

EXECUTIVE OFFICER'S REPORT

To The
Local Agency Formation Commission

Commissioner **David West** [Public] Commissioner **Michael Kelley** [Supervisor] (Vice-Chair)
Commissioner **Jason Jackson** [City] (Chair) Commissioner **Ray Castillo** [Supervisor]
Commissioner **Maria Nava-Froelich** [City]

Alternate Commissioner **Jesus E. Escobar** [Supervisor]
Alternate Commissioner **Jim Predmore** [City]
Alternate Commissioner **Ed Snively** [Public]

REPORT DATE: **February 27, 2020**
FROM: Jurg Heuberger, Executive Officer 
 Paula Graf, Analyst 
PROJECT: **Heffernan Memorial Healthcare District**

HEARING DATE: **March 19, 2020** **TIME: 08:30 a.m.**

AGENDA ITEM NO: **6**

HEARING LOCATION: El Centro City Council Chambers, 1275 Main St., El Centro, CA 92243

RECOMMENDATION(S) BY THE EXECUTIVE OFFICER (In Summary & Order)

- OPTION #1:** Approve the recommendations of the Executive Officer as set forth herein.
- OPTION #2:** Approve with modifications to the Executive Officers recommendations as set forth herein with the direction of the Commission.
- OPTION #3:** Continue the hearing for not to exceed 70 days

REPORT

I. About the District

- Formed in 1947
- Located and serves the residents of the City of Calexico
- Filed for bankruptcy in 1995 and closed its acute hospital in 1998. The hospital was abandoned at that time, but the district was not dissolved.
- Annual Revenue of \$975,000 from the allocation of the general 1% property tax
- 5-Member Board of Directors elected by resident voters
- Staff include a Chief Executive, Board Secretary, Accountant, Legal Advisor, and Marketing Director

II: Summary of LAFCO Action/Direction

The Heffernan Memorial Healthcare District (HMHD) has been before your Commission several times and the Executive Officer has provided periodic information and updates. The following is a summarized history of the Commissions direction/action:

- **12/14/06:** On December 14, 2006 the Commission approved the SAP/MSR report by the EO and directed the district to submit the next SAP/MSR by June 1, 2008. Said report was never received.
- **12/11/14:** On December 11, 2014 the Commission directed the district to prepare a SAP/MSR and submit within 120 days, said report was never received.
- **01/2015:** Braitman & Associates was selected to prepare the SAP/MSR on behalf of and with consent of the district.
- **08/27/15:** On August 27, 2015 the Commission directed the District provide a Draft Business Plan within 60 days and a Final Business Plan within 6 months. The plan would then be monitored by LAFCO at 6-month intervals.
- **01/21/16:** Draft Business Plan received
- **01/28/16:** On January 28, 2016 the Commission directed the District provide an update to the Business Plan to be due on April 28, 2016.
- **04/28/16:** Updated Business Plan received
- **05/26/16:** On May 26, 2016 the Commission approved the SAP/MSR update and directed the District provide Business Plan updates on an annual basis.
- **05/27/17:** Updated Business Plan was received and scheduled to be heard by the Commission on August 24, 2017. Due to issues that staff became aware of the item was continued.
- **01/25/18:** The Commission was made aware of recent issues and the EO's plan was to meet with the District to obtain more information and to request a more in-depth plan.
- **05/24/18:** On May 24, 2018 the Commission directed the District provide a detailed 5-year plan.

- **12/13/18:** Received update on the preparation of a 5-year strategic plan.
- **03/2019:** Received March 2019 report update
- **05/2019:** Received May 2019 report update
- **08/2019:** Received August 2019 report update
- **01/15/20:** Received updated 5-Year Business Plan

III. Analysis

As required by the Cortese-Knox Hertzberg Reorganization Act of 2000, your Commission has specific statutory authority over districts, with which comes the responsibility to review said districts and make determinations.

In the case of HMHD, there have been issues, questions, and concerns about their operations and more critically their use of public funds which several years ago led to an extensive report that suggested the District should be dissolved.

During the hearing of August 27, 2015 your Commission directed that we not proceed with a dissolution, placing the district on a quasi-probation status, which in turn was intended to allow them time to make changes within their operation that would then not require you to take the action to dissolve.

