, Board Member

STAFF: Darold Pieper, General Counsel
Mica Olmos, JPA Administrator/Clerk

PUBLIC COMMENT

There was no public comment.

NEW BUSINESS

- 1. CONSIDERATION OF RESOLUTION NO. 630 AUTHORIZING THE IMPLEMENTATION OF TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER GOVERNMENT CODE SECTION 54953 (AB 361)**

There being no discussion, Board Member Vera moved, and Board Member Cockrell seconded, to adopt Resolution No. 630 finding and declaring that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Interim Executive Director, or his designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953. The motion was carried by the following vote: AYES: Alternate Board Member DeFrank; Board Members Cockrell, Lantz, and Vera; Vice-Chair Leano; and Chair Carder. NOES: None. ABSTAIN: None. ABSENT: Board Members Nolte and Ontiveros-Cole.

AGENDA ITEM NO. 3

GOVERNING BOARD COMMENTS

Board Member Vera directed his comment to Tri-City's general counsel, stating that he wanted assurances that we are going to be on track to hire an executive director and requested that the topic and the timeline be added to the agenda for the Board's next regular board meeting.

Vice-Chair Leano shared that he, and Board Member Vera, will be doing some public engagement to hear what their City representatives and their City stakeholders are interested in having in the executive director role; that he would be happy to share that platform and that information on how they will be conducting that public engagement piece in the event any of the other cities are also interested in doing this; and that he is also interested in getting information, at our upcoming board meeting, about where we are in the recruitment process to ensure that we are maintaining the benchmarks that we had discussed when we undertook the process of hiring a recruiter.

Board Member Lantz stated that she thought we were having a meeting last Monday with Wendy Brown but it was canceled because the meeting had not been properly noticed, pointing out that there was still plenty of time to notice it from Thursday when she received the invitation to the meeting; therefore, she was confused the reason it was cancelled.

JPA Administrator/Clerk Olmos stated that the coordination of the meeting was done through the HR department; that they were not aware of the requirements under the Brown Act for the Governing Board to meet all together at once; that when she found out the meeting was taking place on Monday morning, it was already too late to notice the meeting; therefore, she notified the HR department that, unfortunately, the meeting will not be able to take place because it was not properly noticed.

Discussion ensued regarding the Brown Act's 72- hour notice requirement to hold meetings of the Governing Board; and about the possibility of inviting Wendi Brown to the next Governing Board Meeting to discuss the Executive Director recruitment.

Chair Carder requested to inquire about Wendi Brown's ability to attend the meeting; that a recruitment update be placed on the agenda; and to also place this item each month on the agenda for discussion.

ADJOURNMENT

At 5:14 p.m., on consensus of the Governing Board its Special Meeting of January 12, 2022 was adjourned. The next Regular Meeting of the Governing Board will be held on Wednesday, January 19, 2022 at 5:00 p.m., via teleconference pursuant to Government Code § 54953.

Micaela P. Olmos, JPA Administrator/Clerk



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: January 19, 2022
TO: Governing Board of Tri-City Mental Health Authority
FROM: Jesse H. Duff, Interim Executive Director
BY: Ken Riomales, Chief Information Officer
SUBJECT: Approval of the Disposal of Obsolete or Damaged I.T Equipment

Summary:

I.T. is seeking approval from the Government Board to authorize the e-Recycling of decommissioned Tri-City I.T. hardware. Please reference the attached document for a list of devices in question.

Background:

The list is comprised of end of life hardware, damaged or unusable devices, as well as items that are no longer supported by their respective manufacturer's. The recycling of these devices is needed to create more storage space for current I.T. inventory.

NOTE: All PC's e-recycling follow proper security protocol, with I.T. pulling the hard drives from the units and contacting the Tri-City partner, Iron Mountain, for proper disposal of sensitive data.

Fiscal Impact:

No fiscal impact for this request.

Recommendation:

Staff recommends that the Governing Board authorize the Interim Executive Director to e-Recycle all of the devices listed on the I.T. Equipment Disposal List – January 2022.

Attachments

Attachment 4-A: I.T. Equipment List for Disposal –January 2022

I.T. Equipment List for Disposal

January 2022

	Location	AssetTag	Serial Number	Brand	Model	Description	Functional	Notes	Dispose	Donate	Age(yrs)	Explanation
1	Royalty	03091	CNU4339J14	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
2	Royalty	02169	5CG5020HSN	HP	Elitebook 840 G1	LAPTOP	N	BROKEN	Y		6	BSOD/ Will not boot
3	Royalty	01158	CNU411CCRT	HP	Elitebook 9470M	LAPTOP	N	BROKEN	Y		7	Bad Battery
4	Royalty	01318	CNU4169NMM	HP	Elitebook 9470M	LAPTOP	N	BROKEN	Y		7	Broken Keyboard
5	Royalty	02307	5CG7263L90	HP	Elitebook 840 G3	LAPTOP	Y	Obsolete, Replaced	Y		4	Replaced with newer model
6	Royalty	02915	5CG7263L5N	HP	Elitebook 840 G3	LAPTOP	Y	Obsolete, Replaced	Y		4	Replaced with newer model
7	Royalty	01322	CNU4129Q7D	HP	Elitebook 9470M	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
8	Royalty	03104	5CG52112XS	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		6	Replaced with newer model
9	Royalty	02060	5CG436372H	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
10	Royalty	02917	CNU405B2R5	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
11	Royalty	02919	CNU350DPWX	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced with newer model
12	Royalty	01386	CND44455JQ	HP	Probook 430 G2	LAPTOP	Y	Obsolete, Replaced	Y		6	Replaced with newer model
13	Royalty	02055	CNU2529XMR	HP	Elitebook 9470M	LAPTOP	Y	Obsolete, Replaced	Y		9	Replaced with newer model
14	Royalty	02104	5CG63894GB	HP	Elitebook 840 G3	LAPTOP	N	BROKEN	Y		5	Broken Battery
15	Royalty	02992	CNU405B03Q	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
16	Royalty	03106	5CG4422567	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		6	Replaced with newer model
17	Royalty	03148	5CG5112FVW	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		6	Replaced with newer model
18	Royalty	02161	5CG4480TFQ	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
19	Royalty	01916	5CG5103SBR	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		6	Replaced with newer model
20	Royalty	02044	CNU252BJ7J	HP	Elitebook 9470M	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced with newer model
21	Royalty	02071	5CG6425CSW	HP	Elitebook 840 G3	LAPTOP	Y	Obsolete, Replaced	Y		5	Replaced with newer model
22	Royalty	03234	5CG949118N	HP	Elitebook 840 G6	LAPTOP	N	BROKEN	Y		2	Broken Webcam
23	Royalty	03012	CNU406BD1C	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
24	Royalty	03089	CNU425CQBR	HP	Elitebook 840 G1	LAPTOP	N	BROKEN	Y		7	Bad Wifi
25	Royalty	02477	5CG9255J4Q	HP	Elitebook 840 G6	LAPTOP	N	BROKEN	Y		2	Bad Motherboard, parted out
26	Royalty	01225	5CG7293TLZ	HP	Elitebook 840 G3	LAPTOP	Y	Obsolete, Replaced	Y		4	Replaced with newer model
27	Royalty	02057	5CG628478N	HP	Elitebook 840 G3	LAPTOP	Y	Obsolete, Replaced	Y		5	Replaced with newer model
28	Royalty	02073	5CG6425BXJ	HP	Elitebook 840 G3	LAPTOP	Y	Obsolete, Replaced	Y		5	Replaced with newer model
29	Royalty	03149	5CG8322SV0	HP	Elitebook 840 G5	LAPTOP	N	BROKEN	Y		3	Broken screen, parted out
30	Royalty	02363	5CG9255WBQ	HP	Elitebook 840 G6	LAPTOP	N	BROKEN	Y		2	Broken screen, parted out
31	Royalty	01960	5CG01770V9	HP	Elitebook 840 G6	LAPTOP	N	BROKEN	Y		1	Broken screen, parted out
32	Royalty	02164	5CG5031CJ6	HP	Elitebook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		6	Replaced with newer model
33	Royalty	01351	CNU433BPC4	HP	Elitebook 9470M	LAPTOP	Y	Obsolete, Replaced	Y		6	Replaced with newer model
34	Royalty	02472	5CG9255H4X	HP	Elitebook 840 G6	LAPTOP	N	BROKEN	Y		1	Broken screen, parted out
35	Royalty	02484	MXL94330L2	HP	EliteDesk 800 G4 SFF	COMPUTER	Y	Obsolete, Replaced	Y		2	Replaced with laptop
36	Royalty	02331	MXL92556YV	HP	EliteDesk 800 G4 SFF	COMPUTER	Y	Obsolete, Replaced	Y		2	Replaced with laptop
37	Royalty	02523	1CR9351MMF	HP	N223	MONITOR	N	BROKEN	Y		2	Broken Screen
38	Royalty	01748	6CM4271GTS	HP	Elitedisplay S240ML	MONITOR	N	BROKEN	Y		7	Broken Screen
39	Royalty	02436	CNK9231FNM	HP	P224	MONITOR	N	BROKEN	Y		2	Broken Screen
40	Royalty	00236	CNC834RJFL	HP	L1750	MONITOR	Y	Obsolete, Replaced	Y		13	Replaced with newer model
41	Royalty	01801	5CG534ZBOP	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		6	Wont dock, broken latch
42	Royalty	01331	CNU422ZWM4	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		7	Wont dock, broken latch
43	Royalty	01262	5CG505X3R7	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		6	Wont dock, broken latch
44	Royalty	02777	2TK052ZFT6	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		1	Bad video output
45	Royalty	01372	CNU430XHJX	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		7	Wont dock, broken latch
46	Royalty	01011	0004F2463D63	Polycom	IP550	PBX PHONE	N	BROKEN	Y		N/A	Broken Screen
47	Royalty	02400	64167F84189F	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Wont update firmware
48	Royalty	02156	64167F875146	Polycom	VVX201	PBX PHONE	N	BROKEN	Y		N/A	Will not provision
49	Royalty	02961	64167F8584BC	Polycom	VVX201	PBX PHONE	N	BROKEN	Y		N/A	Will not provision
50	Royalty	01997	64167F83F079	Polycom	VVX201	PBX PHONE	N	BROKEN	Y		N/A	Will not provision
51	Royalty	03099	64167F874143	Polycom	VVX201	PBX PHONE	N	BROKEN	Y		N/A	Will not provision
52	Royalty	02401	64167F835D62	Polycom	VVX201	PBX PHONE	N	BROKEN	Y		N/A	Will not provision
53	Royalty	00923	0004F22C4230	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
54	Royalty	01167	0004F2AE32C1	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
55	Royalty	00721	0004F2A906F7	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
56	Royalty	01188	0004F2B47B4B	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
57	Royalty	01195	0004F2B4A0E8	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
58	Royalty	00534	0004F2A51DC4	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
59	Royalty	01861	0004F2B4A006	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
60	Royalty	01656	0004F2AB9BD3	Polycom	IP331	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
61	Royalty	00533	0004F22AB8F0	Polycom	IP650	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
62	Royalty	01027	00004F2463A0E	Polycom	IP550	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
63	Royalty	01602	0004F231C14A	Polycom	IP560	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC

I.T. Equipment List for Disposal

January 2022

	Location	AssetTag	Serial Number	Brand	Model	Description	Functional	Notes	Dispose	Donate	Age(yrs)	Explanation
64	Royalty	00491	0004F224B020	Polycom	IP650	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
65	Royalty	01250	000B8264DD5D	Grandstream	GXP2160	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
66	Royalty	01252	000B8264DD5A	Grandstream	GXP2160	PBX PHONE	N	BROKEN	Y		N/A	Not compatible with RC
67	Garey	02909	CNU405B3FX	HP	EliteBook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
68	Garey	02101	CNU405B140	HP	EliteBook 840 G1	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
69	Garey	01176	CNU339C6S2	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced with newer model
70	Garey	01157	CNU411CD11	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
71	Garey	01294	CNU4129RKN	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
72	Garey	01314	CNU4129PDH	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
73	Garey	01102	CNU339C6HV	HP	EliteBook Folio 9470m	LAPTOP	N	BROKEN	Y		8	Bad NIC
74	Garey	01159	CNU411CD3Q	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
75	Garey	01103	CNU31494SD	HP	EliteBook Folio 9470m	LAPTOP	N	BROKEN	Y		8	Bad Battery
76	Garey	01146	CNU4079P22	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
77	Garey	01235	CNU4079P80	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
78	Garey	02045	CNU339C6S2	HP	EliteBook Folio 9470m	LAPTOP	N	BROKEN	Y		8	Bad Battery
79	Garey	01152	CNU409C5ZQ	HP	EliteBook Folio 9470m	LAPTOP	N	BROKEN	Y		7	Bad Battery
80	Garey	01319	CNU4169L06	HP	EliteBook Folio 9470m	LAPTOP	Y	Obsolete, Replaced	Y		7	Replaced with newer model
81	Garey	01604	CND3070ZFR	HP	SpectreXT Pro 13-b000 PC	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced with newer model
82	Garey	00778	CND1141H73	HP	Elitebook 8440w	LAPTOP	Y	Obsolete, Replaced	Y		9	Replaced with newer model
83	Garey	02483	MXL94330KV	HP	EliteDesk 800 G4 SFF	COMPUTER	Y	Obsolete, Replaced	Y		2	Replaced with newer/smaller form factor
84	Garey	03057	MXL84724L8	HP	EliteDesk 800 G4 SFF	COMPUTER	Y	Obsolete, Replaced	Y		3	Replaced with newer/smaller form factor
85	Garey	03056	MXL84724L8	HP	EliteDesk 800 G4 SFF	COMPUTER	Y	Obsolete, Replaced	Y		3	Replaced with newer/smaller form factor
86	Garey	01019	2UA4091MSK	HP	EliteDesk 800 G1 SFF	COMPUTER	Y	Obsolete, Replaced	Y		7	Replaced with newer/smaller form factor
87	Garey	01567	2UA3291KCX	HP	EliteDesk 800 G1 SFF	COMPUTER	Y	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
88	Garey	01335	MXL4130B7R	HP	EliteDesk 800 G1 SFF	COMPUTER	Y	Obsolete, Replaced	Y		7	Replaced with newer/smaller form factor
89	Garey	02486	MXL94330K5	HP	EliteDesk 800 G4 SFF	COMPUTER	Y	Obsolete, Replaced	Y		2	Replaced with newer/smaller form factor
90	Garey	01117	2UA3290X6B	HP	Compaq Elite 8300 SFF	COMPUTER	Y	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
91	Garey	00841	CNB9L02974	HP	LaserJet P2055DX	PRINTER	N	BROKEN	Y		6	Broken internals/tray
92	Garey	00173	CNDX102708	HP	LaserJet P4014n Printer	PRINTER	N	BROKEN	Y		13	Broken internals/tray
93	Garey	00364	CNB9F25056	HP	LaserJet P2035n	PRINTER	N	BROKEN	Y		11	Broken internals/tray
94	Garey	01116	0004F2B4600F	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
95	Garey	01279	0004F265B5AB	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
96	Garey	01490	0004F2AC01F1	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
97	Garey	00705	0004F2A6356E	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
98	Garey	01488	0004F2AC01CF	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
99	Garey	01487	0004F2AC0440	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
100	Garey	01510	0004F22C9034	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
101	Garey	01506	0004F22C3790	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
102	Garey	01275	0004F265B936	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
103	Garey	01544	0004F2AB9AEB	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
104	Garey	01621	0004F2A7D119	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
105	Garey	00629	0004F2A90742	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
106	Garey	01620	0004F2A90745	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
107	Garey	00805	0004F2A7D106	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
108	Garey	00302	0004F22333AA	Polycom	Soundpoint IP650	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
109	Garey	03013	0004F2A904AC	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
110	Garey	01239	0004F265B9C8	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
111	Garey	00709	0004F2A90769	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
112	Garey	01622	0004F2A7CFDC	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
113	Garey	01169	0004F2AE312E	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
114	Garey	01492	0004F2AC10BD	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
115	Garey	01274	0004F265B9DA	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
116	Garey	01820	0004F2A63769	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
117	Garey	00565	0004F224BDE4	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
118	Garey	01269	0004F265B5A2	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
119	Garey	01130	0004F2B46D4A	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
120	Garey	01129	0004F2B45FDB	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
121	Garey	01463	0004F2A63568	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
122	Garey	01491	0004F2AC0098	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
123	Garey	00804	0004F2A7D0F9	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
124	Garey	01496	0004F2AC01C7	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
125	Garey	00711	0004F2A9074E	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
126	Garey	00718	0004F2A904A9	Polycom	Soundpoint IP331	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model

I.T. Equipment List for Disposal

January 2022

	Location	AssetTag	Serial Number	Brand	Model	Description	Functional	Notes	Dispose	Donate	Age(yrs)	Explanation
127	Garey	01010	0004F2463D69	Polycom	Soundpoint IP550	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
128	Garey	01013	0004F243FD74	Polycom	Soundpoint IP550	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
129	Garey	01243	0004F26A291F	Polycom	Soundpoint IP550	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
130	Garey	02066	0004F24EEFBB	Polycom	Soundpoint IP450	PBX PHONE	Y	Obsolete, Replaced	Y		N/A	Replaced with newer model
131	Garey	01564	MXL2350B3J	HP	Compaq 4000 Pro SFF	COMPUTER	Y	Obsolete, Replaced	Y		9	Replaced with newer/smaller form factor
132	Garey	01486	MXL2280VH2	HP	Compaq 4000 Pro SFF	COMPUTER	Y	Obsolete, Replaced	Y		9	Replaced with newer/smaller form factor
133	Garey	01559	MXL2350B3Z	HP	Compaq 4000 Pro SFF	COMPUTER	Y	Obsolete, Replaced	Y		9	Replaced with newer/smaller form factor
134	Garey	01562	MXL2350B31	HP	Compaq 4000 Pro SFF	COMPUTER	Y	Obsolete, Replaced	Y		9	Replaced with newer/smaller form factor
135	Garey	01485	MXL2280VH0	HP	Compaq 4000 Pro SFF	COMPUTER	Y	Obsolete, Replaced	Y		9	Replaced with newer/smaller form factor
136	Garey	01548	MXL2280VGB	HP	Compaq 4000 Pro SFF	COMPUTER	Y	Obsolete, Replaced	Y		9	Replaced with newer/smaller form factor
137	Garey	01570	MXL2350B3X	HP	Compaq 4000 Pro SFF	COMPUTER	Y	Obsolete, Replaced	Y		9	Replaced with newer/smaller form factor
138	Garey	01290	CNU406287L	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		7	Broken latch
139	Garey	00504	TW541SE090	HP	Procurve Switch 2626	NETWORK DEVICE	Y	Obsolete, Replaced	Y		N/A	No longer compatible with network
140	Garey	00503	TW541SE0JQ	HP	Procurve Switch 2626	NETWORK DEVICE	Y	Obsolete, Replaced	Y		N/A	No longer compatible with network
141	Garey	01824	CN125DG0DC	HP	Procurve Switch 2510G-48	NETWORK DEVICE	Y	Obsolete, Replaced	Y		N/A	No longer compatible with network
142	Garey	00512	TW541SE08F	HP	Procurve Switch 2510G-48	NETWORK DEVICE	Y	Obsolete, Replaced	Y		N/A	No longer compatible with network
143	Garey	01139	CN119XJ0CH	HP	Procurve Switch 2810-48G	NETWORK DEVICE	Y	Obsolete, Replaced	Y		N/A	No longer compatible with network
144	SHED	01724	MXL3160SWP	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
145	SHED	01721	MXL3160SWG	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
146	SHED	01730	MXL3160SWY	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
147	SHED	01726	MXL3160SX2	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
148	SHED	01714	MXL3160SWN	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
149	SHED	01719	MXL3160SWV	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
150	SHED	01720	MXL3160SWX	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
151	SHED	01711	MXL3160SVZ	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
152	SHED	02920	MXL3160SWV	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
153	SHED	01727	MXL3160SW1	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
154	SHED	01725	MXL3160SWQ	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
155	SHED	01712	MXL3160SX7	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
156	SHED	01728	MXL3160SWJ	HP	Compaq Elite 8300 SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced with newer/smaller form factor
157	SHED	01625	MXL2280VGL	HP	Compaq 4000 Pro SFF	COMPUTER	N	Obsolete, Replaced	Y		8	Replaced by newer model
158	SHED	01600	CND314141F	HP	SpectreXT Pro 13-b000	LAPTOP	N	BROKEN	Y		8	Broken Screen
159	SHED	01399	CND520719N	HP	ProBook 430 G2	LAPTOP	N	BROKEN	Y		6	Broken Chassis
160	SHED	01774	CND5325DC0	HP	ProBook 430 G2	LAPTOP	N	BROKEN	Y		6	Bad Battery
161	SHED	00612	CND1111L58	HP	Elitebook 8440p	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced by newer model
162	SHED	00775	CND1141HHX	HP	Elitebook 8440w	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced by newer model
163	SHED	00991	CND1141HNN	HP	Elitebook 8440w	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced by newer model
164	SHED	00639	CND1030VBS	HP	Elitebook 8440p	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced by newer model
165	SHED	00536	CND1030V4R	HP	Elitebook 8440p	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced by newer model
166	SHED	01618	CND111242Z	HP	Elitebook 8440p	LAPTOP	Y	Obsolete, Replaced	Y		8	Replaced by newer model
167	SHED	01172	0004F2AE32A6	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
168	SHED	01170	0004F2AE3113	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
169	SHED	00127	0004F2B45FA3	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
170	SHED	01131	0004F2B46D47	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
171	SHED	01194	0004F2B47B5A	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
172	SHED	00922	0004F2A63567	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
173	SHED	01241	0004F265B981	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
174	SHED	01242	0004F2B46D45	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
175	SHED	00704	0004F2A90779	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
176	SHED	01126	0004F2B46DDB	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
177	SHED	01512	0004F2A7D10A	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
178	SHED	01732	0004F2B49C04	Polycom	IP331	PBX Phone	N	BROKEN	Y		N/A	Not compatible with firmware update
179	SHED	01334	CNU406287F1	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		7	Broken latch
180	SHED	01802	5CG534ZN6K	HP	Ultraslim Docking Station	NOTEBOOK COMPONENT	N	BROKEN	Y		7	Broken latch
181	SHED	00641	CNU039WH1X	HP	Advanced Docking Station	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		11	Not compatible with newer laptops
182	SHED	01449	CNU208ZWXB	HP	Advanced Docking Station	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		9	Not compatible with newer laptops
183	SHED	00616	CNU106ZPJ0	HP	Advanced Docking Station	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		9	Not compatible with newer laptops
184	SHED	01631	CNU120W339	HP	Advanced Docking Station	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		10	Not compatible with newer laptops
185	SHED	01025	CNU038ZNY7	HP	Advanced Docking Station	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		9	Not compatible with newer laptops
186	SHED	01257	7CB437D584	HP	3005PR	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		5	Not compatible with newer laptops
187	SHED	01260	7CB437D588	HP	3005PR	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		5	Not compatible with newer laptops
188	SHED	01125	7CB325B956	HP	3005PR	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		5	Not compatible with newer laptops
189	SHED	01182	CNA246A397	HP	3005PR	NOTEBOOK COMPONENT	Y	Obsolete, Replaced	Y		5	Not compatible with newer laptops



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Jesse H. Duff, Interim Executive Director

BY: Mica Olmos, JPA Administrator/Clerk

SUBJECT: Election of Officers for the 2022 Calendar Year as Required by the Joint Powers Agreement between the Cities of Pomona, Claremont, and La Verne

Summary:

The Joint Powers Agreement between the Cities of Pomona, Claremont, and La Verne, requires the Governing Board to elect, or re-elect, a chairperson and a vice-chairperson at the first meeting held in each succeeding calendar year. The last election of officers was held on January 20, 2021.