Following your action on January 28, 2016, the Executive Officer/Staff began working with the District in an effort to make changes that your Commission discussed. A principal component of your direction was that the District would provide LAFCO with periodic status reports and more importantly would attempt to enter into agreements/contracts with health care providers in an effort to bring realistic healthcare programs to the community, thereby properly using their public funds.

To that end HMHD did provide one or more reports, the most detailed being on or about May 26, 2017. Said report outlined various programs, contracts or agreements that HMHD had entered, was negotiating or working on. The report however did not provide the level of detail that was necessary to make a valid review possible. It did however show that the district was making an effort.

Therefore, the Executive Officer allowed the district more time and opportunity to show that it was meeting the expectations of LAFCO.

Ultimately in the late summer of 2017 information about a "retreat" in La Jolla area where significant public funds were expended, led to the EO's review of the contract between HMHD and a consultant that was hired by HMHD for approximately \$75,000. The scope of work when viewed against the Request for Proposal led to further questions about the contract and the EO requesting more information and clarification. The then president of the HMHD was most cooperative with the EO and this led the district to ultimately terminate the contract with the consultant and the restitution of some questionable expenditures.

Although other concerns over their Board actions ensued, the next significant issue that came to the attention of the EO was a request by the City of Calexico to HMHD to fund a substantial amount of the City's ambulance/fire paramedic program. The EO began reviewing this issue with

both the City staff and the HMHD and strongly advised the HMHD to NOT pursue this funding arrangement as proposed. For complete transparency the EO met with the City Manager and a City Council person for Calexico to fully understand their position and request. As understood by the EO, the City was asking HMHD to fund approximately \$700,000 per year for a three-year period in order for the City to continue with the ambulance program and not lay-off paramedics.

A similar meeting occurred between the HMHD representatives and the EO.

The EO ultimately advised both parties that in his view the LAFCO would have a major problem with this arrangement for a number of reasons, chief among them as follows:

- a) The City did not need to provide its own ambulance program as there was a countywide program that the city could have but chose not to participate in.
- b) The City's proposed expenditures for this service seemed unrealistic and un-justified.
- c) The City provided no guarantees that this subsidy would end in a positive way at the end of three years and they would be at the same point again.
- d) This type of funding by HMHD while providing medical service would expend a significant amount of the district funds/reserves for a very limited (per capita) portion of the city's residents.
- e) The City could not provide a realistic reason why they needed to continue with a service that was otherwise available especially in light of the city's own financial constraints.

The EO subsequently advised the HMHD that if they pursued this, they would risk the possibility of LAFCO seriously considering a dissolution as it was not the proper use of their funds. The HMHD and the City finally agreed to terminate this request.

During an update to the Commission on January 25, 2018, the Commission and the EO in the strongest terms possible made the HMHD aware of their concerns and that if the District did not immediately begin to address the Commissions concerns, the dissolution could once again be considered.

Among the suggestions made at this meeting were the following:

- a) The district should strongly consider through a transparent and valid process what they would fund.
- b) The district should consider hiring either an executive secretary or executive officer to conduct the day to day operations including staff reports etc.
- c) The district should be more transparent through their web site and notices on their board meetings and pending actions.

During an update to the Commission on May 24, 2018, the Commission directed the District to provide a detailed 5-year business plan.

The District submitted several updates to this plan as listed below. LAFCO staff reviewed and provided comments to the plan, which are reflected in the most recent update that was received on January 15, 2020.

- **03/2019:** Received March 2019 report update
- **05/2019:** Received May 2019 report update
- **08/2019:** Received August 2019 report update
- **01/15/20:** Received updated 5-Year Business Plan

(EXHIBIT A)

IV. Compliance with LAFCO Resolution #2018-12:

On May 24, 2018 your Commission directed the District to provide a detailed 5-year business plan that would include the following:

1. List healthcare programs that may be considered and provide a copy of agreements for any proposed program.
2. Provide copies of grant agreements.
3. Provide in detail the services being provided and the costs.
4. If the district is providing a range of services to the Calexico residents, state how.
5. Show accountability for projects or programs that are or could/will be funded.

Comments: The District's currently funded programs are listed below, and the grant agreements are attached hereto.

- A. Direct that HMHD provide a quarterly update to the LAFCO on its efforts to assist legitimate health care providers either through contracts with such providers or through other acceptable means.**

Comments: The District has agreements with the following grant recipients:

1. Comite Civico del Valle (EXHIBIT B)

HMHD is working with Comite Civico to expand the current program that addresses air quality via a flags program, and school and home education for asthmatics. The program is currently in 5 schools in Calexico and are seeking to expand into every school.

2. Proactive Health (EXHIBIT C)

HMHD is working with Proactive Health for weight management and monitored exercise programs for adults. The program has a waiting list in excess of 60.

3. Calexico Wellness for Kids (EXHIBIT D)

HMHD is working with Calexico Wellness for Kids for weight management and monitored exercise programs for children.

4. Area Agency on Aging (EXHIBIT E)

HMHD is working with the Area Agency on Aging to provide meals to seniors. The seniors that benefit from this program are unable to prepare the meals themselves or lack resources to pay for food.

5. Calexico Senior Wellness (EXHIBIT F)

HMHD is working with the City of Calexico. The City of Calexico provides several activities for seniors that includes dancing and exercise classes to promote healthy living.

6. PMHD

HMHD is working with Pioneers Memorial Healthcare District. They are collaborating to enhance pediatric providers to the PMHD Clinic located in Calexico. Initially, pediatric coverage will be delivered by a .5 Physician and .5 Nurse Practitioner. The intent of the program is to have one full time Pediatrician. This position will be funded 50% by HMHD and 50% by PMHD.

This agreement is pending.

- B. Direct that HMHD provide quarterly financial reports to LAFCO to show how it is appropriately utilizing the public funds for health care service.**

Comments: The District submitted a Profit & Loss statement & Balance Sheet for the period of July 2019-December 2019. (EXHIBIT G)

- C. Direct that HMHD not be allowed to subsidize the City of Calexico in any fashion unless and until approval from LAFCO is first obtained.**

Comments: In April 2019, HMHD entered into an agreement with the City of Calexico for the City to maintain the parks that were furnished exercise equipment by HMHD. This does not require funds from the district. The agreement is confirmation by the City to partake in their obligations in maintaining the equipment donated by HMHD. (EXHIBIT H)

- D. Direct that HMHD hire a qualified staff person in the form of an Executive Director or Executive Secretary or similar that can provide appropriate technical support to the Board.**

Comments: The District hired Tomas Virgen, Mexus Healthcare Solutions on August 20, 2018.

- E. Direct that HMHD limit its compensated Board meetings to no more than two meetings per month, including therein emergency meetings.**

Comments: Since the beginning of calendar year 2019, HMHD has attended ACHD and Estes Park educational programs. Out of these meetings, HMHD implemented the following committees: Finance Committee, Planning/Facilities Committee, Governance Committee, Agenda Review Committee, and multiple ADHOC committees to address and prepare for upcoming changes in scope. Although there are only two board meetings per month, committees meet throughout the month as well.

- F. Direct that HMHD provide its audited financial report to the LAFCO within 30 days of its completion and require this on an annual basis.**

Comments: Pending Receipt

- G. Direct HMHD to develop strict policies on their evaluation of projects and accountability for funded projects.**

Comments: The District administrator reviews all new proposals. Once reviewed, proposals are presented to the Agenda Review Committee. Upon review, the committee places new proposals on the agenda with a recommendation. Timely submittal, alignment with mission, and strategic direction are requirements. Once the board at large entertains recommendations, presentations, and discussion, the board votes. Approved projects are required to submit monthly reports

to include activities, attendees, and financials. Financials are monitored via dashboards and monitored by the HMHD Administrator and Accountant. Denials are notified in person or via other forms of communication. HMHD will approve, at the next general board meeting a notice of denial in an effort to standardize the notification process. All current projects follow the same scrutiny for review as new projects. Current projects are monitored via financial dashboards. These are reviewed by the accountant and by the grant program representative monthly. Unauthorized expenses or charges are not paid. Any issues or conflicts that arise out of this review are addressed by the District Administrator.