Background:

Pursuant to the Joint Powers Agreement, Tri-City is governed by a Governing Board composed of seven members, each serving in his/her individual capacity and without compensation. In addition, Section 5601(a) of the Bronzan-McCorquodale Act/Short-Doyle Act, states that members of the board shall be a council member of his/her respective City, and three members of the board shall be community members appointed by the three Cities. The chairperson presides at, and conducts all meetings of the Governing Board. In the absence or inability of the chairperson to act, the vice-chairperson shall act as chairperson.

Funding:

None required.

Recommendation:

Staff recommends that the Governing Board consider the election or re-election of a chairperson and vice-chairperson.

Attachments:

None.



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: January 19, 2022
TO: Governing Board of Tri-City Mental Health Authority
FROM: Jesse H. Duff, Interim Executive Director
BY: Kitha Torregano, Human Resources Manager
SUBJECT: Executive Director Recruitment Update

Summary:

At the December 15, 2021 Governing Board meeting, the sub-committee announced their selection of Wendi Brown of Wendi Brown Creative Partners (WBCP) as the recruiter of choice for the Executive Director recruitment. The Governing Board authorized staff to move forward with contracting the services of Ms. Brown for the recruitment of the Executive Director.

Background:

Wendi Brown sent her proposal to Tri-City on December 13th; and at its meeting of December 15th, the Governing Board authorized the Interim Executive Director to enter into a contract with WBCP for Executive Director recruitment services. On December 20th, JPA Administrator/Clerk Mica Olmos prepared a draft of the agreement for Tri-City's legal counsel review, Darold Pieper, who has completed his review.

Additionally, staff are working with Ms. Brown and her team to determine the most appropriate and efficient way to meet with the Governing Board members to commence Week 1 of the recruitment process, which is the point at which Ms. Brown and the Governing Board can discuss the qualifications and characteristics of the ideal Executive Director candidate.

On January 12, 2022, JPA Clerk/Administrator Olmos informed staff that during its Special Meeting of January 12th, the Governing Board had requested that staff inquire about Ms. Brown's ability to attend the January Governing Board regular meeting to discuss the Executive Director recruitment. Unfortunately, Ms. Brown has a prior engagement and is unavailable to attend.

However, Ms. Brown's Team recommended that perhaps the Executive Director Recruitment sub-committee schedule a date to meet with Ms. Brown. The remaining Governing Board members will be scheduled to meet with Ms. Brown individually. This will allow Ms. Brown and her team to acquire the information they need to commence the recruitment process as quickly as possible without the hurdle of conflicting members schedules or aligning with regularly scheduled Board meetings.

AGENDA ITEM NO. 6

Governing Board of Tri-City Mental Health Authority
Executive Director Recruitment Update
January 19, 2022
Page 2

As a reminder, the sub-committee consisted of Vice Chair Jed Leano, Board Member Carolyn Cockrell and Board Member Paula Lantz.

Fiscal Impact:

N/A

Recommendation:

Staff recommends proceeding with WBCP's proposal of meeting with the sub-committee first and scheduling individual sessions with the remaining Governing Board members subsequently following the sub-committee meeting. This will allow Ms. Brown to proceed with completing the stakeholder interview portion of the recruitment process.



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Jesse Duff, Executive Director

SUBJECT: Consideration of Resolution No. 632 Approving a Practicum Site (Affiliation) Agreement for Student Internships with the California Baptist University (CBU) through its Department of Social Work, and Authorizing the Interim Executive Director to Execute the Agreement and any Amendments Thereafter

Summary

Staff recommends that the Governing Board authorize Tri-City to enter into an Agreement with the California Baptist University (CBU) in order to host students participating in their Master of Social Work (MSW) Program. In exchange for training and supervision on duties and roles related to being a social worker in a public mental health system, these students provide direct service interventions under the Tri-City/ Bonita Unified School District MOU; provide screening, clinical assessments, and limited therapy services within both the Adult and Child/Family Services Clinics; participate in program development and evaluation projects at the Wellness Center.

Background

In a two decades long partnership with the Bonita Unified School District (BUSD) and the La Verne Youth and Family Action Committee (YFAC), Tri-City has provided 3 hours/week of prevention and early intervention level behavioral health interventions to those schools in the District that are located in La Verne. In the past 9 years these services have been provided by Masters Level Student Interns that are placed at Tri-City for training by a variety of universities each year. CBU is among the universities who partner with Tri-City to provide clinical training for students in their MSW program. Using Student Interns to provide these services from September to May each year, allows Tri-City to provide high quality services to BUSD student and families for very low cost.

In addition to providing services under the BUSD MOU, Masters' Level Students also get trained and provide limited services at the outpatient clinics; and assist with program design, implementation and evaluation at the Wellness Center as part of their coursework requirement. Having Student Interns provide assessments and intervention services allows Tri-City to serve more clients (albeit limited) each year without incurring costs for salaries and benefits.

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 632 Approving a Practicum Site (Affiliation) Agreement for Student Internships with the California Baptist University (CBU) through its Department of Social Work, and Authorizing the Interim Executive Director to Execute the Agreement and any Amendments Thereafter
January 19, 2022
Page 2

Moreover, Tri-City's participation in the advancement of the profession of social work provides a source of future employee prospects— not only via students who are placed at Tri-City and may want to return following graduation, but also as a result of positive endorsements of Tri-City as a high quality employer by students who participate in the MSW program and their university advisors. The term of the agreement is for three (3) years, ending on December 31, 2024.

Funding

There is no funding to be provided by Tri-City in order to participate in this Agreement.

Recommendation

Staff recommends that the Governing Board adopt Resolution No. 632 approving the Practicum Site (Affiliation) Agreement with the California Baptist University for field internships, and authorizing the Interim Executive Director to execute the agreement and any Amendments thereafter.

Attachments

Attachment 7-A: Resolution No. 632 - DRAFT

Attachment 7-B: TCMHA and CBU Practicum Site Agreement to Provide Clinical Learning Experience to Students in the Master of Social Work Program

RESOLUTION NO. 632

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY APPROVING A PRACTICUM SITE (AFFILIATION) AGREEMENT FOR STUDENT FIELD INTERNSHIPS WITH THE CALIFORNIA BAPTIST UNIVERSITY THROUGH ITS DEPARTMENT OF SOCIAL WORK, AND AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

The Governing Board of the Tri-City Mental Health Authority (“Authority”) does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority or TCMHA”) desires to train California Baptist University (CBU) social work students for social work experience at TCMHA locations or at any place or location; at any time as deemed necessary and appropriate; and in such numbers as agreed, so long as the internship services are provided within the manner outlined in the Practicum Site (Affiliation) Agreement for Student Field Internships.

B. The Authority affirms that the CBU, and its Department of Social Work, are an independent contractor and not an employee, agent, joint venture or partner of Tri-City. The Agreement does not create or establish the relationship of employee and employer between CBU and TCMHA.

C. The Authority affirms that CBU students are considered learners who are fulfilling specific requirements for field experiences as part of a degree and/or credential requirement during their school calendar year, and are not employees, agents, joint venture or partners of TCMHA; and that CBU or Student shall neither solicit remuneration nor accept any fees or commissions from any third party in connection with the internship provided to TCMHA under the Agreement without the expressed written permission of TCMHA.

2. Action

The Governing Board approves the Practicum Site (Affiliation) Agreement with the California Baptist University for Student Field Internships, effective January 19, 2022 through December 31, 2024; and authorizes the Authority’s Interim Executive Director to enter into, and execute the Agreement and any Amendments or extensions of such Agreement.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on January 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ROBIN CARDER, CHAIR

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By: _____

By: _____

PRACTICUM SITE (Affiliation) AGREEMENT
California Baptist University
Master of Social Work (MSW) Program

This Practicum Site (Affiliation) Agreement (the “Agreement”) is entered into this 19 day of January, 2022 (the “Effective Date”) by and between California Baptist University through its Master of Social Work Program (“CBU”) and Tri-City Mental Health Authority, a joint powers agency organized under the laws of the State of California, (the “Practicum Provider”). CBU and Practicum Provider are each a “Party” and are sometimes collectively referred to herein as the “Parties.”

1. **INTER-INSTITUTIONAL APPLICATION:** In order to facilitate social work practice training opportunities, this Agreement is intended to govern the relationship between CBU and Practicum Provider with respect to Master of Social Work students from CBU involved in a “Field Internship” experience arrangement with the Practicum Provider.

2. **GENERAL CONSIDERATIONS:**

2.1 The practicum experience is a cooperative program between CBU and approved practicum sites. The Practicum Providers provide clients, supervision, facilities, and instruction which help students acquire the skills and knowledge needed in their chosen field of study or occupation.

2.2 This Agreement is for a period of three (3) years ending in December 31, 2024. This Agreement may be terminated by either Party, without cause, effective as of the end of an academic year (May 31) upon at least thirty (30) days’ written notice by the terminating Party. Termination of the employment of the student or Supervisor (as defined in Section 3.1 herein) or of this Agreement must take into account the clinical necessity of an appropriate termination or transfer of clients. This Agreement assumes that if there is an early termination of this Agreement such a decision must include prior consultation with the Field Director of CBU’s MSW Program (as defined in Section 4.1 herein) and/or the CBU Program Director.

2.3 Relationship of Parties - Practicum Provider (including its employees and agents) shall act in an independent capacity and not as officers, employees or agents of CBU. Nothing in this Agreement shall be construed to constitute a partnership, joint venture or any other relationship other than that of independent contractors.

2.4 Indemnification- To the extent allowed by law, CBU shall be responsible for damages caused by the negligence of its directors, officers, agents and employees as defined by law, and agrees to indemnify and hold harmless Practicum Provider (including its officers, agents and employees) for claims for injury or damages arising out of the performance of this Agreement, but only in proportion and to the extent such injury or damages are caused by or result from the negligent acts or omissions of CBU directors, officers, agents or employees in the performance of this Agreement.

Practicum Provider shall be responsible for damages caused by the negligence of its directors, officers, agents and employees, and agrees to indemnify and hold harmless CBU (including its officers, agents and employees) for claims for injury or damages arising out of the performance of this Agreement, but only in proportion and to the extent such injury or damages are caused by or result from the negligent acts or omissions of Practicum Provider's directors, officers, agents or employees in the performance of this Agreement.

ATTACHMENT 7-B

2.5 Confidentiality of Medical Records (HIPAA) - All of Practicum Provider's medical records and charts created in connection with Clinical Training shall be and shall remain the property of Practicum Provider. For purposes of this MOU and patient confidentiality under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), in the course of Clinical Training at Practicum Provider, Students may have access to Protected Health Information (PHI), as defined at 45 C.F.R. §160.103, and shall be subject to Practicum Provider's HIPAA Privacy and Security policies and procedures. Accordingly, Students must appropriately safeguard ePHI or PHI and may be required to participate in training related to Practicum Provider's HIPAA Privacy and Security policies and procedures. The Parties agree that CBU is not a "business associate" of Practicum Provider under HIPAA. CBU will not be performing or assisting in the performance of covered HIPAA functions on behalf of Practicum Provider. There will be no exchange of individually identifiable PHI between CBU and Practicum Provider.

2.3 Student Attestation - Also in accordance with applicable legal requirements and Practicum Provider's policies and procedures, the Practicum Provider will not enter into contracts with individuals, or entities, or owners, officers, partners, directors, or other principals of entities, who have been convicted recently of a criminal offense related to health care or who are debarred, excluded or otherwise precluded from providing goods or services under Federal health care programs, or who are debarred, suspended, ineligible, or voluntarily suspended from securing Federally funded contracts. Practicum Provider requires that Students certify that they are not excluded from any Federal health care program, or federally funded contract and will sign the attached as 'Exhibit B', *Contractor's Attestation That Neither It Nor Any Of Its Staff Members Are Restricted, Excluded Or Suspended From Providing Goods Or Services Under Any Federal Or State Health Care Program.*

3. THE EXPERIENCE PROVIDER AGREES TO:

3.1 Designate an individual with an MSW who will serve as the "Field Instructor," providing direct supervision for the CBU student. If an employee with an MSW is not available to provide the student's supervision, the practicum site will provide an on-site "task supervisor" (a "Supervisor") to oversee the student's activities, and agree to utilize the services of an outside consultant with an MSW, who can reinforce the social work perspective.

3.2 Provide the student and Supervisor with the documentation necessary to verify to the Board of Behavioral Sciences (the "BBS") that the placement is one that is named in law as appropriate for a CBU student.

3.3 Evaluate the qualifications and credentials of any employee who provides supervision to CBU MSW students. Field Instructors should have an MSW degree, possess strong knowledge of social work practice skills, knowledge and adherence to social work values, and be good teachers/leaders, with no less than 2 years of social service experience.

3.4 Involve the student for the entire period of field experience as agreed unless this Agreement is terminated for cause pursuant to Section 2.2 above.

3.5 Provide adequate resources to the student and the Supervisor in order that they may provide appropriate services to clients.

3.6 Orient the student to the Practicum Provider's rules, policies, procedures, methods, and operations.

3.7 Provide and allow CBU MSW students access to parking and use of facilities to the same extent as Practicum Provider's employees. All MSW students must have a dedicated work space at the practicum site.

3.8 Evaluate the student's performance and notify the Field Director (as defined in Section 4.1 herein) immediately, preferably by email, of any cause of dissatisfaction with, misconduct of, or any other difficulties in the work performance of the student.

3.9 Provide the student and the Supervisor with an emergency response plan which assures the personal safety and security of the student, Supervisor and student's clients in the event of the emergency.

3.10 Provide the student with a minimum of sixteen (16) hours per week of supervised experience within the scope of practice of a Master of Social Work Intern.

3.11 Accept the primary responsibility for supervision and control of the student at the Practicum site.

3.12 During the Term of this Agreement, the Supervisor (Field Instructor/Task Supervisor) shall:

(A) Be responsible for assuring that all micro and macro experience gained by the trainee is within the scope of social work practice.

(B) Complete the "MSW Experience Verification Form" required for licensure.

(C) Abide by the ethical standards promulgated by the professional association of which the Supervisor belongs (e.g. CAMFT, AAMFT, APA, AMA, NASW, etc.)

(D) Provide regular evaluations of the student's performance at the site to the Field Director and Faculty Liaison throughout each semester.

(E) Review and sign the "Weekly Summary of Hours of Experience" log.

(F) Provide the Practicum student with a current copy of his or her license and resume and notify the Director of Clinical Training and the student immediately of any action that may affect his or her license.

(G) Be familiar with the laws and regulations that govern Social Work Practice in the State of California.

(H) Provide the student with one (1) hour of individual or two (2) hours of group supervision each week.

(I) Provide the student with a policy and procedure for crisis intervention and other client/clinical emergencies, in particular those mandated by law (e.g., child abuse, danger to self, others, etc.).

(J) Participate in MSW Program Orientations, Trainings, and Celebrations for Field Instructors.

(K) Participate in the review and completion of Student Learning Agreements, Process Recordings, and other evaluation tools utilized by the MSW program to evaluate student field performance.

4. **CBU AGREES TO:**

4.1 Designate a point of contact for field experience (an "MSW Field Director").

4.2 Ensure the Field Director contacts the student and Practicum Supervisor to discuss the student's progress, and advises relative to the program of study.

4.3 Ensure the Field Director strives to promote harmony and cooperation between the Experience Provider, the student, and the educational institution.

4.4 Provide professional liability insurance for the student to cover damage or harm caused by the student in the amount of \$1,000,000 per claim, \$3,000,000 in the aggregate, when this Agreement is signed and returned to CBU.

4.5 Cause each student participating in practicum, which is the subject of this Agreement, to acknowledge certain obligations as shown in substantial form attached hereto as Exhibit "A" and incorporated herein by this reference.

5. **NOTICES.** Any notice required or permitted to be provided under this Agreement shall be in writing and shall be deemed to have been duly given if mailed via first class mail, or by a reputable overnight delivery service, or by personal delivery, and directed to the address of such Party set forth below:

PRACTICUM PROVIDER:	CBU:
Name: Tri-City Mental Health Authority Attn: Address: Telephone: Email:	California Baptist University Attn: Prof. Froylana Heredia-Miller, MSW Field Director 8432 Magnolia Avenue, Riverside, CA 92504 Telephone: 951-552-8393 Email: fhrediamiller@calbaptist.edu

All notices shall be effective upon receipt or rejection. Notice of change of address shall be given by written notice in the manner detailed in this Section 5. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Each party may change its address for the purpose of this paragraph by giving written notice of such change in the manner provided for in this Section 5.

6. **AMENDMENT:** No amendment or modification of this Agreement shall be valid unless in writing and executed by each of the Parties.

7. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement. This Agreement is not assignable without the prior written consent of the non-assigning party which consent will not be unreasonably withheld or delayed.

8. **COUNTERPARTS:** This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same Agreement. This Agreement may be executed by way of facsimile signature.

IN WITNESS WHEREOF, the Parties through their authorized representatives have executed this Agreement effective as of the Effective Date.

“PRACTICUM PROVIDER” Tri-City Mental Health Authority By: _____ Title: _____	“CBU” _____ Mark Howe, Vice President for Finance and Administration _____ Dr. Jacqueline Gustafson, Dean, College of Behavioral and Social Sciences
--	---

EXHIBIT A

**MEMORANDUM OF UNDERSTANDING
California Baptist University
Master of Social Work Program**

I, the undersigned student, desire to participate in the Field program offered through an agreement between CBU and a practicum provider (“Practicum Provider”) and, in consideration of such placement by CBU, I agree that I shall:

- (A) Comply with the Practicum Provider’s policies and procedures.
- (B) Comply with CBU’s dress and grooming standards and honor code.
- (C) Be enrolled in Practicum courses: SWK521, SWK541, SWK561, or SWK581 unless released by CBU and the Practicum Provider.
- (D) Notify the Field Director in a timely manner of any professional or personal difficulties, including safety and personnel problems, which may affect the performance of this or of his/her professional duties and responsibilities.
- (E) Maintain personal health insurance or student health insurance.
- (F) Obtain approval from CBU to participate in the Field program including agreeing to abide by the terms of this Agreement and to perform additional duties and responsibilities as required by CBU.
- (G) Cause each of student’s Supervisors to complete and sign the “Responsibility Statement for Supervisors of a Master of Social Work Intern” before gaining supervised experience.
- (H) Maintain a weekly log of all Field hours.
- (I) Be responsible, along with his or her Supervisor, for providing complete and accurate documentation including the “Learning Agreement” which will be used for Student and Field Evaluation.
- (J) Be responsible for learning those policies of the practicum setting which govern the conduct of regular employees and students, and for complying with such policies.
- (K) Be responsible for participating in the periodic evaluation of his or her practicum experience.
- (L) Abide by the ethical standards of the National Association of Social Work and of California Baptist University.

I understand that it is my obligation to comply by the terms of this Memorandum of Understanding and such failure could jeopardize my participation in the Field program.

STUDENT Name: _____ Student ID #: _____	Date: _____
--	--------------------

EXHIBIT B



CONTRACTOR’S ATTESTATION THAT NEITHER IT NOR ANY OF ITS STAFF MEMBERS ARE RESTRICTED, EXCLUDED OR SUSPENDED FROM PROVIDING GOODS OR SERVICES UNDER ANY FEDERAL OR STATE HEALTH CARE PROGRAM

Contractor’s Name Last First

Contractor hereby warrants that neither it nor any of its staff members is restricted, excluded, or suspended from providing goods or services under any health care program funded by the Federal or State Government, directly or indirectly, in whole or in part, and the Contractor will notify the Tri- City Mental Health Authority (TCMHA) within thirty (30) days in writing of: 1) any event that would require Contractor or a staff member’s mandatory exclusion or suspension from participation in a Federal or State funded health care program; and 2) any exclusionary action taken by any agency of the Federal or State Government against Contractor or one or more staff members barring it or the staff members from participation in a Federal or State funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold TCMHA harmless against any and all loss or damage Contractor may suffer arising from the Federal or State exclusion or suspension of Contractor or its staff members from such participation in a Federal or State funded health care program.

Failure by Contractor to meet the requirements of this paragraph shall constitute a material breach of contract upon which TCMHA may immediately terminate or suspend this Agreement.

Is Contractor/Proposer/Vendor or any of its staff members currently barred from participation in any Federal or State funded health care program?

_____ **NO**, Contractor or any of its staff members is not currently barred from participation in any Federal or State funded health care program.

_____ **YES**, Contractor or any of its staff members is currently barred from participation in any Federal or State funded health care program. Describe the particulars on a separate page.

Date Contractor or Vendor’s Name Contractor or Vendor’s Signature

Date TCMHA Executive Official’s Name TCMHA Executive Official’s Signature

DISTRIBUTION:

- ORIGINAL Contract File
- COPIES: HR Representative
- Contractor
- Finance



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Jesse Duff, Interim Executive Director

BY: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Consideration of Resolution No. 633 Authorizing the Interim Executive Director to Negotiate and Execute a Lease Agreement with 1900 Royalty Drive, LLC, for Office Space located at 1900 Royalty Drive, Suite 200, in Pomona, California

Summary:

To accommodate the growing need for office space, staff is requesting authorization from the Governing Board to negotiate and execute an additional lease agreement with 1900 Royalty Drive, LLC, adding one additional suite (Suite 200) located at 1900 Royalty Drive in Pomona, CA. and aligning the expiration of this new lease with other existing leases through June 30, 2025.

Background:

Tri-City's Information & Technology (IT) staff have traditionally been located throughout the various buildings depending on the needs of the agency as well as the availability of office space. While the IT department is a very vital part of the Tri-City team, the priority with regard to office space has been given to the clinical staff as part of meeting the needs of the community we serve; including making additional space available to accommodate group therapy sessions.

As we move toward filling vacant positions and continue to increase the level of staffing, Tri-City management has determined that additional space will be needed to properly accommodate our IT department and provide a central location for them. At this time, management would like to take advantage of the opportunity of a suite that currently is available at the Royalty building where we currently occupy six other suites.

Prior to March of 2019, the suites leased by Tri-City at the Royalty location had varying expiration dates as they had been leased at different times. On March 20, 2019, the Governing Board approved Resolution No. 476 which approved the leasing of two more suites in addition to extending the terms of the existing leases through June 30, 2025, aligning all of the leases at this location to expire on the same date. At that time, the leases were also aligned to have the same rates per square foot, and the annual rate at which the rent will increase.

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 633 Authorizing the Interim Executive Director to
Negotiate and Execute a Lease Agreement with 1900 Royalty Drive, LLC, for Office Space
located at 1900 Royalty Drive, Suite 200, in Pomona, California
January 19, 2022
Page 2

The property owner has offered the opportunity for Tri-City to lease Suite 200, which is approximately 1,034 square feet, under the same rate Tri-City is currently paying for its existing leases at this location. The lease for Suite 200 will begin on March 1, 2022 and will expire on June 30, 2025, in line with the expiration date for all other existing leases at this location, with the length of this new lease lasting three years and four months.

Fiscal Impact:

Funding will be a combination of MHSA and Realignment. Fiscal impact will be \$9,672 for rent through the remainder of fiscal year 2021-22. The rent going forward will be approximately \$30,000 annually.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 633 approving the lease agreement for Suite 200 located at 1900 Royalty Drive in Pomona, California, expiring on June 30, 2025, and authorizing the Interim Executive Director to negotiate and execute the lease agreement and any amendments thereafter.

Attachments

Attachment 8-A: Resolution No. 633 – DRAFT

Attachment 8-B: Proposed Lease Agreement

RESOLUTION NO. 633

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH 1900 ROYALTY DRIVE, LLC, FOR OFFICE SPACE LOCATED AT 1900 ROYALTY DRIVE, SUITE 200, IN POMONA, CA

The Governing Board of the Tri-City Mental Health Authority (“Authority”) does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority TCMHA”) desires to approve a Lease Agreement with 1900 Royalty Drive, a California Limited Liability Company, Lessor, for additional office space located at 1900 Royalty Drive, Suite 200, in Pomona, California, through June 30, 2025 in alignment with the expiration of other existing leases.

B. The Authority affirms that TCMHA’s Information & Technology (IT) staff have traditionally been located throughout the various buildings depending on the needs of the agency and the availability of office space. It has been determined that additional office space is needed to properly accommodate the IT Department and provide a central location for them.

C. The Authority affirms that 1900 Royalty Drive, LLC, is not an employee, agent, joint venture or partner of Tri City; and that the Lease Agreement do not create or establish the relationship of employee and employer between Lessor and Tri-City.

2. Action

The Governing Board approves the Lease Agreement with 1900 Royalty Drive, LLC, for Suite 200 located at 1900 Royalty Drive, in Pomona, California expiring on June 30, 2025; and authorizes the Executive Director to negotiate and execute the Lease Agreement and any Addendums thereafter.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on January 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA OLMOS, RECORDING SECRETARY

By: _____

By: _____

STANDARD MULTI-TENANT OFFICE LEASE - NET

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only January 19, 2022, is made by and between 1900 Royalty Drive, LLC, a California limited liability company ("Lessor") and Tri-City Mental Health Authority, a Municipal Joint Powers Authority ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) **Premises:** That certain portion of the Project (as defined below), commonly known as (street address, suite, city, state): Towne Professional Center, 1900 Royalty Drive, Suite 200, Pomona, California 91767 ("Premises"). The Premises are located in the County of Los Angeles, and consist of approximately 1,034 (+/-) rentable square feet and approximately 930 (+/-) useable square feet. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately 33,405(+/-) rentable square feet. (See also Paragraph 2)

1.2(b) **Parking:** four(4) unreserved and zero(0) reserved vehicle parking spaces at a monthly cost of \$zero(0) per unreserved space and \$zero(0) per reserved space. (See Paragraph 2.6)

1.3 **Term:** three (3) years and four(4) months ("Original Term") commencing March 1, 2022 ("Commencement Date") and ending June 30, 2025 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing see Addendum Paragraph 55 ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$1,901.00 per month ("Base Rent"), payable on the first (1st) day of each month commencing March, 2022. (See also Paragraph 4)

If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Addendum Paragraph 50.

1.6 **Lessee's Share of Operating Expenses.** 0.0310 percent (3.10 %) ("Lessee's Share"). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

- (a) **Base Rent:** \$zero (0) for the period N/A.
- (b) **Operating Expenses:** The current estimate for the period N/A is \$zero (0).
- (c) **Security Deposit:** \$zero(0) ("Security Deposit"). (See also Paragraph 5 and Paragraph 54)
- (d) **Parking:** \$zero (0) for the period ---.
- (e) **Other:** N/A for N/A.
- (f) **Total Due Upon Execution of this Lease:** \$zero (0).

1.8 **Agreed Use:** Lessor and Lessee agree, approve, and accept that the Premises that is leased to Lessee shall be used for mental health services and counseling to children, adolescence, and families as appropriate to Lessee's business as provided by law, and/or for IT back office use, equipment, and storage; and, for no other purpose or use without prior written notice to Lessor and Lessor's prior written approval. (See also Paragraph 6)

1.9 **Insuring Party.** Lessor is the "Insuring Party". (See also Paragraph 8)

1.10 **Real Estate Brokers.** (See also Paragraph 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm MGR Real Estate, Inc., a California corporation License No. 01841921 Is the broker of (check one): the Lessor; or both the Lessee and Lessor (dual agent).

Lessor's Agent Carlos Rodriguez / Nancy Pun License No. 00876859 / 01399475 is (check one): the Lessor's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).

~~Lessee's Brokerage Firm _____ License No. _____ is the broker of (check one): the Lessee; or both the Lessee and Lessor (dual agent).~~

~~Lessee's Agent _____ License No. _____ is (check one): the Lessee's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).~~

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement. ~~(or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent) for the brokerage services rendered by the Brokers.~~

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by NOT APPLICABLE ("Guarantor"). (See also Paragraph 37)

1.12 **Business Hours for the Building:** 7:00 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays) and 8:00 a.m. to 2:00 p.m. on Saturdays (except Building Holidays). "Building Holidays" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and ---.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

- Janitorial services
- Electricity

INITIALS

INITIALS

Other (specify): gas, telephone, and internet service

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

an Addendum consisting of Paragraphs 50 through 62 ;

a ~~plot~~ site plan depicting the Premises (**Exhibit A**);

a current set of the Rules and Regulations (**Exhibit B**);

a **Floor Plan (Exhibit D) Work Letter**;

a ~~janitorial schedule~~;

other (specify): Exhibit C (Notice to Owners/Sellers/Lessors, Buyers/Lessees, and Tenants Regarding Broker Disclosure, Notification, and Indemnifications) .

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("**Capital Expenditure**"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this

INITIALS

INITIALS

Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 Vehicle Parking. So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.

2.7 Common Areas - Definition. The term "**Common Areas**" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("**Rules and Regulations**") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

2.10 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expenses) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay In Possession. Lessor agrees to use commercially reasonable efforts to deliver exclusive possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's

INITIALS

INITIALS

election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

4.2 **Operating Expenses.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of all Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "**Operating Expenses**" include all costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, including, but not limited to, the following:

(i) The operation, repair, and maintenance in neat, clean, safe, good order and condition, of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, lessees or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) The Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost to replace equipment or capital components such as the roof, foundations, or exterior walls, the cost to replace a Common Area capital improvement, such as the parking lot paving, elevators or fences, and/or the cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3. Provided however, that if such equipment or capital component has a useful life for accounting purposes of 5 years or more that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(b) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or

INITIALS

INITIALS

incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal,

INITIALS

© 2019 AIR CRE. All Rights Reserved.
MTON-20.20, Revised 10-22-2020

INITIALS

Last Edited: 12/22/2021 12:01 PM
Page 5 of 19

remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1(e)) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 **Lessee's Obligations.** Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any improvements within the Premises.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the Premises, the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed

INITIALS

© 2019 AIR CRE. All Rights Reserved.

MTON-20.20, Revised 10-22-2020

INITIALS

Last Edited: 12/22/2021 12:01 PM

Page 6 of 19

\$2000. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Insurance Premiums.** The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (a)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available

INITIALS

© 2019 AIR CRE. All Rights Reserved.

MTON-20.20, Revised 10-22-2020

INITIALS

Last Edited: 12/22/2021 12:01 PM

Page 7 of 19

insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will

INITIALS

© 2019 AIR CRE. All Rights Reserved.
MTON-20.20, Revised 10-22-2020

INITIALS

Last Edited: 12/22/2021 12:01 PM
Page 8 of 19

be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

INITIALS

INITIALS

9.6 Abatement of Rent; Lessee's Remedies.

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 **Definitions.** As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "**Real Property Taxes**" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements.** Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 **Services Provided by Lessor.** Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, ~~and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures.~~ Lessor shall also provide janitorial services to the ~~Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any.~~ Lessor shall not, however, be required to provide janitorial services ~~or supplies~~ to kitchens, ~~restrooms,~~ or storage areas included within the Premises.

11.2 **Services Exclusive to Lessee.** Notwithstanding the provision of paragraph 11.1, Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. If a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 **Hours of Service.** Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 **Excess Usage by Lessee.** Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 **Interruptions.** There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

11.6 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or

INITIALS

© 2019 AIR CRE. All Rights Reserved.
MTON-20.20, Revised 10-22-2020

INITIALS

Last Edited: 12/22/2021 12:01 PM
Page 10 of 19

authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

INITIALS

INITIALS

- (c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.
- (d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.
- (e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 **Default; Breach.** A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "**debtor**" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part

INITIALS

INITIALS

thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

~~15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause~~

INITIALS

© 2019 AIR CRE. All Rights Reserved.
MTON-20.20, Revised 10-22-2020

INITIALS

Last Edited: 12/22/2021 12:01 PM
Page 13 of 19

~~herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.~~

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or

INITIALS

INITIALS

mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

23.3 Options. Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. At or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have

INITIALS

INITIALS

vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee. In addition, Lessor shall have the right to retain keys to the Premises and to unlock all doors in or upon the Premises other than to files, vaults and safes, and in the case of emergency to enter the Premises by any reasonably appropriate means, and any such entry shall not be deemed a forcible or unlawful entry or detainer of the Premises or an eviction. Lessee waives any charges for damages or injuries or interference with Lessee's property or business in connection therewith.

INITIALS

INITIALS

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by AIR CRE.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted any option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. Reservations.

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on pole signs in

INITIALS

INITIALS

the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease is is not attached to this Lease.

49. Accessibility; Americans with Disabilities Act.

(a) The Premises:

have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND

INITIALS

INITIALS

EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: Pomona, California
On: Date:

By LESSOR:
1900 Royalty Drive, LLC, a California limited liability company

By: _____
Name Printed: Gholam Hossein Bahadoor
Title: Managing Member
Phone: (909) 469-6080
Fax: (909) 469-6079
Email: _____

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: 1900 Royalty Drive, Suite 160
Pomona, California 91767
Federal ID No.: _____

BROKER

MGR Real Estate, Inc., a California corporation

Attn: Carlos Rodriguez / Nancy Pun
Title: Senior Brkr. Assoc./ Senior Brkr. Assoc.

Address: 3800 E. Concoups St., #350,
Ontario, California 91764
Phone: (909)579-1366/(909)608-2171
Fax: (909) 981-6267
Email: crodriguez@mgrservices.com
Federal ID No.: _____
Broker DRE License #: 01841921
Agent DRE License #: 00876859 / 01399475

Executed at: Claremont, California
On: Date:

By LESSEE:
Tri-City Mental Health Authority, a Municipal Joint Powers Authority

By: _____
Name Printed: Jesse Duff
Title: Interim Executive Director
Phone: (909) 623-6131
Fax: (909) 623-4073
Email: _____

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: 1717 North Indian Hill Blvd., #B
Claremont, California 91711
Federal ID No.: _____

BROKER

Attn: _____
Title: _____

Address: _____
Phone: _____
Fax: _____
Email: _____
Federal ID No.: _____
Broker DRE License #: _____
Agent DRE License #: _____

AIR CRE * <https://www.aircre.com> * 213-687-8777 * contracts@aircre.com
NOTICE: No part of these works may be reproduced in any form without permission in writing.

INITIALS

INITIALS

**ADDENDUM TO
STANDARD MULTI-TENANT OFFICE LEASE – NET
AGREEMENT DATED**

January 19, 2022

By and Between

1900 Royalty Drive, LLC, a California limited liability company, as Lessor

and

Tri-City Mental Health Authority, a Municipal Joint Powers Authority, as Lessee

Regarding the Premises commonly known as and located at:

Towne Professional Center, 1900 Royalty Drive, Suite 200, Pomona, California (the “Premises”)

This addendum (the “Addendum”) is made, entered into, and effective as of the 19th day of January, 2022, and is hereby added to and incorporated in the lease agreement referenced above (the “Lease”). This Addendum adds, amends, modifies, and/or supplements some of the terms, provisions, or conditions of the pre-printed form portion of the Lease. The terms, provisions, or conditions set forth herein are intended to and shall have the same force, effect, and control as if set forth at length in the body of the Lease. To the extent that any of the terms, provisions, or conditions contained in this Addendum conflict with any of the terms, provisions, or conditions of the pre-printed form portion of the Lease, the terms, provisions, or conditions set forth in this Addendum shall govern, prevail, and control. With reference to the Lease mentioned above, Lessor and Lessee (collectively the “Parties”, or individually a “Party”) hereby agree, approve, and accept the following. Any references to the Lease in this Addendum shall be deemed to include this Addendum.

Capitalized Terms. Except as specifically defined in this Addendum, capitalized terms shall have the same meaning given to such terms in the Lease.

50. Base Rent Schedule (1.5, 1.7(a), (b), 4.1):

Lessor and Lessee agree, approve, and accept that Lessee's scheduled monthly Base Rent for the Original Term of the Lease shall be as follows:

- March 1, 2022 to June 30, 2022: \$1,901.00 per month plus C.A.O.E./NNN
- July 1, 2022 to June 30, 2023: \$1,949.00 per month plus C.A.O.E./NNN
- July 1, 2023 to June 30, 2024: \$1,997.00 per month plus C.A.O.E./NNN
- July 1, 2024 to June 30, 2025: \$2,047.00 per month plus C.A.O.E./NNN

51. Common Area Operating Expenses, Utilities, and Services Maintenance Charges (“C.A.O.E.”/“NNN”, 1.6, 1.7 (b), 2.7, 2.8, 2.10, 4.2, 4.3, 11.):

Lessor and Lessee agree, approve, and accept that common area operating expenses, utilities, and services maintenance charges/fees (“C.A.O.E.”/“NNN”), as of the date of this Lease, are estimated at approximately \$0.50 per square foot per month. Lessee shall promptly pay to Lessor along with, in addition to, and not a part of Lessee’s Base Rent, outlined above in paragraph 50 (Base Rent Schedule), C.A.O.E./NNN charges/fees which are estimated and shall be charged to Lessee at \$0.50 per square foot per month (\$517.00 per month). C.A.O.E./NNN charges/fees are not fixed for the term of the Lease and are subject to change from time to time by Lessor, at Lessor’s sole option, discretion, and determination. C.A.O.E./NNN charges/fees shall be paid by Lessee to Lessor on a monthly basis along with, in addition to, and not a part of Lessee’s Base Rent. C.A.O.E./NNN charges/fees shall begin on the first (1st) day of the first (1st) month of the Commencement Date and continue through and including the last month; and, any extensions or renewals thereafter.

52. Utilities – Continued (11.):

Lessor and Lessee agree, approve, and accept that Lessor shall pay and be responsible for utilities and services furnished/provided to Lessee’s Premises with the exception of telephone, internet, security, and gas service that Lessee, at Lessee’s sole cost, expense, and liability shall be responsible for. No janitorial service shall be provided to Lessee’s Premises by Lessor. Lessor shall be responsible for the heating, ventilation, and air conditioning (“HVAC”) maintenance (i.e., service, repair, and replacement/overhaul), roof, and parking lot throughout the term

Lessor
Initials: _____

Lessee
Initials: _____

of this Lease. Lessee shall be responsible, liable, and obligated for all of Lessee's own premises interior maintenance, repairs, and services to include but not be limited to: plate glass, windows, plumbing, HVAC timers, controllers, thermostats, intake and return vents, electrical wiring, lights (e.g. ballasts/bulbs, etc.), security, janitorial, phone, and internet service (fees, wiring, jacks, etc.), and restroom(s) (cleaning, maintenance, service, repair, and supplies).

53. Condition of Premises (1.2 (a), 2.2, 2.3(a), (b), (c), 2.4, 7.3(a),(b), (c), 7.4 (a), (b) ,(c)):

Lessor and Lessee agree, approve, and accept that Lessee shall, subject to and conditioned on the provisions contained under Heading/Section Paragraphs 2 and 7 of the pre-printed Lease, take and accept possession of the Premises interior floor plan in its "as-is"/"where-is"/"as-seen" present physical condition; however, Lessor shall, at Lessor's sole cost, expense, and responsibility, complete to the Premises the following repairs, maintenance, and/or improvements which shall include, but not be limited to the following (below); and, as described, outlined, and/or shown in a mutually agreed upon floor plan attached hereto and made (constitute) a part of this Lease, as Exhibit D:

- Remove approximately half of the existing demising wall, door, and frame (floor to T-bar ceiling) that separates the existing waiting room area from the receptionist's area (i.e., the portion of the demising wall that is between the east side/end of the built-in receptionist area pony wall under the east side/end receptionist area built-in upper counter-top cap surface, and the east interior wall of the Premises);
- Remove all existing built-in upper counter-top cap surfaces, lower counter top surfaces, under counter top drawers, and the wood lower cabinet unit from the west wall of the receptionist area;
- Relocate existing combination/composite lower cabinet unit (i.e., metal frame with plastic drawer/door fronts) with black counter top from the east wall of the receptionist area to the west wall of the receptionist area (i.e., the northwest corner of receptionist area; cabinet to be centered under the black cabinet counter top);
- Remove all existing carpeting from the waiting room, receptionist area, hallway, and rear southwest office 2, and install new commercial grade flooring (vinyl);
- Install additional electrical outlet receptacles. The number of outlet receptacles and where they will be installed/located are to be determined and shall be mutually agreed upon between Lessor and Lessee;
- Replace existing low bowl toilet in the Premises' restroom with a new higher/taller bowl toilet, add handicap grab bar(s), replace the small existing lower cabinet, sink, and counter-top with a new wider cabinet, larger sink, and counter-top, and install a ceiling exhaust fan over the toilet;
- Install new upper (overhead) cabinets above existing lower cabinet and sink in the rear southeast office 1;
- Remove/relocate existing Verizon communication equipment, hardware, and cables from the east interior wall of the west office 3 (between the rear southwest office 2 and the receptionist area/space), and place the equipment, hardware, and cables up into the plenum space of the west office 3 T-bar ceiling;
- Patch, repair, and/or seal any damage, scrapes, or holes in the walls and paint the interior drywall surfaces of the Premises (Lessee's choice of a single [1], available, standard, commercial color);
- Repair/replace damaged or missing molding on the top of the walls (where the walls and T-bar meet) in office 2;
- Replace any broken, damaged, missing, or water-stained ceiling tiles;

Furthermore, Lessee shall be responsible, at Lessee's sole cost, expense, and liability for any additional work or improvements not provided for or outlined above (e.g., if Lessee wishes to install a garbage disposal in the breakroom) and for any upgrades to the tenant improvement work or construction above Lessor's building standard improvements. Lessor's building standard improvements for purposes of this Lease shall mean materials, quality, and design that are similar to the existing material, type, quality, and design which are currently used in the Building.

Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes applicable laws, covenants or restrictions of record, regulations, and ordinances that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance rectify the same.

54. Security Deposit-Continued (1.7 (c), 5.):

Pertaining to the Lease, Heading/Section 1.7 (c) Security Deposit:

Lessor
Initials: _____

Lessee
Initials: _____

Lessor and Lessee agree, approve, and accept that no Security Deposit will be paid by Lessee to Lessor for this Lease.

55. Early Possession-Continued (1.4, 3.2, 3.3, 3.4, 6., 8.):

Lessor and Lessee agree, approve, and accept that upon full execution by both Lessee and Lessor of a Lease agreement; Lessee's payment to Lessor for the first month's Rent ~~and Security Deposit~~; Lessee providing Lessor with (delivery of) evidence of insurance, and Lessor completing all Lessor repairs, maintenance, and/or improvement work (see Condition of Premises, above), Lessee shall be given possession to the Premises on or about February 15, 2022 for improving, setting-up, and moving into the leased space. Whereas Lessee is given possession to the Premises prior to the Lease Commencement Date ("Early Possession"), Lessee's occupancy shall not advance the Expiration Date of the Lease. Lessee shall not be liable to Lessor to pay any Base Rent or C.A.O.E./NNN charges for and through any Early Possession period prior to the Commencement Date of the Lease. Lessee shall be required to perform all of its obligations under this Lease and Lessee's occupancy shall be subject to all the terms, provisions, and conditions of the Lease and this Addendum, including all insurance requirements outlined in Paragraph 8 (Insurance; Indemnity) of the pre-printed Lease, from and after the Early Possession period through to the Commencement Date of the Lease. Lessee shall be allowed to commence construction of improvements that Lessee is going to construct to the Premises subject to Lessor's prior written approval.

56. Delivery of Certificate (8.0):

Lessor and Lessee agree, approve, and accept that before the Lease Commencement Date and/or Lessee taking possession or occupancy of the Premises, Lessee shall deliver to Lessor the endorsement referred to in Paragraph 8 (Insurance; Indemnity) as well as a certified copy of Lessee's liability policy or policies and an original certificate of insurance, executed by an agent of the insurer or insurers, evidencing compliance with the liability insurance requirements. Lessee shall use commercially reasonable efforts to obtain a certificate that provides for no less than thirty (30) days advance written notice to Lessor from the insurer or insurers of any cancellation, nonrenewal, or material change in coverage or available limits of liability, and that shall confirm compliance with the liability insurance requirements in this Lease.