V. Conclusion/Recommendation:

Given the review of their financials, their Board's and Chief Executives efforts, and given that the district appears to be taking the concerns of LAFCO serious, the EO makes the following recommendations:

- A. Direct that HMHD provide annual updates to their plan, for the next two years then every five years thereafter.**

The Business Plan and additional documentation provided over the last year demonstrates the districts ongoing effort to ensure healthcare services will be provided to the residents of Calexico. Annual submittals of their Business Plan will allow the Commission to review the districts progress and make recommendations/provide direction as needed.

- B. Direct that HMHD not to subsidize the City of Calexico in any fashion unless and until approval from LAFCO is first obtained.**

This direction is based on the City of Calexico's request for HMHD to fund its ambulance program. The Commission on May 24, 2018 directed HMHD not to subsidize the City of Calexico for several reasons including the fact that the City did not need to provide its own ambulance program as there was a countywide program that the city could have but chose not to participate in. The EO met with both the City and HMHD and both agencies agreed to terminate the funding request at that time.

- C. Direct that HMHD provide its audited financial report to LAFCO within 30 days of its completion.**

The audited financial report provides an overview of the district's financial health.

- D. Direct that HMHD provide its budget to LAFCO within 30 days of adoption.**

The budget provides an overview of how the District plans to utilize public funding for health care services for the fiscal year.

EXECUTIVE OFFICERS RECOMMENDATION

Given the review of their financials, their Board's and Chief Executives efforts, and given that the district appears to be taking the concerns of LAFCO serious, the EO makes the following recommendations:

Option #1: Approve the recommendations of the Executive Officer as set forth herein.

- A.** Direct that HMHD provide annual updates to their plan, for the next two years then every five years thereafter.
- B.** Direct that HMHD not to subsidize the City of Calexico in any fashion unless and until approval from LAFCO is first obtained.
- C.** Direct that HMHD provide its audited financial report to LAFCO within 30 days of its completion.
- D.** Direct that HMHD provide its budget to LAFCO within 30 days of adoption.

Option #2: Approve with modifications to the Executive Officers recommendations as set forth herein with the direction of the Commission.

Option #3: Continue the hearing for a not to exceed 70 days

Attachments:

- EXHIBIT A: Business Plan
- EXHIBIT B: Comite Civivo del Valle agreement
- EXHIBIT C: Proactive Health agreement
- EXHIBIT D: Calexico Wellness for Kids agreement
- EXHIBIT E: Area Agency on Aging agreement
- EXHIBIT F: Calexico Senior Wellness agreement
- EXHIBIT G: Profit & Loss/Balance Sheet
- EXHIBIT H: City of Calexico agreement

CC: HMHD

EXHIBIT A

HEFFERNAN MEMORIAL HEALTHCARE DISTRICT
BUSINESS PLAN

(JANUARY 2020 UPDATE)

ADVANCING HEALTHCARE THROUGH COMMUNITY,
COLLABORATION AND INNOVATION

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I. Foreword

Serving the healthcare needs of the Calexico community is a privilege Heffernan Memorial Healthcare District (HMHD) takes seriously. Healthcare is on a constant state of flux. In order to achieve the best possible health outcomes, our District must continually seek and employ innovative healthcare delivery models, ensure efficient and high quality care, engage our community, and collaborate with our healthcare partners.

HMHD's 2020-2024 Strategic Plan is guided by a new Mission Statement, Vision Statement, and guiding principles. A comprehensive, long-range road map takes a calculated approach to transform the way we do business to ensure delivery of high quality and efficient healthcare, meet current and future healthcare challenges, and improve overall community health. Our plan is driven by our commitment for quality, safety, transparency, leadership, and community.

Board Chair

Chief Executive

Rodolfo Valdez

January 2020

Tomas Virgen

January 2020

II. Executive Summary:

Our Mission

To be the area's leading healthcare organization by being a good steward of its finances, a catalyst for the delivery of new and enhanced healthcare services, a consistent supporter of health and wellness, and a reliable healthcare resource for Calexico residents.

The District

Heffernan Memorial Healthcare District is headquartered in Calexico, California and is a 501(c)(3) organization (not-for-profit). The District is governed by a publically elected five (5) member board. The board has hired a Chief Executive to run operations, manage grant programs, and to carry out the Board's strategic plan.