57. Rent Concession/Inducement Provisions (4., 13.3, 27., 28., 29., 50.):

Inducement Recapture. Any agreement for free, half (50%), reduced, abated rent, or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement, concession, or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, provisions, covenants, and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force, effect, or control, and any rent, other charge, bonus, inducement, concession, or consideration theretofore abated, given, or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

58. Hazardous Substances – Continued (6.2(a)-(g), 6.3, 6.4, Exhibits B & C):

Lessor and Lessee agree, approve, and accept that Lessee agrees to comply, at Lessee's expense, with all laws and regulations (Federal, State, and local) relating to Lessee's storage or use of hazardous substances, materials, waste, and toxic substances (as such are described, defined, as identified in the laws and regulations regarding such substances now or in force during any portion of the Lease term). "Compliance" includes obtaining and maintaining all required permits from the appropriate authorities.

Upon termination of this Lease, Lessee agrees, at Lessee's expense, to remove and, if necessary, transport all such material from the leased premises, conforming in such removal to the requirements of the applicable laws and regulations.

Lessee shall not take any remedial action (including consent decrees, settlement agreements, or compromises) without giving reasonable written notice to Lessor to afford Lessor the opportunity to protect the Lessor's interest. Lessee will give Lessor prompt written notice of any enforcement activity (threatened or otherwise) by any enforcement agency; any claim for damages made against Lessee; and any report to any environmental agency regarding Lessee's activities for use of these substances.

Lessee will indemnify and defend (by counsel reasonably acceptable to Lessor) Lessor, Lessor's partners, employees,

Lessor
Initials: _____

Lessee
Initials: _____

real estate brokers or licensees, agents, attorneys, and successors and assignees, holding them free and harmless from all claims for damages, penalties, and forfeitures for Lessee's violation or alleged violation of any such law or regulation. Indemnification shall include the cost of any required or necessary repair, clean up, removal, detoxification, or decontamination of the premises to completion. The acts or omissions of Lessee's employees, agents, assignees, contractors, or subcontractors (of Lessee or others), whether negligent, intentional, or unlawful, shall nevertheless be strictly attributable to Lessee.

The provisions of this paragraph shall survive the termination of the Lease. Lessor shall have the right to require Lessee to provide reasonable security for the performance of Lessee's obligations under this paragraph.

59. Confidentiality and Publicity.

Obligation and Agreement to Keep Information Confidential. Lessor and Lessee agree, approve, and accept that Lessee is a public agency that must approve this lease in a public meeting wherein its full contents will be disclosed, and that it must subsequently be disclosed in response to any California Public Records Act request. ~~Lessee acknowledges and agrees that the terms, provisions, and conditions of this Lease, and the verbal and written communications concerning this Lease, are confidential and constitute proprietary information of Lessor. Disclosure of any terms, provisions, or conditions could adversely affect the ability of Lessor to negotiate other leases and impair Lessor's relationship with other tenants/lessees in the Project, Building, Property, or Center. As consideration for and a condition of Lessor entering into a lease with Lessee, Lessee covenants and shall at all times (i.e., for and through the Original Term of this Lease) keep the terms, provisions, and conditions of this Lease transaction and any documents and information received from Lessor confidential. Lessee agrees that it, and its partners, officers, directors, employees, real estate brokers/agents, attorneys, shall not intentionally or voluntarily, either verbal or written, provide, disclose, discuss, or share any of the terms, provisions, or conditions of this Lease with any third party (except to the extent necessary to (a) comply with applicable law and regulations, or (b) carry out the obligations set forth in this Lease; provided, however, that Lessee shall have the right to disclose such items to its legal and financial advisors, consultants, lenders, and other parties having a reasonable need to know the same so long as, in each such case, Lessee advises each recipient of any such item of the confidential nature of such information, the foregoing duty of confidentiality and the recipient agrees to be bound thereby and to adhere to the same confidentiality obligation), including, but not limited to, any newspapers or other publications or any other tenants/lessees or apparent prospective tenants/lessees of the Project, Building, Property, or Center, or associates, colleagues, clients, vendors, service providers, customers, patients, real estate agents, either directly or indirectly, without the prior written consent of Lessor. Any such disclosure to third parties shall indicate that the information is confidential and shall be so treated by the third party. In the case or event Lessee breaches any of the terms, provisions, or conditions contained in this paragraph, Lessor shall, at Lessor's sole option and discretion, have the right to terminate this Lease upon written notice to Lessee, and Lessee shall forfeit its security deposit under this Lease as partial consideration for damages suffered by Lessor.~~

60. Broker/Agent Notification, Disclosure, and Indemnification (1.8, 1.10(a), 15.3, 22., 25., 28., 31.):

Lessor and Lessee agree, approve, and accept that Lessor and Lessee have carefully read and reviewed this Lease and Addendum and each term, provision, or condition contained herein, and by the execution of this Lease and Addendum, show their informed and voluntary consent thereto. The Parties hereby agree that, at the time this Lease and Addendum are executed, the terms, provisions, or conditions of this Lease and Addendum are commercially reasonable and effectuate the intent and purpose of Lessor and Lessee with respect to the Premises.

No representation or recommendation is made by the real estate broker, MGR Real Estate, Inc., or its agents or employees as to the legal sufficiency, legal effect, legality, or tax consequences of this Lease, Addendum, and Exhibits or the transaction to which it relates; the Parties shall rely solely upon the advice of their own legal counsel and other professionals as to the legal and tax consequences of this Lease, Addendum, and Exhibits.

Lessor and Lessee agree, approve, and accept that the Lease, Addendum, and Exhibits have been partially prepared by MGR Real Estate, Inc. at the request of Lessor and Lessee. Lessor and Lessee hereby confirm that they have reviewed this Lease, Addendum, and Exhibits with their independent counsel. By execution of this Lease, Lessor and Lessee recognize, understand, and confirm that MGR Real Estate, Inc. represents the Lessor (i.e., listing agent for Lessor), Lessor's Broker, in this transaction. As real estate licensees, we are not experts in nor are we qualified to advise Lessor or Lessee on specific aspects of any individual city or county; permitted, non-permitted, conditionally permitted uses, codes, ordinances, regulations, and zoning as it may pertain to Lessee and/or Lessee's proposed use(s) (paragraph 1.8 and 6) of the Premises in this transaction. Lessee has been encouraged to and has made its own inquiry and/or investigation(s). MGR Real Estate, Inc. has informed Lessee to consult with its own professionals and the city/county departments in the city/county that Lessee plans to conduct its business in, about Lessee's business plans and proposed use(s). MGR Real Estate, Inc. or its agents have made no implied or expressed representations or warranties to Lessor or Lessee regarding the compliance or non-compliance of Lessee's proposed or intended use for the Premises. Lessor

Lessor
Initials: _____

Lessee
Initials: _____

and Lessee agree to indemnify and hold harmless MGR Real Estate, Inc., its agents and employees from all disputes and/or claims (including but not limited to court costs and attorney's fees) between Lessor and Lessee or of any other party(ies) or concern resulting from this Lease/transaction. Lessor and Lessee represent and warrant that they have conducted their own research and studies with regard to this Lease/transaction and have not relied upon any representations made by MGR Real Estate, Inc., its agents or employees.

Lessor and Lessee understand that MGR Real Estate, Inc., its agents or employees have not made any investigation or determination regarding the value of the Property; the past, present, or future uses of the Property; any possible violations of any Federal, State, or municipal ordinances, statutes, zoning; proposed acquisition of the Property by Federal, State, County, or municipal governments; the accuracy of income and expense information; the existence or content of any leases; the existence of physical defects in the Property, the size of the Property, or the size of any improvements, and Lessor and Lessee hereby release MGR Real Estate, Inc., its agents or employees from any liability relating thereto and agree that such investigation and determination is and has been Lessee's sole responsibility and MGR Real Estate, Inc., its agents or employees shall not be held responsible thereof.

Lessee is advised that any representation of square footage with respect to the total building size, the specific rentable or useable space size, the size of common areas, and any improvements thereon are approximations only, which may be inaccurate. MGR Real Estate, Inc. recommends that Lessee confirm all sizes and conduct all studies, as described herein, to Lessee's sole and absolute satisfaction prior to execution of this Agreement.

Lessor and Lessee agree, approve, accept, and understand that MGR Real Estate, Inc. does not perform, conduct, or handle property management services for Lessor, Lessee and/or the Premises/Building/Shopping Center/Project/Property. MGR Real Estate, Inc. is not responsible or liable to Lessor or Lessee for the collection and/or disposition of any Rent, Security Deposit, Common Area Maintenance/Operating Expenses, or Rent Adjustments. Lessor and Lessee agree to indemnify and hold harmless MGR Real Estate, Inc., its agents and employees from all disputes and/or claims (including but not limited to court costs and attorney's fees) between Lessor and Lessee or of any other party(ies) or concern resulting from any Rent, Security Deposit, Common Area Maintenance/Operating Expenses, or Rent Adjustment issues.

61. Full Force, Effect, and Control.

Except as specifically modified by this ADDENDUM, all other paragraphs, sub paragraphs, sections, terms, provisions, and conditions of the Lease agreement shall continue, govern, and remain unchanged and in full force, effect, and control. The Lease as hereby amended, is ratified and confirmed by Lessor and Lessee, and subject to the provisions of the Lease as to assignment, the agreements, covenants, and provisions of this Addendum shall apply to and bind the heirs, executors, administrators, successors, and assigns of the parties hereto.

62. Entire Agreement.

The Lease and this Addendum set forth all covenants, agreements, and understandings between Lessor and Lessee with respect to the subject matter hereof, and there are no other covenants, conditions, or understandings, either written, oral, or contemporaneous between the parties hereto except as set forth in the Lease and this Addendum.

IN WITNESS WHEREOF, the Parties duly executed this ADDENDUM TO LEASE concurrently with the Lease agreement of even date herewith.

AGREED, APPROVED, AND ACCEPTED BY:

Lessor:

1900 Royalty Drive, LLC, a California limited liability company

By: _____

Name Printed: Gholam Hossein Bahadoor

Title: Managing Member

Date: _____

Lessee:

Tri-City Mental Health Authority, a Municipal Joint Powers Authority

By: _____

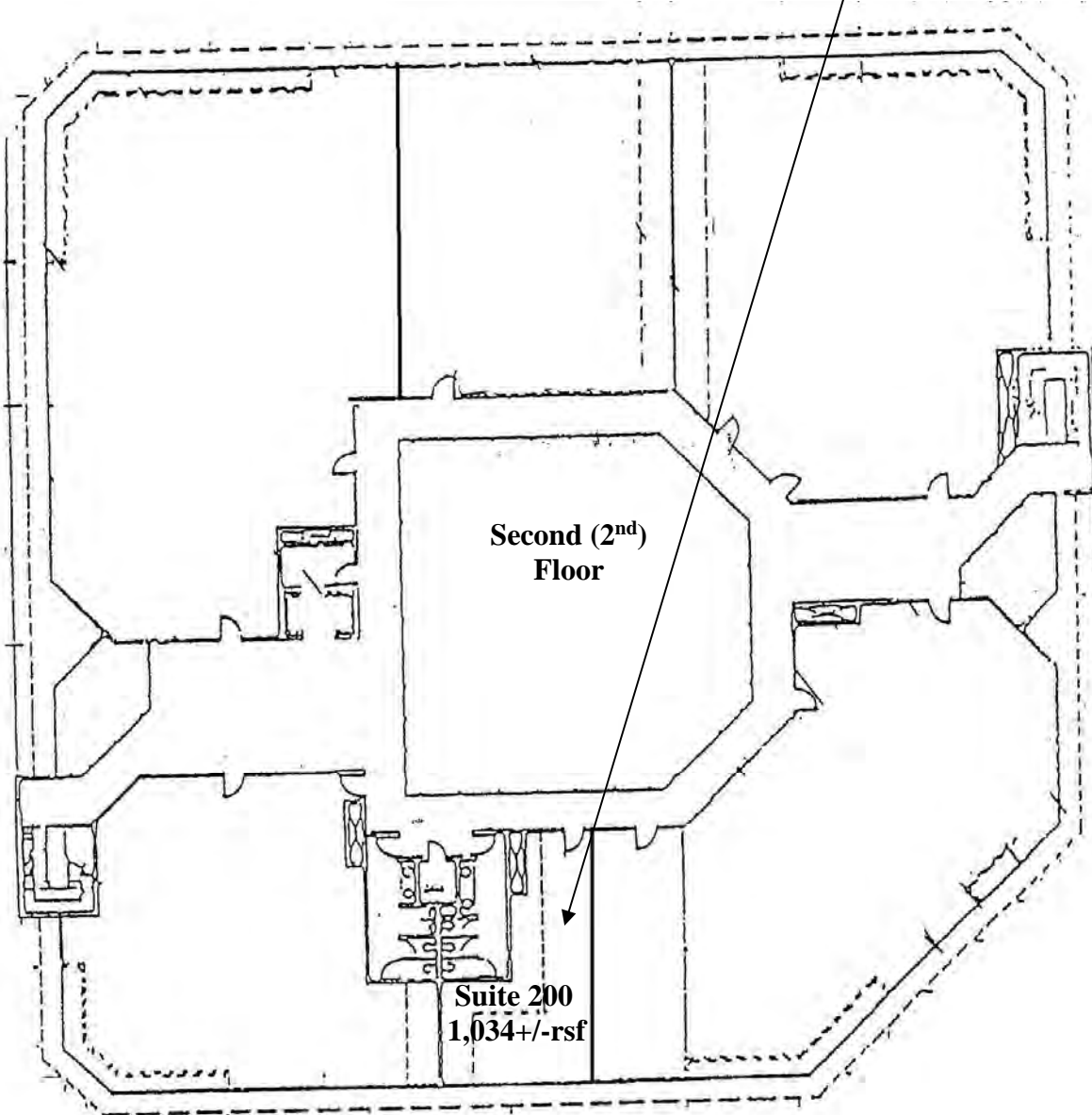
Name Printed: Jesse Duff

Title: Interim Executive Director

Date: _____

Exhibit A
Site Plan

Towne Professional Center
1900 Royalty Drive
Suite 200
Pomona, California 91767



NOT TO SCALE

Lessor and Lessee agree, approve, and accept that all information or design indicated in this site plan is **preliminary only, not to scale, not an exact site plan, layout, or design, and subject to change**. The above information, while not guaranteed or verified, has been obtained from sources believed to be reliable and correct but for which we (MGR Real Estate, Inc.) assume no liability or responsibility for any errors or omissions.

Lessor
Initials: _____

Lessee
Initials: _____

Exhibit B

Rules and Regulations

This Addendum is attached as Exhibit B to the AIRCRES Standard Multi-Tenant Office Lease - Net agreement dated January 19, 2022, in which 1900 Royalty Drive, LLC, a California limited liability company is referred to as Lessor, and Tri-City Mental Health Authority, a Municipal Joint Powers Authority is referred to as Lessee.

Lessor and Lessee agree, approve and accept the following:

GENERAL RULES

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways, and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety, reputation, or property of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.
4. Lessee shall not keep animals or birds within the Premises, Building, or Project, and shall not bring bicycles, motorcycles, or other vehicles into areas not designated as authorized for same without Lessor's prior written consent.
5. Lessee shall not make, suffer, or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any lock or install new or additional locks or bolts without Lessor's prior written consent.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing, or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not deface the walls, partitions, or other surfaces of the Premises, Building, or Project.
9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
10. Furniture, significant freight, and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, and subject to such reasonable limitations, techniques, and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Premises, Building, or Project arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Premises or Building, except as approved by Lessor.
12. If the Premises are part of a larger building, Lessor reserves the right to close and lock the Building on Saturdays, Sundays, and legal holidays, and on other days between the hours of 7:00P.M. and 6:00A.M. of the following day. If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.
13. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
14. No window coverings, shades, or awnings shall be installed or used by Lessee without Lessor's prior written consent .
15. No Lessee, employee or invitee shall go upon the roof of the Building without Lessor's prior written consent.
16. Lessee shall not suffer or permit smoking, vaping (e-cigarettes) or carrying of lighted cigars or cigarettes, or e-cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
17. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor without Lessor's prior written consent .
18. Lessee shall not install, maintain, or operate any vending machines upon the Premises without Lessor's prior written consent.
19. The Premises shall not be used for lodging, cooking or food preparation.

Lessor
Initials: _____

Lessee
Initials: _____

20. Lessee shall comply with all safety, fire protection, and evacuation regulations established by Lessor or any applicable governmental agency.
21. Lessor reserves the right to amend, revise, alter, update, delete and/or waive any one of these rules or regulations, and/or as to any particular lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such lessee.
22. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and any such future additional rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."
2. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
3. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessee will pay such replacement charge as is reasonably established by Lessor for the loss of such devices, if applicable.
4. Lessor reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements, if applicable.
5. Lessor reserves the right to relocate all or a part of parking spaces from floor to floor, within one floor, and/or to reasonably adjacent offsite location(s), and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances, and regulations.
6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.
7. Unless otherwise instructed, every person using the parking area is required to park and lock its own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons, or loss of property, all of which risks are assumed by the party using the parking area.
8. Validation, if established, will be permissible only by such method or methods as Lessor and/or its licensee may establish at rates generally applicable to visitor parking.
9. The maintenance, washing, waxing, or cleaning of vehicles in the parking area or Common Areas is prohibited.
10. Lessee shall be responsible for seeing that all of its employees, agents, and invitees comply with the applicable parking rules, regulations, laws, and agreements.
11. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.
12. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

PROPERTY / PREMISES RULES

1. No sign, placard, picture, advertisement, name, or notice shall be inscribed, displayed, printed, or affixed on or to any part of the outside or inside of the building or walls without the prior written consent of Lessor. Lessor shall have the right to remove any such sign, placard, picture, advertisement, name, or notice without notice to and at the expense of Lessee.

Lessor
Initials: _____

Lessee
Initials: _____

All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of Lessee by a person approved by Lessor. Lessee shall not place anything or allow anything to be placed near die glass of any window, door, partition, or wall which may appear unsightly from outside the premises; provided, however, that Lessor may furnish and install a building standard window covering at all exterior windows. Lessee shall not, without prior written consent of Lessor, cause or otherwise sunscreen any window.

2. The sidewalks, exits, and entrances shall not be obstructed by any of the lessees or used by them for any purpose other than for ingress and egress from their respective premises.
3. No storage or Lessee's business will be allowed outside the Premises or in any of the common area. This includes supplies, materials, goods, pallets, dunnage, and vehicles. All trash must be placed in trash receptacles. Violation will be remedied at Lessee's expense.
4. Lessee shall not alter any lock or install any new or additional locks or any bolts on any windows of the premises without Lessor's prior written consent, which Lessor shall not unreasonably withhold.
5. The toilet room's urinals, wash bowls, and other apparatus shall not be used for any purpose other than for which they were constructed and no foreign substances of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by the Lessee who, or whose employees or invitees shall have caused it.
6. Lessee shall not overload the floor of the premises or in any way deface the premises or any part thereof. Equipment exceeding 1,000 lbs./sq. ft. must be approved by Lessor.
7. Lessor shall have the right to prescribe the weight, size, and position of all safes and other heavy equipment brought into the Building, Project, Center, or Premises and also the times and manner of moving the same in and out of the Building, Project, Center, or Premises. Safes or other heavy objects shall, if considered necessary by Lessor, stand on supports of such thickness as is necessary to properly distribute weight. Lessor will not be responsible for the loss of or damage to any such safe or property from any cause, and said damage done to the Building, Project, Center, or Premises by moving or maintaining any such safe or other property shall be repaired at the expense of the Lessee.
8. Lessee shall not use, keep, or permit to be used or kept, or permit or suffer the premises to be occupied or used in a manner offensive or objectionable to the Lessor or other occupants of the Building, Project, Center, or Premises by reason of excess noise, odors, and/or vibrations, or interfere in any way with other lessees or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises, Building, Project, or Center.
9. The premises may not be used for any improper, objectionable, or immoral purpose.
10. Lessee shall not use or keep in the premises or the Building, Project, Center, or Premises any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Lessor, without Lessor's prior written consent. Lessor hereby permits storage of flammable liquids not to exceed ten (10) gallons as long as their storage complies with all governmental rules and regulations.
11. Lessor shall have the option to direct electricians as to where and how telephone and other wires are to be introduced. No boring or cutting for wires will be allowed without the prior consent of the Lessor, which Lessor shall not unreasonably withhold. The location of telephones, call boxes, and other office equipment affixed to the premises shall be subject to the approval of the Lessor.
12. Lessor shall in no case/event be liable for damages for any error with regard to the admission to or exclusion from Building, Project, Center, or Premises of any person. In case/event of invasion, mob, riot, public excitement, or other commotion, Lessor reserves the right to prevent access to the Building, Project, Center, or Premises during the continuance of the same by closing of doors or otherwise, for the safety of the lessees and protection of property in the premises and the building.
13. No vending machine of any description shall be installed, maintained, or operated upon the premises without the written consent of the Lessor.

Lessor
Initials: _____

Lessee
Initials: _____

14. Lessor shall have the right, exercisable without notice and without liability to Lessee, to change the name and street address of the Building, Project, Center, or Premises on which the premises are a part.
15. Lessee shall not disturb, solicit, or canvass any occupant of the Project and shall cooperate to prevent the same.
16. Without the written consent of Lessor, Lessee shall not use the name of the Project in connection with or in promoting or advertising the business of Lessee except as Lessee's address.
17. All doors in the premises shall be kept locked when the premises are not in use.
18. There shall be no overnight parking of automobiles, trucks, vans, trailers, or any other vehicles outside the Premises, or if applicable, the fenced in yard area of the Premises.
19. Lessee understands that the space, suite, or unit leased is for commercial use only and is not to be used as living quarters under any circumstances. There is to be no overnight sleeping or use of the leased space as a living facility in any manner whatsoever.

Agreed, Approved, and Accepted by:

Lessor:

1900 Royalty Drive, LLC, a California limited liability company

By: _____
 Name Printed: Gholam Hossein Bahadoor
 Title: Managing Member

Date: _____

Lessee:

Tri-City Mental Health Authority,
 a Municipal Joint Powers Authority

By: _____
 Name Printed: Jesse Duff
 Title: Interim Executive Director

Date: _____

Exhibit C

Notice to Owners/Sellers/Lessors, Buyers/Lesseees, and Tenants Regarding Broker Disclosure, Notification, and Indemnifications

This Addendum is attached as Exhibit C to the AIRCRES Standard Multi-Tenant Office Lease - Net agreement dated January 19, 2022 in which 1900 Royalty Drive, LLC, a California limited liability company is referred to as Owner/Seller/Lessor, and Tri-City Mental Health Authority, a Municipal Joint Powers Authority is referred to as Buyer/Lessee.

I. Hazardous Substances/Materials and Underground Storage Tanks

Comprehensive Federal, State, and local regulations have recently been enacted to control the use, storage, handling, clean up, removal, and disposal of hazardous and toxic wastes and substances. Extensive legislation has also been adopted with regard to underground storage tanks. As real estate licensees, we are not experts in the area of hazardous substances and we encourage you to consult with your legal counsel with respect to your rights and liabilities with regard to hazardous substances laws and regulations and to obtain technical advice with regard to the use, storage, handling, clean-up, removal, or disposal of hazardous substances from professionals, such as a civil engineers, geologists, or other persons with experience in these matters to advise you concerning the property. We also encourage you to review the past uses of the property, which may provide information as to the likelihood of the existence of hazardous substances or storage tanks on the property.