Our Services

HMHD is focused on implementing and sponsoring programs that increase access and awareness to healthcare services and education for the underserved in the community by practicing the following tenets: 1) partnering successfully with other healthcare providers to enhance the quality and breadth of healthcare services available to Calexico residents and nearby communities. 2) Promoting, supporting, and providing healthcare services related primarily to disease prevention, health education, and wellness. 3) Selectively providing financial support for healthcare initiatives that are consistent with the District's vision and mission statements. 4) Maximizing the value derived from each taxpayer dollar spent through the careful planning and implementation of all Board approved initiatives and; 5) conservatively managing its assets and resources to ensure the long-term financial viability of the organization.

HMHD is planning the development of a Rural Health Clinic and Urgent Care Center to further carry out its mission and meet the healthcare needs of the Calexico community in a local setting. This clinic will be operational in 2023 and will have the capacity to handle 20,000 visits per year.

The Market

Healthcare across the nation has suffered due to the disproportion of patients seeking care to available providers. To make matters worse, areas such as Calexico suffer from high unemployment rates, large numbers of uninsured and underinsured patients, and strong competition from physicians and hospitals on both sides of the border with Mexico.

Competitive Advantages

HMHD has competitive advantages in the Calexico community. HMHD has a strong financial position which gets supplemented each year with \$975,000 from property tax revenues. This makes the district viable and sustainable.

Another competitive advantage is that HMHD has community support. Calexico residents are very loyal. The reality that HMHD is supported with community tax dollars to further elevate the standard of care and to improve access to care solidifies HMHD's position in their market.

Financial Projections

HMHD has assets in excess of \$6,503,901.60. In addition, the district receives \$975,000.00/year from property tax revenues. HMHD will continue to fund local community health programs via grants, provided these programs align with HMHD's mission and vision.

During FY 2020, HMHD will begin to design a 10,000+ square foot Rural Health Clinic (or Federally Qualified Health Center) and Urgent Care which will be operational in 2023. The Clinic/Urgent Care has an estimated cost of \$6,000,000.00 once equipped (this includes land and modernization of current buildings on site). Expected overhead costs for personnel for year one are \$1,338,566.40 (See Exhibit A). Expected Revenues for year one are \$1,920,000.00 (based on current RHC/FQHC reimbursement rates for similar clinics in Calexico). Revenue figure is based on 12,000 visits for year one at a rate of \$160/visit (See Exhibit A). Current assets will be leveraged to obtain financing for the clinic and urgent care on a 15-year term. Excess revenues will be reinvested in the clinic and urgent care to ensure patient needs are met.

HMHD is on track with their new strategic plan. The plan was developed with community involvement and once the plan is executed, it will have a profound effect in shaping the healthcare needs and outcomes of Calexico residents.

III. Situational Analysis

The District The Heffernan Memorial Healthcare District (HMHD) is located in Calexico, CA, a border town 120 miles east of San Diego in Imperial County. HMHD is a healthcare district that closed its acute care hospital in 1998. Since that time, HMHD has consisted of a publically elected five (5) member Board with no healthcare facilities. The HMHD receives approximately \$975,000.00 per year from property tax revenues. The bulk of those funds are used to fund grants for healthcare programs that serve the Calexico community.

On August of 2018, HMHD hired a District Manager. The District Manager was tasked with development of a strategic plan, management of operations, and ensuring compliance with LAFCO. Furthermore, the new District Manager was tasked with developing a Board Orientation Program and Board Education sessions to prepare newly elected board members and to prepare the way for the new strategic plan. On July 2019 the District Manager title was changed to Chief Executive.

During the last quarter of 2018 and the first quarter of 2019, HMHD conducted strategic plan workshops. Community leaders, healthcare leaders, and community members were invited. The takeaways from those sessions resulted in the 2020-2024 Strategic Plan (See Exhibit B). During this same period, Board Directors held elections for officers, new officers were seated and four of the five Directors attended the Association of California Healthcare Districts Board Education Conference.