MGR Real Estate, Inc. will disclose any knowledge it actually possesses with respect to the existence of hazardous substances or underground storage tanks on the property. MGR Real Estate, Inc. has not made any investigations or obtained reports regarding the property, unless so indicated in a separate document signed by MGR Real Estate, Inc. MGR Real Estate makes no representation or warranty regarding the existence or non-existence of hazardous substances or underground storage tanks on the property.

With regard to the sale of real property, recently enacted California Health and Safety Code Section 25359.7 provides that any owner of non-residential real property who knows, or has any reasonable cause to believe, that any release of hazardous substances has come to be located on or beneath real property, shall, prior to the sale of real property, give written notice of that condition to the buyer of the real property. Failure of the owner to provide written notice when required shall subject the owner to actual damages and other remedies provided by the law. In addition, where the owner has actual knowledge of the presence of any hazardous substances and knowingly and willfully fails to provide written notice to the buyer, the owner is liable for a civil penalty not to exceed \$5,000 for each separate violation.

With regard to leases of real property, Section 25359.7 of the California Health and Safety Code provides that any lessee of real property who knows, or has reasonable cause to believe, that any release of hazardous substances has come to be located on or beneath the real property shall, upon discovery by the lessee of the presence or suspected presence of a hazardous substance release, give notice of that condition to the owner of the real property. Failure of the lessee to provide written notice as required to the owner shall make the lease voidable at the discretion of the owner. The Health and Safety Code provides that if lessee has actual knowledge of the presence of any hazardous substance release and knowingly and willfully fails to provide written notice as required to the owner, the lessee is liable for a civil penalty not to exceed \$5,000 for each violation.

Owner/Seller/Lessor represents and warrants to MGR Real Estate, Inc., herein after described as "Broker", that it has no knowledge of the existence of hazardous, toxic, cancer-causing, or reproductive toxicity materials (collectively, "Hazardous Substances") in, on, under, or about the subject property except as may be disclosed to Broker in writing and furnished as an exhibit to this instrument. The parties anticipate that if a problem of Hazardous Substances does exist on the property, whether or not known to Owner/Seller/Lessor, subsequent Buyer's/Lessee's who had any dealings with Broker are likely to name Broker as a defendant in any ensuing litigation. Owner/Seller/Lessor hereby agrees to indemnify, defend, and hold harmless Broker, together with all its representatives, employees, partners, directors, officers, shareholders, agents, successors, assigns, and each of them (collectively "Released Parties"), from any and all claims, liabilities, damages, demands, obligations, costs, expenses, attorney's fees, actions, and settlements arising out of or related to the existence of any Hazardous Substances (giving those terms the broadest meaning accorded by the statutes, regulations, the courts, and specifically including (a) petroleum products; (b) friable as well as non-friable asbestos

Owner/Seller/Lessor
Initials: _____

Buyer/Lessee
Initials: _____

containing materials; and (c) all materials which may be included within the definition of the mentioned terms in any state or federal law, whether or not excluded from that definition in other comparable laws with respect to the property and any breach of a duty of disclosures as a result thereof. Broker in this transaction has no special knowledge with respect to the existence or non-existence of hazardous, toxic, cancer-causing, or reproductive toxicity materials (collectively "Hazardous Substances") which may exist in, on, under, or about the subject property to the extent Broker is supplied with any such information from Owner/Seller/Lessor, it will promptly furnish that information to the Buyer/Lessee. Except for the latter obligation, the parties specifically agree that Broker has no independent duty to further investigate the existence or non-existence of such materials, if it is subsequently found that a problem regarding Hazardous Substances (giving those terms the broadest meaning accorded by the statutes, regulations, the courts, and specifically including (a) petroleum products; (b) friable as well as non-friable asbestos containing materials; and (c) all materials which may be included within the definition of the mentioned terms in any state or federal law, whether or not excluded from that definition in other comparable laws) does exist on the property.

II. "Americans with Disabilities Act"

The United States Congress Has Enacted Legislation known as the "Americans with Disabilities Act" (ADA). Among other things, this act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. States and local laws also may mandate changes. As real estate licensees, we are not experts in nor qualified to advise you on the legal or technical aspects of ADA as it may pertain to you in this transaction. We encourage you to consult your legal counsel, architect, qualified design professional, and/or other professionals with appropriate experience with regard to your rights or obligations for compliance with ADA. We cannot determine which attorneys, architects, or design professionals have the appropriate expertise in this area.

MGR Real Estate, Inc., its agents or employees (Broker) makes no representation or warranty regarding the compliance or noncompliance of the Property under ADA.

III. Alquist-Priolo Special Earthquake Studies Zone Act

The subject property is or may be situated in a Special Zone as designated under the Alquist-Priolo Special Zone Act, Sections 2321-2630, inclusive, of the California Public Resources Code; and, as such, the construction or development of this property or any structure for human occupancy may be subject to the findings of a geologic report prepared by a geologist registered in the State of California, unless such report is waived by the city or county under the terms of that act. No representations on the subject are made by Broker or its agents or employees, and the Buyer should make his own inquiry or investigation.

IV. National Flood Insurance Program

The subject property is or may be situated in a "flood zone" as set forth on HUD "Special Flood Zone Area Maps." The law requires that as a condition of obtaining financing on most properties located in "flood zones", banks, savings and loan associations, and some insurance lenders will require that HUD flood insurance be carried where the property or its attachments are security for the loan. This requirement is mandated by the HUD National Flood Insurance Program, which requirement became effective March 1, 1976. The extent of coverage available may vary and for further information you should consult your lender or your insurance carrier. No representation or recommendation is made by Broker or its agents or employees as to the legal effect, interpretation, or economic consequences of the National Flood Insurance Program and related legislation. These are questions that you should address to your lender or your insurance carrier.

V. Mold Disclosure and Recommendations

Buyer/Lessee is hereby advised to have the subject property/premises inspected for the possible presence of dry rot, moisture, and/or mold. As with all inspections requested by Buyer/Lessee, Buyer/Lessee must undertake a mold/airborne spore inspection within the time frames set forth in the Purchase and/or Lease Agreement. It is possible that mold could be, and often is, hidden, and the Owner/Seller/Lessor can be completely unaware of its existence. Other than the obvious structural problems that can occur as a result of moisture or dry rot, some types of fungus, mildew, and mold can produce airborne substances called toxins which may cause serious health problems.

The presence of moisture, mildew, odors, water stains, condensation, or observable mold growth are all possible indicators of a mold condition. This condition may, or may not, be toxic. However, toxic mold

Owner/Seller/Lessor
Initials: _____

Buyer/Lessee
Initials: _____

may also exist in the absence of these possible indicators. Brokers, agents, and Owners/Sellers/Lessors do not have the expertise or training to identify and evaluate these conditions. In many cases, it is possible that an ordinary physical inspection by a third party inspector(s)/inspection company will fail to detect the presence of mold and related toxins. Therefore, Buyers/Lessees who are concerned about mold and related issues are advised and encouraged to consult with a biohazard engineer or industrial hygienist, or other such qualified specialist/expert, and to obtain all the tests and inspections recommended by the specialist/expert. Tests may include testing actual discovered mold, testing for airborne spores, as well as a testing of carpet and other floor covering.

Buyer/Lessee is hereby notified that mold can grow if the property/premises are not properly maintained or ventilated. If moisture is allowed to accumulate in the property/premises, it can cause mildew and mold to grow. It is important that Buyer/Lessee regularly allow air to circulate in the property/premises. It is important that Buyer/Lessee keep the interior of the property/premises clean.

In the case of a lease, Lessee shall promptly notify the Lessor of any leaks, moisture problems, and/or mold growth. Lessee agrees to maintain the premises in a manner that prevents the occurrence of an infestation of mold or mildew in the premises. Lessee agrees to uphold this responsibility by complying with the following list of responsibilities:

1. Lessee agrees to keep the premises free of dirt and debris that can harbor mold.
2. Lessee agrees to immediately report to the Lessor any water intrusion such as plumbing leaks, drips, or "sweating" pipes.
3. Lessee agrees to notify owner of overflows from bathroom, kitchen, or premises facilities, especially in cases where the overflow may have permeated walls or cabinets.
4. Lessee agrees to report to the Lessor any significant mold growth on surfaces inside the premises.
5. Lessee agrees to allow the Lessor to enter the premises to inspect and make necessary repairs.
6. Lessee agrees to use bathroom fans while using the facilities and to report to the Lessor any non-working fans.
7. Lessee agrees to use exhaust fans whenever cleaning.
8. Lessee agrees to use all reasonable care to close all windows and other openings in the premises to prevent outdoor water from penetrating into the interior of the premises.
9. Lessee agrees to clean and dry any visible moisture on windows, walls, and other surfaces, including personal property, as soon as reasonably possible. Note: Mold can grow on damp surfaces within 24 to 48 hours.
10. Lessee agrees to notify the Lessor of any problems with the air conditioning or heating systems that are discovered by Lessee.

VI. Lessee's Agreement to Disclosure

Lessee has specifically been informed about and agrees to comply with the provisions of California Health & Safety Code Section 25359.7 which requires that Lessee notify Lessor in writing in all instances where the Lessee knows or has reasonable cause to believe that any release of a hazardous or toxic substance (giving that term the broadest meaning accorded by statutes, regulations, ordinances, and court decisions including petroleum products, fractions of crude oil and all forms of friable and non-friable asbestos containing material) has come to be located in, on, under, or about the subject property.

In addition, the law requires the Lessee to provide notice to the Lessor in any instance when the Lessee must file notification of a release of a hazardous or toxic material with a state or local agency, a business plan pursuant to Section 25500 of the California Health & Safety Code that it will provide Lessor with copies thereof, and acknowledge that Lessor may exercise a right to entry and inspection at any time during the lease period upon reasonable notification for the purpose of determining the presence or absence of any hazardous or toxic materials as well as Lessee's compliance with all provisions of law with respect thereto.

The undersigned parties acknowledge by their signature and date having read and understood the foregoing, and having received a duplicate original of this Notice (Addendum to Lease).

Owner/Seller/Lessor
Initials: _____

Buyer/Lessee
Initials: _____

Agreed, Approved, and Accepted by:

Owner /Seller/Lessor:

1900 Royalty Drive, LLC, a California limited liability company

By: _____

Name Printed: Gholam Hossein Bahadoor

Title: Managing Member

Date: _____

Buyer/Lessee:

Tri-City Mental Health Authority,
a Municipal Joint Powers Authority

By: _____

Name Printed: Jesse Duff

Title: Interim Executive Director

Date: _____

Exhibit D

Floor Plan

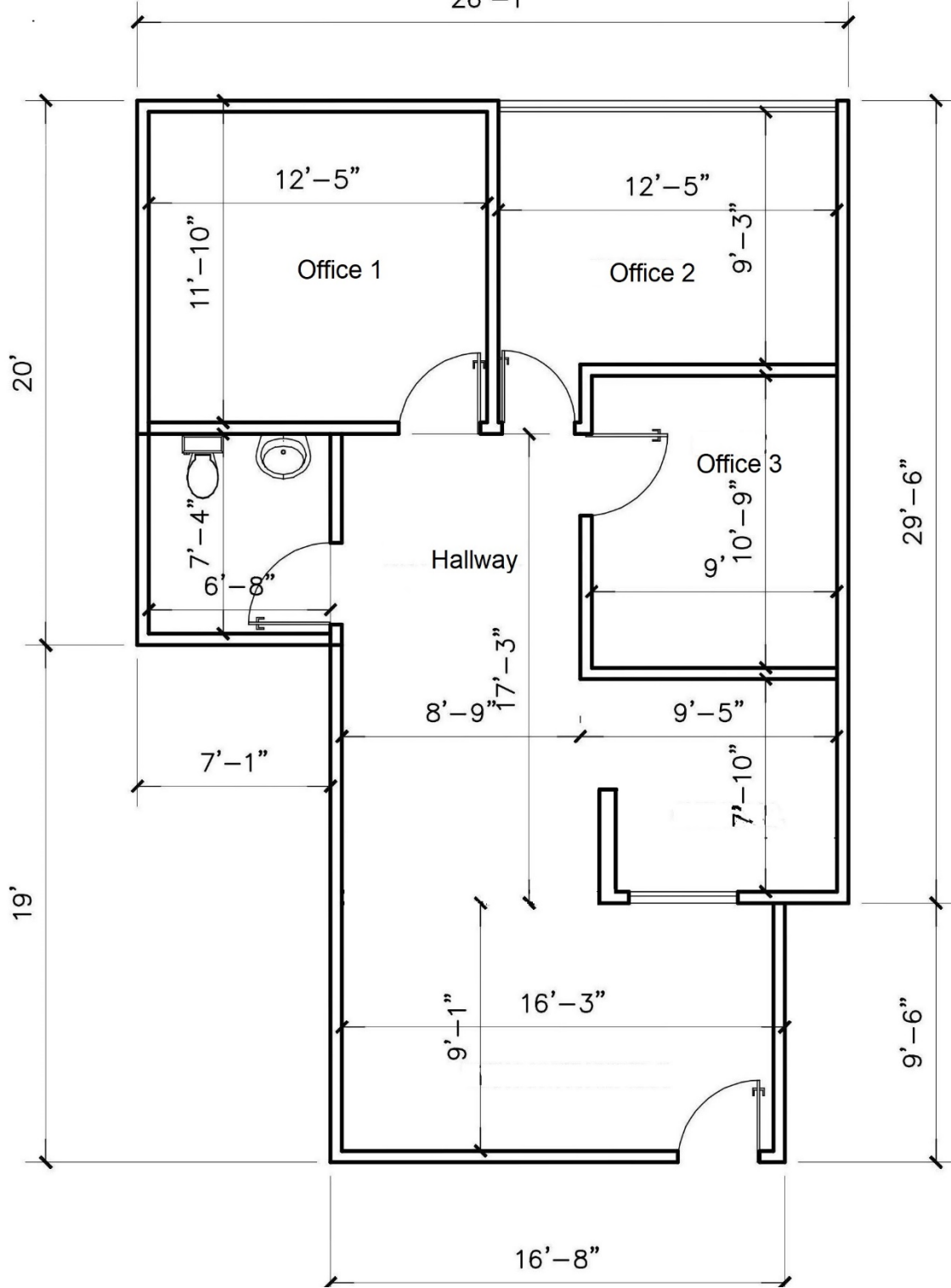
Towne Professional Center

1900 Royalty Drive

Suite 200

Pomona, California 91767

26'-1"



NOT TO SCALE

Lessor and Lessee agree, approve, and accept that all information or design indicated in this floor plan is **preliminary only, not to scale, not an exact floor plan, layout, or design, and subject to change**. The above information, while not guaranteed or verified, has been obtained from sources believed to be reliable and correct but for which we (MGR Real Estate, Inc.) assume no liability or responsibility for any errors or omissions.

Lessor
Initials: _____

Lessee
Initials: _____



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Jesse Duff, Interim Executive Director

BY: Rimmi Hundal, Director of MHSA and Ethnic Services

SUBJECT: Consideration of Resolution No. 634 Authorizing the Authority to Enter into a Participation Agreement with the California Mental Health Authority (CalMHSA) to Participate in the Peer Support Specialist Certification Program and Authorizing the Interim Executive Director to Execute the Agreement and any Amendments thereafter

Summary:

Staff is seeking approval from the Tri-City Mental Health Authority (TCMHA) Governing Board to allow its Interim Executive Director to enter into a participation agreement with CalMHSA to implement the Peer Support Specialist Certification.

Background:

Through the passage of Senate Bill 803 (SB 803), Beall, a Certified Peer Support Specialist is recognized as a new Medi-Cal provider and service type under the Medi-Cal specialty mental health services delivery system. In alignment with SB 803, the Department of Health Care Services (DHCS), through community stakeholder input, set statewide standards for the implementation of a Medi-Cal Peer Support Specialist Certification programs through the Behavioral Health Information Notice 21-041 (BHIN 21-041). The BHIN identifies the Peer Support Specialist as a new, optional benefit available to interested counties.

Under the new Medi-Cal peer support specialist benefit, the DHCS identifies a certified peer support specialist as a new “provider type” and peer support services as a new “service type.” The DHCS will establish reimbursement rates and service delivery under this benefit.

The California Mental Health Services Authority (CalMHSA) strives to maximize statewide or regional resources to best support the standardization of processes to improve efficiencies and remove unnecessary duplicity to support county efforts in its delivery of mental health and substance use services. With this aim in mind, CalMHSA is implementing a Medi-Cal Peer Support Specialist Certification program on behalf of the counties.

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 634 Authorizing the Authority to Enter into a Participation Agreement with the California Mental Health Authority (CalMHSA) to Participate in the Peer Support Specialist Certification Program and Authorizing the Interim Executive Director to Execute the Agreement and any Amendments thereafter
January 19, 2022
Page 2

Fiscal Impact:

None. The California Mental Health Authority (CalMHSA) is working collaboratively with the Department of Health Care Services (DHCS) to identify funding for program start-up and some funding for the certification of peers. For these reasons, the participation agreement does not include any fiduciary responsibility from Tri-City to CalMHSA.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 634, authorizing the Authority to enter into a Participation Agreement with the California Mental Health Authority (CalMHSA) for the Peer Support Specialist Certification Program; and authorizing the Interim Executive Director to complete and execute all documents required, or deemed necessary or appropriate, to effectuate the Agreement and any Amendments thereafter.

Attachments

Attachment 9-A: Resolution No 634-DRAFT

Attachment 9-B: CalMHSA Intro Letter for Participation Agreement for Peer Certification Program

Attachment 9-C: Participation Agreement with CalMHSA for Peer Support Specialist Certification

RESOLUTION NO. 634

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE AUTHORITY TO ENTER INTO A PARTICIPATION AGREEMENT FOR THE PEER SUPPORT SPECIALIST CERTIFICATION PROGRAM WITH THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (CaIMHSA), AND AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY AMENDMENTS THEREAFTER

The Governing Board of the Tri-City Mental Health Authority (“Authority”) does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority TCMHA”) desires to enter into a Participation Agreement with the California Mental Health Services Authority (CaIMHSA), a Joint Powers Authority (JPA) under Government Code Section 6500 et seq., to provide administration and monitoring of the new Medi-Cal Peer Support Specialist Certification program, on TCMHA’s behalf.

B. The Authority affirms that CaIMHSA was created by counties in 2009 to jointly develop and fund mental health services and education programs; CaIMHSA provides administrative and fiscal services in support of, and addresses, common interests in the administration of such programs; and the Authority is a member county of CaIMHSA.

C. Senate Bill No. 803, enacted on September 25, 2020 (known as the Peer Support Specialist Certification Program Act of 2020), recognizes a Certified Peer Support Specialist as a new Medi-Cal provider and service type under the Medi-Cal specialty mental health services delivery system.

D. The Department of Health Care Services (DHCS) set statewide standards for the implementation of Medi-Cal Peer Support Specialist Certification programs through the Behavioral Health Information Notice 21-041 (BHIN 21-041). The BHIN 21-041 identifies the Peer Support Specialist as a new, optional Medi-Cal peer support specialist benefit.

E. CaIMHSA has developed a succinct Peer Support Specialist Certification Program in alignment with BHIN 21-041 for counties. The program meets all the requirements established through the BHIN 21-041, and it includes a layer of quality assurance, oversight, and monitoring.

[Continued on page 2]

F. The Participation Agreement does not include any fiduciary responsibility from TCMHA to CalMHSA, which is working collaboratively with the DHCS to identify funding for program start-up and some funding for the certification of peers.

2. Action

A. The Governing Board authorizes the Authority to enter into a Participation Agreement with the California Mental Health Authority (CalMHSA) for the Peer Support Specialist Certification Program, beginning January 1, 2022 through December 31, 2022, or until such time that the Peer Support Specialist Certification is completed.

B. The Governing Board authorizes the Interim Executive Director to complete and execute all documents required, or deemed necessary or appropriate, to effectuate the Participation Agreement, and any Amendments or extensions of such Agreement thereafter.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on January 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ROBIN CARDER, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:_____

By:_____

December 6, 2021

Dear Behavioral Health Director and MHSa Coordinator

Through the passage of Senate Bill 803 (SB 803), Beall, a certified peer support specialist is recognized as a new Medi-Cal provider and service type under the Medi-Cal specialty mental health services delivery system. In alignment with SB 803, the DHCS, through community stakeholder input, set statewide standards for the implementation of a Medi-Cal Peer Support Specialist Certification programs through the Behavioral Health Information Notice 21-041 ([BHIN 21-041](#)). The BHIN identifies the Peer Support Specialist as a new, optional benefit available to interested counties. Under the new Medi-Cal peer support specialist benefit, the DHCS identifies a certified peer support specialist as a new “provider type” and peer support services as a new “service type.” The DHCS will establish reimbursement rates and service delivery under this benefit.

California Mental Health Services Authority, CalMHSA, strives to maximize statewide or regional resources to best support the standardization of processes to improve efficiencies and remove unnecessary duplicity to support county efforts in its delivery of mental health and substance use services. With this aim in mind, we are excited to implement a Medi-Cal Peer Support Specialist Certification program on behalf of interested counties. The attached participation agreement is to formally establish a partnership to implement this benefit on behalf of your county. CalMHSA is working collaboratively with the Department of Health Care Services (DHCS) to identify funding for program start-up and some funding for the certification of peers. For these reasons, the participation agreement does not include any fiduciary responsibility from the county to CalMHSA. We are excited to include your county amongst the counties being represented by CalMHSA.

CalMHSA is dedicated to establishing a quality long-standing program that meets the needs of peers and counties alike. To this end, CalMHSA held 12 [“Community Input Sessions”](#) in October 2021, to gather input to put forth a comprehensive program.

CalMHSA understands county interests and has developed a succinct [peer support specialist certification program](#) in alignment with BHIN 21-041 for counties. The program not only meets all the requirements established through the BHIN 21-041, but we have included additional elements to round off the program, including a layer of quality assurance, oversight, and monitoring. This means that counties represented by CalMHSA can be confident in the administration and monitoring of the new Medi-Cal benefit on your county’s behalf.

PROGRAM OVERVIEW:

Required Program Elements

- **Standardized Policies:**
Standardized policies and procedures driving program integrity, including training requirements, examination administration and proctoring, processing of candidates for certification, program audit and monitoring, and complaints and corrective actions.
- **Certification Exam:**
The development of a standardized examination for the certification of peers. Developed by an experienced examination developer using subject matter experts in peer workforce. CalMHSA will administer the examination and contract with proctoring agency for taking the examination.
- **Training:**
CalMHSA will approve and authorize training vendors for continued education training and vendors who provide training that leads to examination. CalMHSA will host web-based trainings on the CalMHSA learning management system offering accessibility and low-barrier training.
- **Annual Data Reporting:**
In accordance with DHCS standards, CalMHSA will standardize data collection of certified peer support specialists and submit data to DHCS on behalf of counties.
- **Complaints and Investigations:**
CalMHSA will conduct reviews and investigations of complaints of certified peer support specialists or programs. CalMHSA will take actions as necessary as part of the complaints and investigations process.

Additional Program Elements

- **Web-Based Certificant Registry:**
The Certificant Registry is an all-inclusive, public facing website used to perform the business functions of the program, including a search function of the Certificant and requests for examination.
- **Quality Assurance, Program Monitoring and Audits:**
CalMHSA will develop monitoring and audit tools and will perform these activities to ensure program excellence and efficacy.
- **Data- County Level Reports:**
CalMHSA will develop county-level reports for county use to support DHCS Triennial Reviews, annual California External Quality Reviews, and other performance management activities.
- **Program Evaluation:**
In collaboration with the DHCS, CalMHSA will contract with an evaluation agency to assess the impact of the Peer Support Specialist Certification program on key client and health system metrics.



- Stakeholder Advisory Council:
CalMHSA has established a Stakeholder Advisory Council who will offer ongoing recommendations on program implementation. The members were selected through an application process.

We are excited to include your county amongst those CalMHSA will represent. Please do not hesitate to reach out to us with questions.

In order to plan for staffing needs, we kindly ask you to review the attached Participation Agreement and return to us on or before December 31, 2021.

Sincerely,

Lucero Robles, MSW, LCSW
Director, Quality Assurance and Compliance

Lucero.Robles@calmhsa.org

Visit our website: [CalMHSA Peer Support Specialist Certification program](#)



**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET**

1. Tri-City Mental Health Center (“Participant”) desires to participate in the Program identified below.
Name of Program: Peer Support Specialist Certification
2. California Mental Health Services Authority (“CalMHSA”) and Participant acknowledge that the Program will be governed by CalMHSA’s Joint Powers Agreement and its Bylaws, and by this participation agreement. The following exhibits are intended to clarify how the provisions of those documents will be applied to this particular Program.
 - Exhibit A Program Description and Funding
 - Exhibit B General Terms and Conditions
 - Exhibit C County Specific Scope of Services and Funding
3. **Funding:** Not applicable. Subsequent phases may require funding which will be reflected in a future Participation Agreement.
4. **Term:** The term of the Program is January 1, 2022, through December 31, 2022.
5. Authorized Signatures:

CalMHSA

Signed: _____ Name (Printed): Dr. Amie Miller, Psy.D., MFT

Title: Executive Director Date: _____

Participant: Tri-City Mental Health Center

Signed: _____ Name (Printed): _____

Title: Board of Supervisors/ CAO Date: _____

Signed: _____ Name (Printed): _____

Title: County Counsel Date: _____

Signed: _____ Name (Printed): _____

Title: Director of Behavioral Health Date: _____

ATTACHMENT 9-C

Participation Agreement
EXHIBIT A – Program Description

- I. Name of Program: Peer Support Specialist Certification**
- II. Term of Program: January 1, 2022, through December 31, 2022**
- III. Program Objective and Overview:**

In alignment with Senate Bill 803, Beall (SB 803), the Department of Health Care Services (DHCS) established statewide requirements for the development of Medi-Cal certification programs of peer support specialist.

CalMHSA will implement a Medi-Cal Peer Support Specialist Certification program that is responsive to the needs of California's population under the Medi-Cal Specialty Mental Health and Drug Medi-Cal Organized Delivery Systems in accordance with DHCS [Behavioral Health Information Notice 21-041](#). CalMHSA anticipates a go-live date for the Peer Support Specialist Certification program by May 2022.

On behalf of counties, CalMHSA will implement and administer all components of the Peer Support Specialist Certification program, including required data collection and submission to DHCS, certification of peers, exam administration, investigations, and approval, auditing, and monitoring of training vendors. Although the Medi-Cal Peer Support Specialist Certification program is an optional benefit to counties, the Peer Support Specialist Certification program is available to any individual seeking to be recognized as a Certified Peer Support Specialist. The Medi-Cal Peer Support Specialist Certification benefit is an optional benefit to counties.

CalMHSA is seeking a contractual agreement with the DHCS for funding of the development and implementation of the Medi-Cal Peer Support Specialist Certification program. Additionally, the DHCS has expressed intent for limited funding for the certification of peers.

Participation Agreement
EXHIBIT B – General Terms and Conditions

I. Definitions

The following words, as used throughout this Participation Agreement, shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- A. CalMHSA – California Mental Health Services Authority, a Joint Powers Authority (JPA) created by counties in 2009 at the instigation of the California Mental Health Directors Association to jointly develop and fund mental health services and education programs.
- B. DHCS – Department of Health Care Services.
- C. Member – A County (or JPA of two or more Counties) that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.
- D. Mental Health Services Division (MHSD) – The Division of the California Department of Health Care Services responsible for mental health functions.
- E. Participant – Any County participating in the Program either as Member of CalMHSA or under a Memorandum of Understanding with CalMHSA.
- F. Program – The program identified in the Cover Sheet.

II. Responsibilities

- A. Responsibilities of CalMHSA:
 - 1. Act as the Fiscal and Administrative agent for the Program, including:
 - i. Oversee and administer all training vendor contracts.
 - ii. Administer and score exam.
 - iii. Conduct program audits, investigations, actions, and appeals.
 - iv. Manage data collection and reporting to DHCS.
 - v. Administer other duties as needed.
 - 2. Manage funds provided by DHCS consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
 - 3. Provide regular reports to Participant and/or other public agencies with a right to such reports.
 - 4. Comply with CalMHSA's Joint Powers Agreement and Bylaws.
- B. Responsibilities of Participant:
 - 1. Provide CalMHSA and any other parties deemed necessary with requested information and assistance in order to fulfill the purpose of the Program.
 - 2. Cooperate by providing CalMHSA with requested information and assistance in order to fulfill the purpose of the Program.
 - 3. Provide feedback on Program performance.
 - 4. Comply with applicable laws, regulations, guidelines, contractual agreements, JPAs, and bylaws.

III. Duration, Term, and Amendment

- A. The term of the Program is for 12 months.
- B. This Agreement may be supplemented, amended, or modified only by the mutual agreement of CalMHSA and the Participant, expressed in writing and signed by authorized representatives of both parties.

IV. Withdrawal, Cancellation, and Termination

- A. Participant may withdraw from the Program and terminate the Participation Agreement upon a 30-day notice written notice. Notice shall be deemed served on the date of mailing.
- B. The withdraw of a Participant from the Program shall not automatically terminate its responsibility for its share of the expense and liabilities of the Program. The contributions of current and past Participants are chargeable for their respective share of unavoidable expenses and liabilities arising during the period of their participation.
- C. Upon cancellation, termination, or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the administration of the Program shall be returned to Participant. Unused funds paid for a joint effort will be returned pro rata to Participant in proportion to payments made. Adjustments may be made if disproportionate benefit was conveyed on particular Participant. Excess funds at the conclusion of county-specific efforts will be returned to the particular County that paid them.

V. Fiscal Provisions

- A. Not Applicable.

VI. Limitation of Liability and Indemnification

- A. CalMHSA is responsible only for funds as instructed and authorized by participants. CalMHSA is not liable for damages beyond the amount of any funds which are identified on the cover page of this Agreement, without authorization or contrary to Participant's instructions.
- B. CalMHSA is not undertaking responsibility for assessments, creation of case or treatment plans, providing or arranging services, and/or selecting, contracting with, or supervising providers (collectively, "mental health services"). Participant will defend and indemnify CalMHSA for any claim, demand, disallowance, suit, or damages arising from Participant's acts or omissions in connection with the provision of mental health services.

Participation Agreement
EXHIBIT C – County Specific Scope of Services and Funding

[LEFT BLANK]



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: January 19, 2022
TO: Governing Board of Tri-City Mental Health Authority
FROM: Jesse H. Duff, Interim Executive Director
SUBJECT: Executive Director's Monthly Report

COVID-19 OPERATIONS UPDATE

In response to the rise in COVID-19 Omicron cases, and in an effort to minimize exposure where possible, the Executive Team reinstated the 'essential services staffing order' agency-wide effective Thursday, January 13, 2022 through Sunday, February 13, 2022. All employees who are not required to provide essential, on-site or in-person duties, will be required to remain home and telework.

Staff was also reminded, that as required by Tri-City's Mandated COVID-19 Vaccination Policy and the State Public Health Order, booster *eligible* employees and non-employees who will be onsite at Tri-City facilities as described in our policy, must obtain and provide proof of receipt of a COVID-19 vaccine booster by February 1, 2022 or prior to coming onsite to a Tri-City facility, whichever is the latest.

Management continues to do their best to make decisions based on readily available science and data which is continuously evolving. It is their priority to ensure the safety and wellbeing of Tri-City staff and the community that we serve.

HUMAN RESOURCES UPDATE

Staffing – Month Ending December 2021

- Total Staff is 173 full-time and 15 part-time plus 48 full time vacancies 3 part time vacancies for a total of 231 positions.
- There were 3 new hires in December.
- There were 5 separations in December.

Workforce Demographics in December 2021

- American Indian or Alaska Native = 0.53%
- Asian = 9.57%
- Black or African American = 5.85%
- Hispanic or Latino = 57.45%
- Native Hawaiian or Other Pacific Islander = 0.53%
- Other = 8.51%
- 2 or more races = 1.60%
- White or Caucasian = 15.96%

Governing Board of Tri-City Mental Health Authority
Monthly Staff Report of Jesse H. Duff
January 19, 2022
Page 2

Posted Positions in December 2021

Clinical Supervisor I - Adult FSP	(1 FTE)
Clinical Supervisor I - AOP	(1 FTE)
Clinical Supervisor I - COP	(1 FTE)
Clinical Therapist I/II Access to Care	(1 FTE)
Clinical Therapist I/II - Adult	(8 FTEs)
Clinical Therapist I/II – Child & Family	(5 FTEs) <i>2 hires pending</i>
Compliance Administrator	(1 FTE)
Community Navigator	(3 FTEs)
Diversity Equity & Inclusion Coordinator	(1 FTE)
Executive Director	(1 FTE)
Housing Wellness Advocate	(.5 FTE)
Human Resources Analyst	(1 FTE)
Information Technology Specialist II	(1 FTE)
Mental Health Specialist	(2 FTEs) <i>1 hire pending</i>
Psychiatric Technician I/II/III – Adult FSP	(1 FTE)
Program Analyst I/II	(1 FTE) <i>1 hire pending</i>
Program Support Assistant II – Program Support	(3 FTEs) <i>3 hires pending</i>



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim Executive Director

FROM: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Monthly Finance and Facilities Report

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIVE MONTHS ENDED
NOVEMBER 30, 2021 (2022 FISCAL YEAR-TO-DATE):**

The financials presented herein are the PRELIMINARY and unaudited financial statements for the five months ended November 30, 2021. These financial statements include the activities from the clinical outpatient operations as well as activities from the implemented MHSA programs under the CSS, PEI, INN, WET and CFTN plans.

The increase in net position (income) is approximately \$5.9 million. MHSA operations accounted for approximately \$6.6 million of the increase, which is primarily the result of recognizing MHSA revenues on hand at the beginning of the fiscal year. MHSA non-operating revenues are reflected when MHSA funds have been received and are eligible to be spent.

During fiscal 2021, Tri-City received MHSA funding of approximately \$15.4 million, of which \$8.4 million were for approved programs for fiscal 2021-22 MHSA operations and was reflected as MHSA Revenue Restricted for Future Period on the Statement of Net Position (balance sheet) at June 30, 2021. These restricted MHSA revenues have now been recorded as non-operating revenues in fiscal 2021-22.

In addition, during this current fiscal year 2021-22 approximately \$8.5 million in MHSA funding has been received of which \$3.5 million was identified and approved for use in the current fiscal year 2021-22 and recorded as non-operating revenues, bringing the total MHSA non-operating revenues recognized to date up to approximately \$11.9 million. Unlike the requirement to reflect all available and **approved** MHSA funding when received as non-operating revenues, MHSA operating costs are reflected when incurred. Therefore, the matching of revenue to expense is not consistent as the timing of expenditures will lag behind the timing of revenue recognition.

The decrease in net position of approximately \$705 thousand is from Clinic outpatient operations, which is the result of operations for the five months ended November 30, 2021 which includes one-time payments made at the beginning of the year.

Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim Executive Director
Monthly Staff Report of Diana Acosta
January 19, 2022
Page 2

The total cash balance at November 30, 2021 was approximately \$35.1 million, which represents an increase of approximately \$294 thousand from the June 30, 2021 balance of approximately \$34.9 million.

Outpatient Clinic operations, after excluding any intercompany receipts or costs resulting from MHSA operations, had a decrease in cash of approximately \$2.7 million. The decrease reflects the use of cash to pay off the mortgage, one-time costs such as insurance premiums and CalPERS Unfunded Annual Liability (UAL) payments, it is also the result of recognized FFP/EPSTDT revenue that has not yet been collected to-date. MHSA operations reflected an increase in cash of approximately \$3.0 million, after excluding intercompany receipts or costs resulting from clinic operations. The increase reflects the receipt of approximately \$8.5 million in MHSA funds offset by the use of cash for MHSA operating activities.

Approximately \$3.3 million in Medi-Cal cash receipts have been collected for both Outpatient Clinic Operations and MHSA Operations within the five months ended November 30, 2021. Additionally, \$853 thousand has been received through January 2022.

UPCOMING, CURRENT EVENTS & UPDATES

Overall Financial Update:

We continue to closely monitor for any new developments and updated revenue projections from CBHDA. As such, planning appropriately to ensure we meet the needs of our community, and having the ability to make changes as we go will be necessary in the upcoming years, especially if projections wind up being significantly different than currently projected.

The Finance Department will be turning their attention over to developing the fiscal year 2022-23 Operating Budget and the fiscal year 2022-23 MHSA Plan Update over the next few months.

MHSA Funding Updates

Estimated Current Cash Position – The following table represents a brief summary of the estimated (unaudited) current MHSA cash position as of the five months ended November 30, 2021.

	MHSA
Cash at November 30, 2021	\$ 29,343,818
Receivables net of Reserve for Cost Report Settlements	123,262
Prudent Reserves	(2,200,000) *
Estimated Remaining Expenses for Operations FY 2021-22	(7,871,359) **
Reserved for future CFTN Projects including approved TCG Project	(1,247,389)
Total Estimated Adjustments to Cash	<u>(11,195,486)</u>
Estimated Available at June 30, 2022	<u><u>\$ 18,148,332</u></u>
Estimated remaining MHSA funds to be received in FY 2021-22	\$ 4,066,628

* Per SB 192, Prudent Reserves are required to be maintained at an amount that does not exceed 33% of the average Community Services and Support (CSS) revenue received for the fund, in the preceding 5 years.

** Estimated based on adopted operating budget for fiscal year 2021-22, net of estimated revenue, including actual and estimated amounts to year end 06/30/2022.

FACILITIES DEPARTMENT

Status of Governing Board Approved Upcoming, Current or Ongoing projects:

- **The Pharmacy:** The Construction phase is near completion and is targeted to open as early as January 25, 2022.
- **Electrical/Power Upgrade Project at 2001 N. Garey Ave. (MHSA Administrative Building):** Project concept was initially approved in March of 2020 as part of the approved CFTN Plan. A vendor was selected in October of 2021 and the project is currently under way with a target completion projected for April or May of 2022.

- **The Community Garden Upgrades:** Project concept was initially approved in March of 2020 as part of the approved CFTN Plan. This project is currently in the planning phase and the next step will involve soliciting contractors through an RFP process. Target date of completion will be closer to calendar year end 2022.
- **Office Space Remodel at the MHSA Administrative Building:** Project concept was initially approved in March of 2020 as part of the approved CFTN Plan. This project is currently in the planning phase and the next step will involve soliciting contractors through an RFP process. Target date of completion will be closer to calendar year end 2022.

Attachments

Attachment 11-A: November 30, 2021 Unaudited Monthly Financial Statements

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF NET POSITION**

	AT NOVEMBER 30, 2021			AT JUNE 30, 2021		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
Current Assets						
Cash	\$ 5,848,534	\$ 29,343,818	\$ 35,192,352	\$ 8,578,296	\$ 26,320,242	\$ 34,898,537
Accounts receivable, net of reserve for uncollectible accounts \$576,929 at November 30, 2021 and \$482,113 at June 30, 2021	4,343,042	2,755,875	7,098,918	3,656,192	2,344,087	6,000,279
Total Current Assets	<u>10,191,576</u>	<u>32,099,693</u>	<u>42,291,270</u>	<u>12,234,488</u>	<u>28,664,329</u>	<u>40,898,816</u>
Property and Equipment						
Land, building, furniture and equipment	3,834,279	9,742,937	13,577,216	3,778,377	9,595,862	13,374,238
Accumulated depreciation	(2,585,764)	(3,983,515)	(6,569,278)	(2,519,499)	(3,809,586)	(6,329,086)
Total Property and Equipment	<u>1,248,516</u>	<u>5,759,422</u>	<u>7,007,937</u>	<u>1,258,877</u>	<u>5,786,276</u>	<u>7,045,153</u>
Other Assets						
Deposits and prepaid assets	196,660	572,212	768,872	66,611	572,212	638,823
Note receivable-Housing Development Project	-	2,800,000	2,800,000	-	2,800,000	2,800,000
Total Noncurrent Assets	<u>1,445,175</u>	<u>9,131,634</u>	<u>10,576,809</u>	<u>1,325,488</u>	<u>9,158,488</u>	<u>10,483,976</u>
Total Assests	<u>\$ 11,636,751</u>	<u>\$ 41,231,327</u>	<u>\$ 52,868,079</u>	<u>\$ 13,559,976</u>	<u>\$ 37,822,816</u>	<u>\$ 51,382,792</u>
Deferred Outflows of Resources						
Deferred outflows related to the net pension liability	2,893,978	-	2,893,978	2,893,978	-	2,893,978
Total Deferred Outflows of Resources	<u>2,893,978</u>	<u>-</u>	<u>2,893,978</u>	<u>2,893,978</u>	<u>-</u>	<u>2,893,978</u>
Total Assets and Deferred Outflows of Resouces	<u>\$ 14,530,730</u>	<u>\$ 41,231,327</u>	<u>\$ 55,762,057</u>	<u>\$ 16,453,954</u>	<u>\$ 37,822,816</u>	<u>\$ 54,276,771</u>
LIABILITIES						
Current Liabilities						
Accounts payable	409,679	-	409,679	554,813	1,144	555,956
Accrued payroll liabilities	554,026	68,781	622,807	587,125	115,353	702,478
Accrued vacation and sick leave	491,169	1,003,752	1,494,921	633,584	1,078,193	1,711,777
Reserve for Medi-Cal settlements	3,157,926	2,632,613	5,790,539	3,062,368	2,537,262	5,599,630
Current portion of mortgage debt	-	-	-	771,676	-	771,676
Total Current Liabilities	<u>4,612,800</u>	<u>3,705,146</u>	<u>8,317,945</u>	<u>5,609,565</u>	<u>3,731,951</u>	<u>9,341,517</u>
Intercompany Acct-MHSA & TCMH	<u>(535,719)</u>	<u>535,719</u>	<u>-</u>	<u>(314,268)</u>	<u>314,268</u>	<u>-</u>
Long-Term Liabilities						
Mortgages and home loan	-	58,872	58,872	-	58,872	58,872
Net pension liability	6,325,906	-	6,325,906	6,325,906	-	6,325,906
Unearned MHSA revenue	-	5,487,351	5,487,351	-	435,392	435,392
Total Long-Term Liabilities	<u>6,325,906</u>	<u>5,546,223</u>	<u>11,872,129</u>	<u>6,325,906</u>	<u>494,264</u>	<u>6,820,170</u>
Liabilities Subject to Compromise						
Class 2 General Unsecured Claims	-	-	-	-	-	-
Class 3 Unsecured Claim of CAL DMH	-	-	-	-	-	-
Class 4 Unsecured Claim of LAC DMH	-	-	-	-	-	-
Total Liabilities Subject to Compromise	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>10,402,987</u>	<u>9,787,088</u>	<u>20,190,074</u>	<u>11,621,203</u>	<u>4,540,483</u>	<u>16,161,686</u>
Deferred Inflow of Resources						
MHSA revenues restricted for future period	-	-	-	-	8,413,847	8,413,847
Deferred inflows related to the net pension liability	45,120	-	45,120	45,120	-	45,120
Total Deferred Inflow of Resources	<u>45,120</u>	<u>-</u>	<u>45,120</u>	<u>45,120</u>	<u>8,413,847</u>	<u>8,458,967</u>
NET POSITION						
Invested in capital assets net of related debt	1,248,516	5,759,422	7,007,937	487,201	5,786,276	6,273,477
Restricted for MHSA programs	-	25,684,818	25,684,818	-	19,082,210	19,082,210
Unrestricted	2,834,107	-	2,834,107	4,300,430	-	4,300,430
Total Net Position	<u>4,082,622</u>	<u>31,444,240</u>	<u>35,526,862</u>	<u>4,787,631</u>	<u>24,868,486</u>	<u>29,656,117</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 14,530,729</u>	<u>\$ 41,231,327</u>	<u>\$ 55,762,057</u>	<u>\$ 16,453,954</u>	<u>\$ 37,822,816</u>	<u>\$ 54,276,771</u>

Definitions:

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FIVE MONTHS ENDED NOVEMBER 30, 2021 AND 2020