The emphasis of the first quarter of 2019 was on Governance, Board member roles, and strategic plan preparations. The following graph led the way to a new direction, and to a new sense of loyalty and ownership towards community health.



During the second quarter of 2019, the HMHD Board approved the new Strategic Plan (See Exhibit B for updated Plan). This plan included a retrenchment strategy and has redefined HMHD's direction. The new strategic plan focuses on developing community health awareness, improving access to care, and maintaining financial health to sustain their mission and vision.

With the new strategic plan, HMHD will venture into developing their own Clinic/Urgent Care. To be viable with this endeavor, HMHD will seek Rural Health Clinic or Federally Qualified Healthcare Center designation. HMHD will collaborate with Assemblyman Eduardo Garcia and with Senator Ben Hueso to help expedite either one of these designations. Since the majority of the population in Calexico is uninsured or underinsured, these are the only models that result in financial viability.

During the strategic plan workshop, a SWOT Analysis was conducted, the results are outlined below:

Strengths

Financial position
Property Tax Revenue Support
Community Support
Leadership
Political Support

Weaknesses

Public perception of not doing enough
Few Providers in community
No hospital in District
No District owned clinic
Proximity to border

Opportunities

Access to care not satisfied by competitors
Collaboration with local healthcare partners
Grant possibilities due to disparities/air quality

Threats

LAFCO Resolution (If not resolved)
Mexico Healthcare Access
Mexico Healthcare/Medication costs

The SWOT Analysis recognized that a strong financial position was meaningless unless improvements to access to care become self-evident. HMHD may have community and political support, but unless the Board of Directors and the new leadership align with the new mission and vision imperatives, HMHD could fail. The new Board and Leadership committed to realign themselves with the new direction and have been working relentlessly to ensure Calexico residents get the healthcare access and services they deserve.

Competitors

Navigating in today's healthcare arena is no easy task. Rules constantly change, reimbursements get cut, and healthcare disparities exist. Furthermore, competitors are continually looking to gain market share.

HMHD currently has five (5) major competitors. Two of them are Rural Health Clinics, one of them is a Federally Qualified Healthcare Center, and the other is an MD Group office that offers a myriad services. The fifth competitor is the Mexicali healthcare system across the Mexican Border. This system offers high quality care, low costs, and easy access. By far, this will be the competitor to outperform with quality and value.

HMHD also has four (4) minor competitors. These are private physician offices. One of them is a pediatrician, and three of them are primary care providers.

All competitors have one theme in common; wait times in excess of two hours per appointment, and a no-show rate of close to 40 percent to office visits and diagnostic services.

Customers

HMHD's primary customers are Calexico residents. Many of these residents suffer from old age, chronic diseases, and lack of information or awareness. HMHD Customers include providers, competitors and collaborators. In the Calexico market, providers, competitors and collaborators offer necessary services that should be preserved. Without these, access to care would suffer.

Calexico has an abundance of patients that are elderly, underinsured or uninsured, are hard of hearing, have poor or no transportation, and do not have the patience to sit and wait in an office two to three hours for an appointment. These patients demand the same kind of time and consideration that insured patients receive. Thus, an opportunity for a new Clinic model that offers a patient centric model exists.

Collaborators

HMHD has many collaborators. The local hospitals and Clinicas de Salud del Pueblo are good examples of collaborators. HMHD constantly collaborates with these healthcare entities to promote health. Thus, it is imperative that strong connections with these entities are forged and maintained.

HMHD also has 5 collaborators in the form of grant recipients. These collaborators, help promote HMHD's mission and vision throughout our community. Our collaborators are HMHD grant recipients and must undergo a selection process for funding (See Exhibit C). These grants are approved for 1-year terms and must adhere to strict guidelines to remain funded. Current grant recipients are Wellness for kids, Proactive Health, Asthma Management Program, Calexico Seniors Wellness Program, and the Area Agency on Aging Meals on Wheels Program.

A new collaborator is Pioneer's Memorial Healthcare District (PMHD). HMHD and PMHD have collaborated to enhance Pediatric providers to the PMHD Calexico RHC. Initially, pediatric coverage will be delivered by a 0.5 FTE Physician and 0.5 FTE Nurse Practitioner. The intent of the program is to have one full time Pediatrician at the Calexico site.