	PERIOD ENDED 11/30/21			PERIOD ENDED 11/30/20		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
OPERATING REVENUES						
Medi-Cal FFP	\$ 1,365,647	\$ 1,219,070	\$ 2,584,717	\$ 1,554,110	\$ 1,349,545	\$ 2,903,654
Medi-Cal FFP FYE Prior Year	-	-	-	68,939	33,941	102,881
Medi-Cal SGF-EPSDT	313,173	258,853	572,026	355,662	258,852	614,514
Medi-Cal SGF-EPSDT Prior Year	-	-	-	(13,444)	30,295	16,851
Medicare	5,950	3,308	9,258	511	854	1,365
Contracts	5,000	12,001	17,001	241,858	12,001	253,859
Patient fees and insurance	425	29	454	180	-	180
Rent income - TCMH & MHSA Housing	6,009	29,756	35,765	11,612	36,134	47,746
Other income	495	163	658	52,961	283	53,244
Net Operating Revenues	1,696,700	1,523,179	3,219,879	2,272,389	1,721,904	3,994,294
OPERATING EXPENSES						
Salaries, wages and benefits	3,412,195	5,061,306	8,473,502	3,279,009	5,122,463	8,401,472
Facility and equipment operating cost	314,447	566,936	881,383	235,867	495,461	731,328
Client lodging, transportation, and supply expense	116,289	544,192	660,481	144,064	894,099	1,038,164
Depreciation	66,264	173,929	240,193	59,773	173,493	233,266
Other operating expenses	241,893	495,106	736,999	240,016	566,132	806,149
Total Operating Expenses	4,151,088	6,841,469	10,992,558	3,958,730	7,251,649	11,210,378
OPERATING (LOSS) (Note 1)	(2,454,389)	(5,318,291)	(7,772,679)	(1,686,341)	(5,529,744)	(7,216,085)
Non-Operating Revenues (Expenses)						
Realignment	1,523,063	-	1,523,063	1,962,780	-	1,962,780
MHSA funds	-	11,870,954	11,870,954	-	12,526,088	12,526,088
Grants and Contracts	233,269	-	233,269	(8,000)	-	(8,000)
Interest Income	4,888	23,090	27,979	14,584	70,659	85,243
Interest expense	(11,840)	-	(11,840)	(16,942)	-	(16,942)
Total Non-Operating Revenues (Expense)	1,749,380	11,894,044	13,643,424	1,952,421	12,596,747	14,549,168
INCOME (LOSS)	(705,009)	6,575,754	5,870,745	266,081	7,067,003	7,333,083
INCREASE (DECREASE) IN NET POSITION	(705,009)	6,575,754	5,870,745	266,081	7,067,003	7,333,083
NET POSITION, BEGINNING OF YEAR	4,787,631	24,868,486	29,656,117	3,879,375	22,645,870	26,525,245
NET POSITION, END OF MONTH	\$ 4,082,622	\$ 31,444,240	\$ 35,526,862	\$ 4,145,456	\$ 29,712,873	\$ 33,858,328

(Note 1) "Operating Loss" reflects loss before realignment funding and MHSA funding which is included in non-operating revenues.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF CASH FLOWS
FIVE MONTHS ENDED NOVEMBER 30, 2021 AND 2020**

	PERIOD ENDED 11/30/21			PERIOD ENDED 11/30/20		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
Cash Flows from Operating Activities						
Cash received from and on behalf of patients	\$ 1,169,132	\$ 1,196,889	\$ 2,366,021	\$ 2,718,232	\$ 1,924,528	\$ 4,642,760
Cash payments to suppliers and contractors	(947,812)	(1,607,378)	(2,555,189)	(621,817)	(2,107,482)	(2,729,299)
Payments to employees	(3,587,709)	(5,182,319)	(8,770,028)	(3,235,677)	(5,032,591)	(8,268,267)
	<u>(3,366,389)</u>	<u>(5,592,808)</u>	<u>(8,959,197)</u>	<u>(1,139,262)</u>	<u>(5,215,545)</u>	<u>(6,354,806)</u>
Cash Flows from Noncapital Financing Activities						
MHSA Funding	-	8,508,956	8,508,956	-	7,781,757	7,781,757
CalHFA-State Administered Projects	-	110	110	-	35,690	35,690
Realignment	1,523,063	-	1,523,063	1,962,780	-	1,962,780
Grants and Contracts	167,399	-	167,399	(8,000)	-	(8,000)
	<u>1,690,462</u>	<u>8,509,066</u>	<u>10,199,528</u>	<u>1,954,780</u>	<u>7,817,447</u>	<u>9,772,227</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(55,903)	(147,075)	(202,978)	(139,727)	(119,576)	(259,303)
Principal paid on capital debt	(771,676)	-	(771,676)	(12,500)	-	(12,500)
Interest paid on capital debt	(11,840)	-	(11,840)	(16,942)	-	(16,942)
Intercompany-MHSA & TCMH	(221,451)	221,451	-	(284,318)	284,318	-
	<u>(1,060,869)</u>	<u>74,376</u>	<u>(986,493)</u>	<u>(453,487)</u>	<u>164,742</u>	<u>(288,745)</u>
Cash Flows from Investing Activities						
Interest received	7,033	32,942	39,976	26,018	129,498	155,516
	<u>7,033</u>	<u>32,942</u>	<u>39,976</u>	<u>26,018</u>	<u>129,498</u>	<u>155,516</u>
Cash Flows from Reorganization Items						
Cash payments to Bankruptcy Class 3 and 4 Unsecured	-	-	-	(325,000)	-	(325,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(325,000)</u>	<u>-</u>	<u>(325,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,729,762)	3,023,576	293,814	63,049	2,896,142	2,959,191
Cash Equivalents at Beginning of Year	8,578,296	26,320,242	34,898,537	7,395,355	23,736,461	31,131,816
Cash Equivalents at End of Month	<u>\$ 5,848,534</u>	<u>\$ 29,343,818</u>	<u>\$ 35,192,352</u>	<u>\$ 7,458,404</u>	<u>\$ 26,632,603</u>	<u>\$ 34,091,008</u>

Definitions:

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL TO BUDGET COMPARISON
FIVE MONTHS ENDING NOVEMBER 30, 2021
(UNAUDITED)

	TRI-CITY MENTAL HEALTH OUTPATIENT CLINIC (TCMH)			TRI-CITY MENTAL HEALTH SERVICES ACT (MHSA)			TRI-CITY MENTAL HEALTH AUTHORITY CONSOLIDATED		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
OPERATING REVENUES									
Medi-Cal FFP	\$ 1,489,255	\$ 1,940,211	\$ (450,956)	\$ 1,329,411	\$ 1,626,698	\$ (297,287)	\$ 2,818,666	\$ 3,566,909	\$ (748,243)
Medi-Cal SGF-EPSDT	341,520	638,192	(296,673)	282,282	466,097	(183,814)	623,802	1,104,289	(480,487)
Medicare	5,950	833	5,117	3,308	833	2,475	9,258	1,667	7,592
Patient fees and insurance	425	875	(450)	29	-	29	454	875	(421)
Contracts	5,000	8,333	(3,333)	12,001	-	12,001	17,001	8,333	8,668
Rent income - TCMH & MHSA Housing	6,009	2,229	3,780	29,756	43,958	(14,203)	35,765	46,188	(10,422)
Other income	495	-	495	163	-	163	658	-	658
Provision for contractual disallowances	(151,954)	(128,920)	(23,034)	(133,770)	(82,585)	(51,186)	(285,725)	(211,505)	(74,220)
Net Operating Revenues	1,696,700	2,461,754	(765,054)	1,523,179	2,055,002	(531,823)	3,219,879	4,516,756	(1,296,877)
OPERATING EXPENSES									
Salaries, wages and benefits	3,412,195	3,836,305	(424,110)	5,061,306	5,629,945	(568,639)	8,473,502	9,466,251	(992,749)
Facility and equipment operating cost	316,116	355,389	(39,273)	568,695	541,987	26,709	884,811	897,375	(12,564)
Client program costs	111,830	105,410	6,420	526,503	488,966	37,537	638,333	594,375	43,957
Grants	-	-	-	55,650	35,417	20,233	55,650	35,417	20,233
MHSA training/learning costs	-	-	-	51,901	47,569	4,332	51,901	47,569	4,332
Depreciation	66,264	62,609	3,655	173,929	179,541	(5,613)	240,193	242,150	(1,958)
Other operating expenses	244,683	260,231	(15,547)	403,485	463,942	(60,457)	648,168	724,173	(76,005)
Total Operating Expenses	4,151,088	4,619,944	(468,855)	6,841,469	7,387,367	(545,898)	10,992,558	12,007,311	(1,014,753)
OPERATING (LOSS)	(2,454,389)	(2,158,190)	(296,199)	(5,318,291)	(5,332,365)	14,075	(7,772,679)	(7,490,555)	(282,124)
Non-Operating Revenues (Expenses)									
Realignment	1,523,063	1,648,060	(124,997)	-	-	-	1,523,063	1,648,060	(124,997)
MHSA Funding	-	-	-	11,870,954	12,222,954	(352,000)	11,870,954	12,222,954	(352,000)
Grants and contracts	233,269	143,878	89,391	-	-	-	233,269	143,878	89,391
Interest (expense) income, net	(6,951)	(10,253)	3,301	23,090	29,342	(6,251)	16,139	19,089	(2,950)
Total Non-Operating Revenues (Expense)	1,749,380	1,781,685	(32,305)	11,894,044	12,252,296	(358,251)	13,643,424	14,033,980	(390,556)
INCREASE(DECREASE) IN NET POSITION	\$ (705,009)	\$ (376,505)	\$ (328,504)	\$ 6,575,754	\$ 6,919,930	\$ (344,177)	\$ 5,870,745	\$ 6,543,425	\$ (672,680)

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
FIVE MONTHS ENDING NOVEMBER 30, 2021**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CFTN PROGRAMS)

Net Operating Revenues

Net operating revenues are lower than budget by approximately \$1.3 million for the following reasons:

- 1 Medi-Cal FFP revenues for FY 2021-22** were \$748 thousand lower than the budget. Medi-Cal FFP revenues were approximately \$451 thousand lower for TCMH and \$297 thousand lower for MHSA. At TCMH, the adult program revenues were lower than budget by \$208 thousand and the children program revenues were lower by \$243 thousand. For MHSA, the adult and older adult FSP programs were lower than budget by \$145 thousand and the Children and TAY FSP programs were lower by \$152 thousand.
- 2 Medi-Cal SGF-EPSDT revenues for fiscal year 2021-22** were lower than budget by \$480 thousand of which \$296 thousand lower were from TCMH and \$184 thousand lower were from MHSA. SGF-EPSDT relates to State General Funds (SGF) provided to the agency for provision of qualifying Medi-Cal services for Early Prevention Screening and Diagnostic Testing (EPSDT) to children and youth under 21 years. These funds are in addition to the FFP reimbursed by the federal government.

> *Medi-Cal and Medi-Cal SGF-EPSDT revenues are recognized when the services are provided and can vary depending on the volume of services provided from month to month. Projected (budgeted) services are based on estimated staffing availability and the assumption that vacant positions will be filled.*
- 3 Medicare revenues** are approximately \$8 thousand higher than the budget. Tri-City records revenue when the services are provided and the claims are incurred and submitted.
- 4 Contract revenues** are higher than the budget by approximately \$9 thousand mainly from MHSA. The contract amount at MHSA represents the Clifford Beers Housing's share of cost for funding a Residential Services Coordinator position to provide on-site services to all residents at the Holt Avenue Family Apartments.
- 5 Rent Income** was lower than the budget by \$10 thousand. The rental income represents the payments collected from the tenants staying at the Tri-City apartments on Pasadena and at the MHSA house on Park Avenue.
- 6 Provision for contractual disallowances** for fiscal year 2021-22 is \$74 thousand higher than budget.

Operating Expenses

Operating expenses were lower than budget by \$1 million for the following reasons:

- 1 Salaries and benefits** are \$993 thousand lower than budget and of that amount, salaries and benefits are \$424 thousand lower for TCMH operations and are \$569 thousand lower for MHSA operations. These variances are due to the following:

TCMH salaries were lower than budget by \$234 thousand due to vacant positions and benefits are lower than budget by \$190 thousand.

MHSA salaries are lower than budget by \$403 thousand. The direct program salary costs are lower by \$371 thousand and the administrative salary costs are lower than budget by \$32 thousand. Benefits are lower than the budget by \$166 thousand. Of that, health insurance is lower than budget by \$171 thousand, state unemployment insurance is lower by \$40 thousand, workers compensation is lower by \$25 thousand. These lower costs are offset by higher retirement contribution cost due to the annual payment of the CalPERS unfunded accrued liability in July.
- 2 Facility and equipment operating costs** were lower than the budget by \$12 thousand. Facility and equipment operating costs were \$39 thousand lower for TCMH but were \$27 thousand higher for MHSA due to the startup cost for a new Electronic Health Record system.
- 3 Client program costs** are higher than the budget by \$44 thousand mainly from MHSA partly due to a payment of \$396 thousand to the City of Pomona Hope for Home Year-Round Emergency Shelter.
- 4 Grants for fiscal year 2021-22** awarded under the Community Wellbeing project are \$20 thousand higher than the budget due to timing.
- 5 MHSA learning and training costs** are higher than the budget by \$4 thousand.
- 6 Depreciation** is \$2 thousand lower than the budget.
- 7 Other operating expenses** were lower than the budget by \$76 thousand of which \$16 thousand lower were from TCMH and \$60 thousand lower were from MHSA. At TCMH, professional fees were lower by approximately \$51 thousand and the security expense was lower by \$6 thousand. These lower costs were somewhat offset by higher personnel recruiting fees, dues and subscriptions, conference and mileage expenses. At MHSA, the lower costs were mainly from the professional fees.

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
FIVE MONTHS ENDING NOVEMBER 30, 2021**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CFTN PROGRAMS)

Non-Operating Revenues (Expenses)

Non-operating revenues, net, are lower than budget by approximately \$391 thousand as follows:

1 TCMH non-operating revenues are \$32 thousand lower than the budget. Of that, realignment fund is lower than the budget by \$125 thousand. Interest income netted with interest expense is lower than the budget by \$3 thousand. Grants and contracts are higher than the budget by \$89 thousand including the City of Pomona Measure H program, Los Angeles County Covid-19 Community Equity Fund and Adverse Childhood Experiences grant.

2 MHSA non-operating revenue is \$352 thousand lower than the budget.

In accordance with Government Accounting Standards Board, MHSA funds received and available to be spent must be recorded as non-operating revenue as soon as the funds are received. Funds are available to be spent when an MHSA plan and related programs have been approved and the proposed expenditures for those programs have been approved through an MHSA plan, MHSA update, or State Oversight and Accountability Commission.

The differences in actual to budget are broken out as follows:

	Actual	Budget	Variance
CSS funds received and available to be spent	\$ 9,210,946	\$ 9,210,946	\$ -
PEI funds received and available to be spent	2,355,742	2,355,742	-
WET funds received and available to be spent	-	-	-
CFTN funds received and available to be spent	-	-	-
INN funds received and available to be spent	304,266	656,266	(352,000)
Non-operating revenues recorded	<u>\$ 11,870,954</u>	<u>\$ 12,222,954</u>	<u>\$ (352,000)</u>

CSS and PEI recorded revenues are in line with the budgets.

INN recorded revenue is lower than the budget by \$352 thousand. This amount was included in the FY2021-22 budget in anticipation that a new Tri-City proposed INN program would be approved for operations by the MHSA Oversight and Accountability Commission. Unfortunately, it was not approved and therefore, the amount will not be recognized into revenue.

Interest income for MHSA is lower than budget by \$6 thousand.

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FIVE MONTHS ENDED NOVEMBER 30, 2021 AND 2020

	PERIOD ENDED 11/30/21			PERIOD ENDED 11/30/20		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Audited	MHSA Audited	Consolidated Audited
REVENUES						
Medi-Cal FFP, net of reserves	\$ 1,365,647	\$ 1,219,070	\$ 2,584,717	\$ 1,554,110	\$ 1,349,545	\$ 2,903,654
Medi-Cal FFP FYE Prior Year	-	-	-	68,939	33,941	102,881
Medi-Cal SGF-EPSDT	313,173	258,853	572,026	355,662	258,852	614,514
Medi-Cal SGF-EPSDT Prior Year	-	-	-	(13,444)	30,295	16,851
Medicare	5,950	3,308	9,258	511	854	1,365
Realignment	1,523,063	-	1,523,063	1,962,780	-	1,962,780
MHSA funds	-	11,870,954	11,870,954	-	12,526,088	12,526,088
Grants and contracts	238,269	12,001	250,270	233,858	12,001	245,859
Patient fees and insurance	425	29	454	180	-	180
Rent income - TCMH & MHSA Housing	6,009	29,756	35,765	11,612	36,134	47,746
Other income	495	163	658	52,961	283	53,244
Interest Income	4,888	23,090	27,979	14,584	70,659	85,243
Total Revenues	3,457,920	13,417,223	16,875,143	4,241,753	14,318,651	18,560,404
EXPENSES						
Salaries, wages and benefits	3,412,195	5,061,306	8,473,502	3,279,009	5,122,463	8,401,472
Facility and equipment operating cost	314,447	566,936	881,383	235,867	495,461	731,328
Client lodging, transportation, and supply expense	116,289	544,192	660,481	144,064	894,099	1,038,164
Depreciation	66,264	173,929	240,193	59,773	173,493	233,266
Interest expense	11,840	-	11,840	16,942	-	16,942
Other operating expenses	241,893	495,106	736,999	240,016	566,132	806,149
Total Expenses	4,162,928	6,841,469	11,004,397	3,975,672	7,251,649	11,227,320
INCREASE (DECREASE) IN NET POSITION	(705,009)	6,575,754	5,870,745	266,081	7,067,003	7,333,083
NET POSITION, BEGINNING OF YEAR	4,787,631	24,868,486	29,656,117	3,879,375	22,645,870	26,525,245
NET POSITION, END OF MONTH	\$ 4,082,622	\$ 31,444,240	\$ 35,526,862	\$ 4,145,456	\$ 29,712,873	\$ 33,858,328

NOTE: This presentation of the Change in Net Assets is NOT in accordance with GASB, but is presented only for a simple review of Tri-City's revenue sources and expenses.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)



Tri-City Mental Health Authority MONTHLY STAFF REPORT

DATE: January 11, 2021

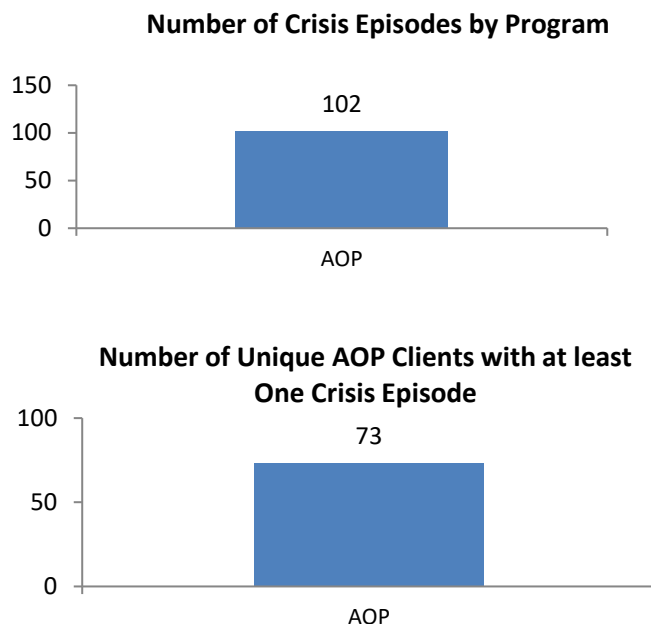
TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim Executive Director

FROM: Elizabeth Renteria, LCSW, Chief Clinical Officer

SUBJECT: Monthly Clinical Services Report

CLIENT CENSUS DATA

Each month, information and data and will be shared about the services provided and the clients that have been supported. This month's data set comes from our Adult Outpatient Program and highlights the number of crisis episodes for clients during the period of July 1, 2020 to June 30, 2021.



ACCESS TO CARE

There was a total of 169 service requests made for adults in the month of December. In terms of request type, 37 were walk-in service requests, 103 were called-in, there were 29 SRTS referrals/SRTS hospital discharge referrals, there were 0 in-writing referrals and 0 FSP/FCCS. There was a total of 20 service requests that were hospital discharges (6 called in, 14 SRTS hospital d/c). There were 12 referrals received from IOET for adults.

Below is a breakdown of dispositions based on the 169 service requests received for December/2021:

- 3.55% (6) Pending disposition.
- .59%(1) Already receiving MH services.
- 75.14% (127) Initial appointment given.
- 4.73% (8) Individual/collateral declined services.
- 1.18% (2) Referred back to private insurance.
- 7.69% (13) Referred to another MH agency.
- .59% (1) Referred to other agency.
- 6.5% (11) Unable to contact individual/collateral.

The majority of service requests were called in over the phone at 60.94% (103). The number of individuals walking into the clinic to access services continues to increase. In the month of December, 21.89% (37) of individuals requesting services came into the clinic in-person.

There was a total of 131 intakes initiated by staff during the month of December for both adults and children by the following departments: ATC, AOP, COP, FSP, SPT, and IOET.

Out of 131 intakes, 2.29% (3) of individuals assessed did not meet medical necessity. Access to Care clinicians initiated a total of 63 intakes which is 48.09% of the total number of intakes initiated for the month of December for the entire agency.

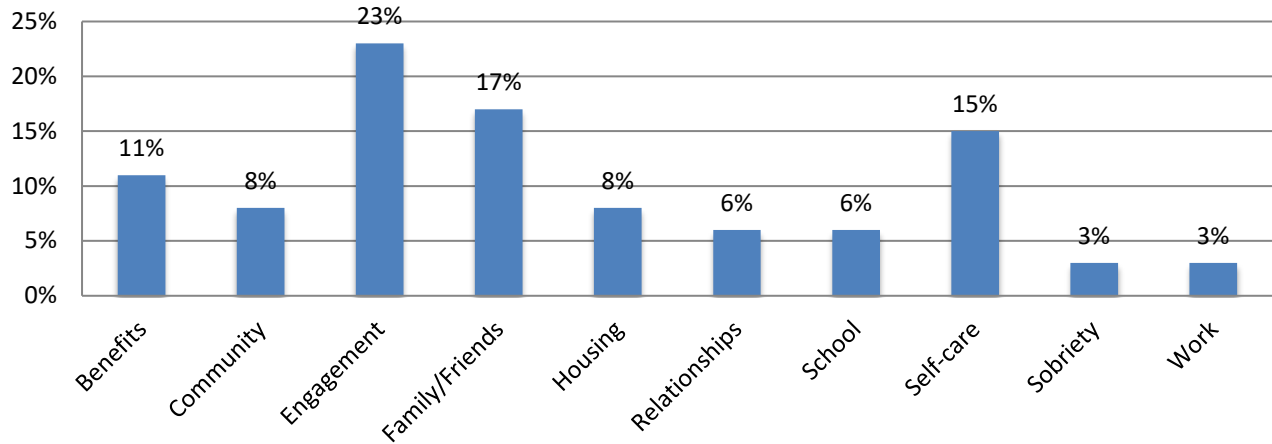
There was a total of 52 service requests received at the Royalty location for children and TAY in the month of December. Of the 52 service requests, 2 were walk-ins, 21 were called-in, 19 were in-writing referrals, 5 were FSP referrals and 5 were SRTS referrals. There was 5 hospital discharge and 3 referrals from IOET.

CLINICAL WELLNESS ADVOCATES TEAM

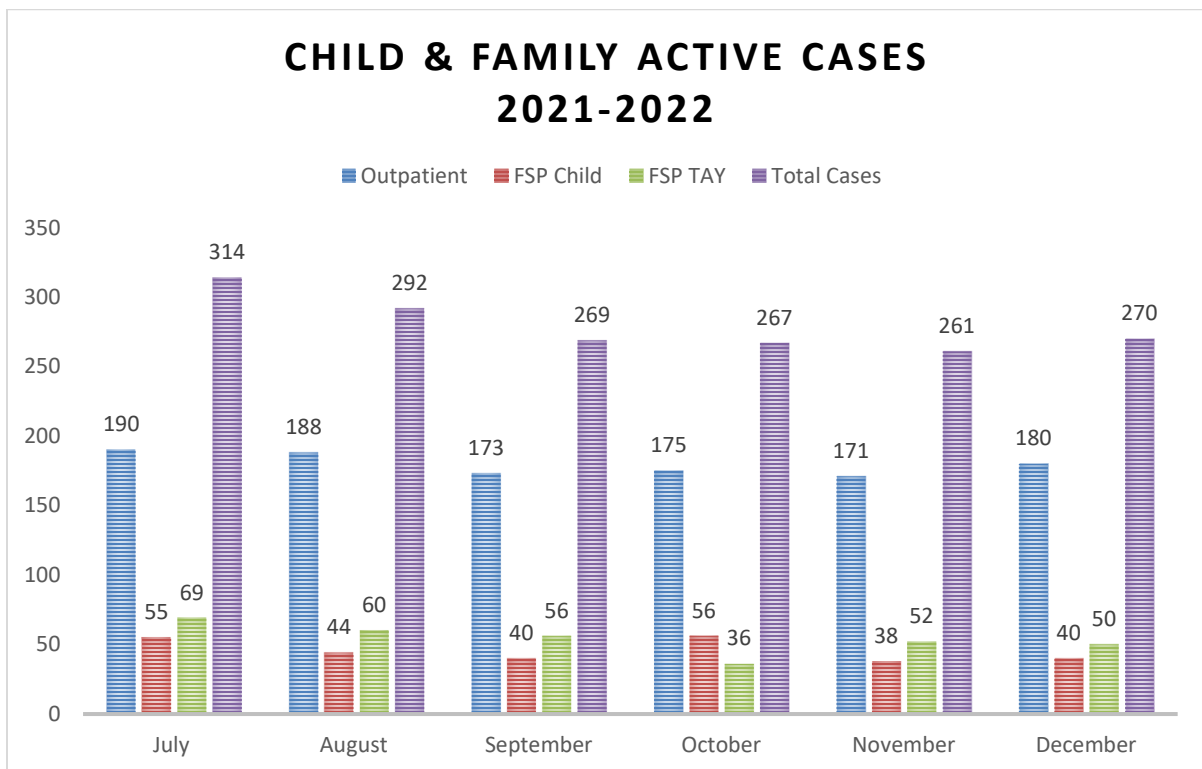
The clinical wellness team (peer support specialists) meet with clients to discuss a variety of topics in support of their clinical care. Below you will find a breakdown of topics covered in sessions.

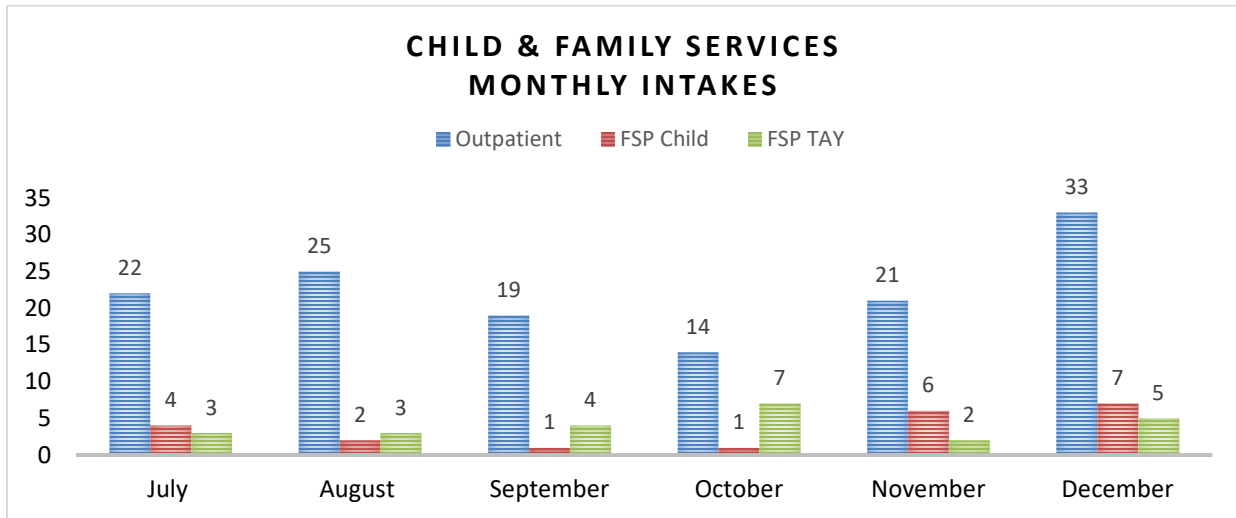
CHILD AND FAMILY SERVICES

Areas of Support Discussed in Session



**CHILD & FAMILY ACTIVE CASES
2021-2022**



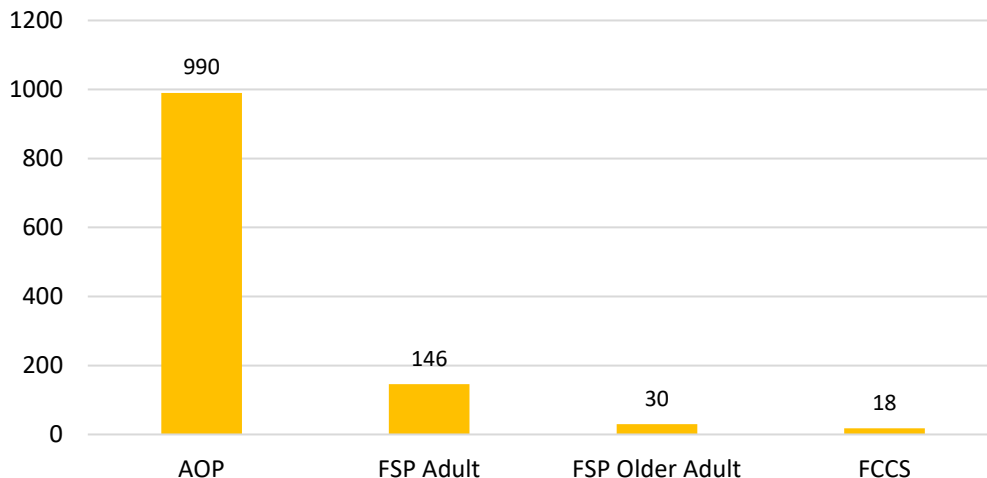


In the month of December, there was an increase in the number of intakes from 29 to 33 and clinical supervisors and program manager conducted 5 crisis assessments for children and youth. As of January 4, 2022, clinicians have been present at school satellite sites 1x day a week from 8:30-2:30 pm. Tri-City clinical staff available to take in walk referrals or consult with school staff and be accessible for current Tri-City clients needing support.

ADULT SERVICES

Adult Services census remains consistent. In the month of December, the Adult Services team received 92 referrals for services and transitioned thirty-four clients from care. The referral breakdown is as follows: 86 to the Adult Outpatient program, seven referrals to adult FSP.

Active Clients



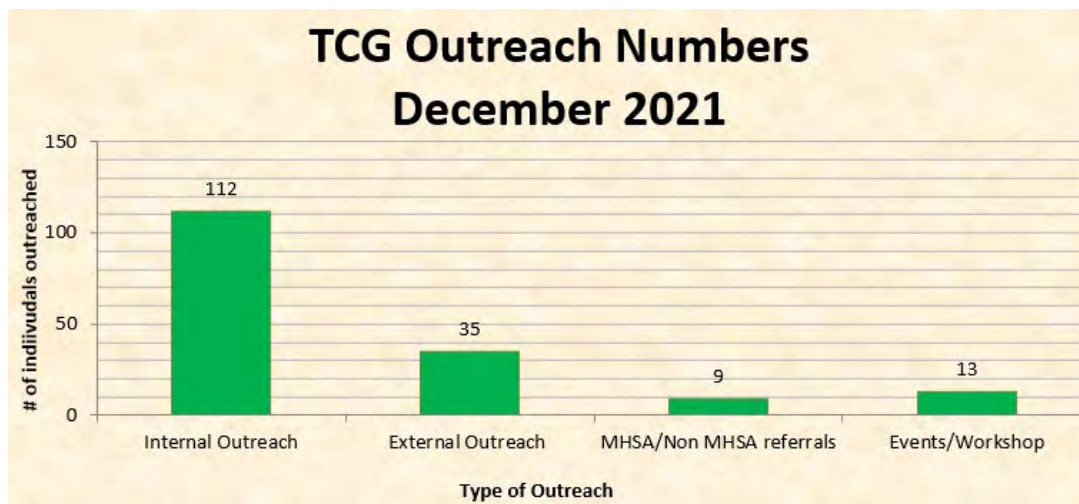
THERAPEUTIC COMMUNITY GARDEN (TCG)

Community Wellbeing Cohort Meeting

On December 15th Daisy Martinez, Community Capacity Organizer, invited the team to present at the Community Wellbeing (CWB) cohort meeting. TCG staff Sara Rodriguez and Andrea Espinosa promoted services available through the program and discussed opportunities for collaboration with this year's grant recipients. Attendees included Temis Laguna, Special Projects Coordinator for Latino/Latina round table, and Susan Stroebel, Family Resource Specialist from Casa Colina, who both expressed interest in partnering with TGG. Ideas for future collaboration included in-person workshops and outreach to their networks. This presentation allowed TCG to connect with others that we may not have been able to reach if it wasn't for the partnerships with Tri-City's MHSa department. The team looks forward to continuing to expand our community connections and maintaining the valuable relationships we hold with other internal departments.



Above: (left) Passive Pest Protection- physical barriers protect germinating seeds & newly planted vegetable seedlings, (center) Edible Harvest for TCG Participants, (right) Winter Vegetable Starts grown from Seed.



Above: The graph pictured shows the efforts of TCG in regards to outreach and referrals with an overall goal of increasing enrollment and retention.

HOUSING SUCCESS STORY

The end of the year brought a bittersweet moment to the Housing Division. In 2017, a referral was received for an elderly client who had been homeless since 2016. They only had recently been awarded SSI and were open to looking for rooms-for-rent or any other congregate living, including sober livings, since that is what their income made available. They stayed in regular contact with the Housing Navigator and followed up on leads though they struggled to secure housing. At the beginning of 2018, a spot opened up at Fresh Start and the client was able to move in. While there, the client focused on strengthening their mental health, maintaining their sobriety, and reconnecting with family. The client initially struggled with adhering to the rules for the property. The client worked with staff and attended the Good Tenant Curriculum group to help him recognize that he would have similar rules in any other rental property he hoped to move into one day. With the support of the housing and clinical teams, the client eventually became one who welcomed others when they moved into the property and provided them peer guidance when they began to stray from the rules.

In late spring of 2021, the client was identified as the next candidate to apply for a vacancy at Holt Family Apartments. He completed his application and was able to move in at the start of summer. The client's transition to his permanent supportive housing unit went smoothly. The client remained in compliance with their lease right up until they passed away at the end of 2021. Their sister was in contact with our Holt Residential Services Coordinator as they moved out the client's belongings. They identified that all the client ever wanted was to have a place of their own and they were happy to have been able to obtain that.

SUCCESS STORY

This month's success story comes from the Clinical Wellness Advocate Team.

A middle-aged female client was not engaging with her treatment team for their care. A Clinical Wellness Advocate (CWA) was assigned to the case and set up a series of appointments. The CWA met with the client on several occasions in order to establish a working relationship and to advise the client on how they can make the most of their treatment. After several appointments with CWA staff the client began engaging with the clinical portion of the treatment team and made gains in her treatment. Client disclosed she wanted to become employed as she has never held a job. The CWA staff member spent several sessions teaching and demonstrating how to build a resumes and practicing how to do an interview with client. Client was hired on her first job this month and received her first paycheck in time to buy Christmas gifts for some of her family members. Client has been successfully employed, is now budgeting her income, cooking more nutritious foods at home, shopping smartly and engaging with her treatment team. The CWA was the bridge between treatment team and was able to share their own story of recovery with the client in order to motivate them to address their own care. In addition, the CWA provided valuable skills training and linkages to the community.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim Executive Director

FROM: Seeyam Teimoori, M.D., Medical Director

SUBJECT: Medical Director's Monthly Report

SERVICES PROVIDED BY TRI-CITY INTENSIVE OUTREACH AND ENGAGEMENT TEAM (IOET), PACT AND SUPPLEMENTAL CRISIS TEAMS IN DECEMBER 2021

IOET Program

- Number of all new outreach= 46
- Number client given intake appointments= 58
- Number of clients opened= 20
- Total number of ALL clients outreached= 183
- Total number of homeless served= 97
- Percentage of clients outreached that are homeless= 53%
- Percentage of clients enrolled this month in formal services that are homeless= 30%
- Total number clients outreached since inception= 4166
- Total number clients enrolled since inception= 1371

Service area:

- Pomona= 167
- Laverne= 3
- Claremont= 13
- Total= 183

Enrollments:

- FSP (Full-Service Partnership)-Older Adult= 1
- FSP-adult= 1
- FSP-TAY (Transition Age Youth) = 1
- AOP (Adult Outpatient Program) = 11
- COP (Children Outpatient Program) = 5
- FCCS (Field Capable Clinical Services) = 0
- FSP Children= 1

Governing Board of Tri-City Mental Health Authority
Monthly Staff Report of Dr. Seeyam Teimoori
January 19, 2022
Page 2

Health Issues:

- Number of initial health assessments completed= 16
- Number of clients linked to PCP appointments with IOET LPT= 11

Supplemental Crisis Calls

- Number of calls received= 13

Service Area

- Pomona= 7
- Laverne= 1
- Claremont=1
- Outside service area= 4

P.A.C.T.

- Number of new individuals added for the month= 17
- Number of closed individuals for the month= 15
- Number of holds written for the month= 4 holds
- Number enrolled in formal services for the month= 0
- Number pending intake appointment for the month= 0
- Number referred to IOET this month= 5

On December 7, 2021, in our ongoing partnership with Los Angeles County Department of Health Services and Pomona Valley Family Medicine Residency Program, we held our monthly on-site vaccination clinic. This monthly occurrence happens on site at our 2008 location. We have integrated services with providers both within and outside of Tri-City mental health. Dr Jose Ramos, from Pomona Valley Hospital offered on site free medical care. We arranged for our navigators and housing team to be there in addition to a local phone provider to come on site to offer free phones to individuals that qualified. Total number of vaccinations given on 12/7/2021 was 24.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Executive Director

FROM: Rimmi Hundal, Director of MHSA and Ethnic Services

SUBJECT: Monthly MHSA and Ethnic Services Report

ETHNIC SERVICES

While the advisory councils took a break in December for the holidays, the TAY (Transitional Age Youth) Advisory Council met virtually via RingCentral on Thursday, December 15, 2022. During the meeting, they discussed the reason for creating a TAY advisory council and they set up some goals for the council such as reviewing Tri-City's social media, and website to give feedback on how to make it more TAY friendly. They also want to prioritize mental health awareness and outreach for youth. .

COMMUNITY PLANNING PROCESS

During the month of December, work continued in preparing the MHSA Annual Update for FY 2022-23. This document will highlight numerous success stories for each of the programs and reflect the continued dedication and commitment of Tri-City staff in adapting and delivering services during these everchanging times. What has been revealed in each of these program summaries is the strength and creativity of the staff when working to meet the needs of participants while still following Agency protocol and government mandates related to the current pandemic.

Once completed, a preview of these program updates will be presented to our MHSA workgroups and then presented to our stakeholders and community partners during our next stakeholder meeting tentatively scheduled for February 2022.

WORKFORCE EDUCATION AND TRAINING (WET)

During the month of December, WET Program staff continued to meet the training and education needs of Tri-City staff. Due to the holiday season and increased concerns about Covid transmission, priority was placed on virtual trainings. Using our online learning platform, Relias, Tri-City staff and volunteers completed 183 courses ranging from trainings around safety with bloodborne pathogens to trainings developed by Tri-City staff related to appropriate documentation for clients. With support from WET staff, other members of Tri-City's leadership team are developing training plans and courses necessary to meet the needs of their teams.

Tri-City's social media outreach was as below:

- On Facebook, Tri-City reached 531 people
- On LinkedIn, Tri-City reached 47 views
- On Instagram, Tri-City reached 258 people and
- On Twitter, Tri-City made 634 impressions.

These numbers represent a reduction relative to previous months as is typical during holiday season.

PREVENTION AND EARLY INTERVENTION – PEI

Community Wellbeing

The next Community Grants Information Night will take place on February 1st at 6pm, and two Bidder's Conference will take place on February 15th at 6pm and February 17th at 10am. Information and registration link for these event can be found on Tri-City's website under events or by contacting Daisy Martinez – Community Capacity Organizer at dmartinez@tricitymhs.org.

Stigma Reduction

During the month of December, program staff continued to meet with staff from California Mental Health Authority (CalMHSA) to discuss promoting Directing Change and providing additional resources for youth and educators. Directing Change is a part of California's statewide suicide prevention campaign. Each year Directing Change hosts a video submission contest for K-12 and college students to participate. Videos focus on how students hope to reduce suicide and support someone who may have suicidal thoughts. Schools and colleges in the Tri-City area have participated in Directing Changes' video submission contest with a lot of success by receiving awards and honorable mentions.

Additionally, to increase our community wide efforts in suicide prevention, program staff is looking into QPR training as a potential training option for Tri-City community members. QPR stands for Question Persuade Refer which are three steps anyone can learn to help prevent suicide.

Program staff has begun planning for Green Ribbon Week in collaboration with the Wellness Center and Therapeutic Community Garden. This year Green Ribbon Week will take place from March 14th until March 18th. Green Ribbon Week is Tri-City's Stigma Reduction campaign that takes place during the third week of March each year in an effort to have conversations about the impact stigma on our clients, participants, and community members. More information about this year's event will be shared on Tri-City's website and social media accounts.

WELLNESS CENTER

The Wellness Center hosted a number of events that were designed to engage, connect and support our ongoing number of participants through the holiday season: The Family Wellbeing team held their annual Christmas tree lighting event on December 17th, virtually.

While the support groups and workshops are done virtually, the computer lab remains open for community members by appointment in keeping with the social distancing guidelines.

INNOVATION:

The Innovation workgroups met on three occasions to discuss new concepts for the next Innovation project. Participants and other community members were invited to complete an online Innovation Idea Survey to outline their ideas and share the needs of their communities. From these meetings, eight ideas were shared with topics including student led support, emergency restorative circles, parent activation skills, ADHD, Suicide Prevention for sex and gender diverse youth, low-income mothers with depression, youth with major depressive disorder and community gardens.

The next step is to evaluate and rate each of these initiatives with the goal of narrowing the options to a few projects to continue developing. Each of these options will be viewed through the lens of mental health and how they can be further developed to meet the criteria to become an approved Innovation project.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Center
Jesse H. Duff, Interim Executive Director

FROM: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Monthly Best Practices Report

COMPLIANCE & BEST PRACTICES

The Best Practices team continues to navigate several key agency projects, which are in progress for implementation. These projects all are an essential part of maintaining quality services and compliance with regulations. The following is an outline of some current and upcoming projects:

Electronic Health Record (EHR) Transition

- Overview: The agency continues to make progress towards transitioning to the new EHR system. The Best Practices and IT departments have co-facilitated this larger scale project, and have jointly collaborated with other key agency stake holders to manage and prepare for the implementation.
- Status: This project continues to be on course with implementation plan targets. It is projected that as the go-live date approaches, there will be an increased need for agency staff to place more priority, time, and effort towards supporting the transition and implementation.

Centralized Scheduling Pilot

- Overview: The Centralized Scheduling pilot is a model for managing client appointments, in which all scheduling requests are handled by a group of designated schedulers. The Centralized Scheduling concept was introduced with the goal of building the operational workflow structure that is needed to help improve client access to care and reduce non-essential administrative duties for clinical service providers.
- Status: The Centralized Scheduling pilot will be implemented over a couple of phases; The first phase was implemented on January 3rd. As we move forward with the pilot and continue to engage in longer-term planning, additional focus will likely need to be placed on enhancing administrative staffing support and resources, as these will be vital to the success of this pilot implementation.

Revised Criteria for Special Mental Health Services (SMHS)

- Overview: The criteria for specialty mental health services (SMHS) is the set of conditions that must be met in order for an individual to qualify to receive SMHS in the clinical department. The criteria revisions are part of the Cal-AIM initiative by the California Department of Health Care Services (DHCS), and will broaden eligibility criteria for specialty mental health services.
- Status: The new requirements are effective January 2022 and Tri-City is on target for meeting the requirements. There will some be upcoming additional aspects of this implementation that will occur over the next six months.

Documentation Redesign for Specialty Mental Health Services

- Overview: The California Department of Health Care Services (DHCS) has plans to streamline behavioral health documentation requirements for specialty mental health services (SMHS). This is a noteworthy regulatory change, also as part of the State-Wide Cal-AIM initiative, and it is anticipated to be effective 7/2022.
- Status: This is required to be implemented by 7/2022. Internal implementation planning for these changes will likely commence in the spring of 2022.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: January 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Jesse H. Duff, Interim Executive Director

FROM: Ken Riomales, Chief Information Officer

SUBJECT: Monthly Information Technology Report

UPDATES TO THE HIGH PRIORITY PROJECTS (BUT NOT EXCLUSIVE) UNDER THE PURVIEW OF I.T.

- Cerner Implementation – Project is currently on track and on budget. Go-Live is tentatively scheduled for end of June 2022
- I.T. Security Assessment – Security assessment has been completed. The I.T. department is currently in the process of reviewing final report.

UPCOMING PROJECTS

- Network Implementation – Project is currently in planning phase with formal project kick-off tentatively scheduled for February. Implementation is anticipated to last 90-120 days.
- Security remediation and infrastructure optimization – Immediate remediation of preliminary security risks are under way. The I.T. team is currently strategizing next steps for full enterprise security compliance. The plan will consist of, but not be limited to, staff education, infrastructure improvements, and potential new hardware/software. Project duration is estimated to be 3-6 months depending on level of needed remediation and specific scope of optimization.

I.T. OPERATIONS UPDATE

- I.T. Specialist II opening – 2nd round of interviews complete. I.T. will be circling back with HR to discuss next steps.