Description of services offered by collaborators

Comite Civico del Valle/PMHD:

We are currently collaborating with PMHD and Comite Civico to bring an Asthma education/awareness program and to tie in to already established linkages programs to benefit Calexico residents. We will be working to obtain grants from the State and other regulatory agencies, as well as from other foundations. Once we complete our Asthma program, we will begin tying in other chronic conditions to the mix.

Comite Civico del Valle:

HMHD is working with Comite Civico to expand our current program that addresses air quality notifications via a flags program, and school and home education for Asthmatics. Our program is currently in 5 schools in Calexico and we are seeking to expand into every school.

Proactive Health and Wellness for Kids:

Promotion of health is one of HMHD's primary areas of focus. In collaboration with Proactive Health and Wellness for Kids, HMHD is reaching out to adults (via Proactive) and kids (via Wellness for Kids) for weight management and monitored exercise programs. Currently, Proactive Health has grown and has a waiting list in excess of 60 Calexico Residents.

Area Agency on Aging:

The Area Agency on Aging, in collaboration with HMHD, is providing meals for Calexico Seniors that without support from HMHD would not receive such meals. The seniors that benefit from this program are unable to prepare the meals for themselves or lack resources to pay for food.

Calexico Senior Wellness:

The Calexico Senior Wellness program, paid for by HMHD, provides a number of activities for seniors such as dancing and exercise classes to promote healthy living. This program reaches more lives than any of our other programs.

PMHD:

A new collaboration effort is on its way with Pioneer's Memorial Healthcare District (PMHD). HMHD and PMHD have collaborated to enhance Pediatric providers to the PMHD Calexico RHC. Initially, pediatric coverage will be delivered by a 0.5 FTE Physician and 0.5 FTE Nurse Practitioner. The intent of the program is to have one full time Pediatrician at the Calexico site. The Pediatrician position will be funded 50% by PMHD and 50% by HMHD.

Climate

The Healthcare Climate in Calexico is a competitive and politically driven one. This is further accentuated by a poor payer-mix in the community, constant patient complaints of long wait times and poor access to care; as well as provider complaints of poor reimbursement, noncompliance and not having enough time to address chronic conditions.

HMHD comes from a strong financial and community support position. Market entry barriers exist, but at this moment do not pose a threat for a new clinic. It is, however, expected that competitors will react once their visit volumes or revenues decrease. It is the sole intent of HMHD to add services and not to take away. HMHD's success prognosis is a positive one.

IV. Vision, Mission and Core Values

Vision Statement

To be the healthcare provider of choice for Calexico Residents.

Mission Statement

To be the area's leading healthcare organization by being a good steward of its finances, a catalyst for the delivery of new and enhanced healthcare services, a consistent supporter of health and wellness, and a reliable healthcare resource for District residents.

Guiding Principles

1. **Commitment:** We commit to developing high quality healthcare services to support our community's health and wellness needs.
2. **Integrity:** We adhere to the highest ethical standards in all of our decisions.
3. **Excellence:** We adhere to the highest standards of performance and seek excellence through continuous quality improvement.
4. **Transparency:** We create an atmosphere of trust by being transparent, consistently applying the same methodology to our decision making processes, and by consistently having open dialogues with our constituents.
5. **Collaboration:** We believe that partnerships and collaborative community efforts bring strength to our district. We engage our partners to fulfill our mission and vision for excellence in healthcare delivery in Calexico.

V. Organizational Structure

HMHD Officers and Board of Directors

HMHD is governed by a publically elected five (5) member board of directors. The HMHD Officers and Board of Directors are responsible for the governance and fiscal health of the organization. They seek to collaborate with healthcare partners and community stakeholders, pursue new healthcare opportunities and initiate innovation in the greater medical community. The officers and Board of Directors are committed to making a lasting impact on Calexico's healthcare system and to fulfill the organization's Mission and Vision.



Rodolfo Valdez
Board President



Gloria Grijalva
Board Vice President



Hector Martinez
Board Secretary



Norma Apodaca
Board Treasurer



Gloria Romo
Board Director

Leadership and Management Team

The Officers and Board of Directors have built a management team led by Chief Executive Tomas Virgen, a respected healthcare administrator and binational healthcare consultant. Mr. Virgen oversees district operations, grant program management, and service line development. Mr. Virgen also oversees and directs the district management team.

VI. HMHD Sector and Market Analysis

Geographic Overview

Calexico is the southernmost city in the Imperial County and it shares a border with Mexicali, Baja California, Mexico. With a population of approximately 40,351 (2017), Calexico is the second largest city in the Imperial County. Mexicali, HMHD's neighbor to the south, has a population of 1,059,896 (2018) and is the second largest city in the State of Baja California (<https://datausa.io/profile/geo/calexico-ca/>).



Demographic Overview

Calexico is unique in the Imperial County due to its proximity to the Mexican border. Calexico is the gateway for thousands of Mexicali residents that cross the border frequently. Many of these

border crossers come to and through Calexico to work, shop, or study. That dynamic goes both ways. Many Calexico residents also cross the border southbound frequently to seek lower cost healthcare, food, and entertainment. Thus, Calexico and Mexicali have a certain level of synergy and codependence.

Mexicali, has a growing population. The latest estimates show a population of 1,059,896 and growing. Whereas Calexico's population has remained flat for the past 3 years with an average growth rate of 0.5% per year. Although Calexico's population has not grown significantly over recent years, its economy is highly dependent on the Mexicali traffic. Thankfully, Mexicali has seen an increase in their middle class which translates into a stronger economy that will in turn benefit Calexico and the surrounding areas.

Calexico Population from 2010-2017 (<https://www.census.gov/quickfacts/calexicocitycalifornia>)

Year	Population	Growth	Annual Growth Rate
2017	40,351	141	0.35%
2016	40,210	239	0.60%
2015	39,971	214	0.54%
2014	39,757	268	0.68%
2013	39,489	186	0.47%
2012	39,303	289	0.74%
2011	39,014	340	0.88%
2010	38,674	11,565	3.62%

Economic Overview (data obtained from <https://datausa.io/profile/geo/calexico-ca/>)

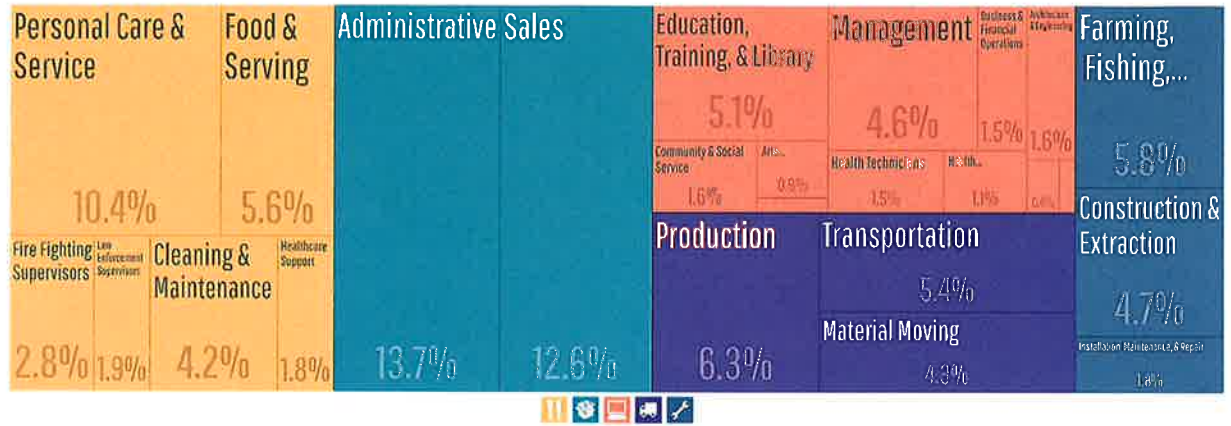
Calexico's economy has remained flat for the past five years. However, the growth south of the border continues to support the Calexico economy. This continuous growth does support a positive economic outlook for Calexico.

The following graphs provide data demographics on the Calexico Economy. Data on employment, industry, median household income, highest paying jobs, lowest paying jobs, wages by race and ethnicity in common jobs, poverty by race, property values and healthcare coverage provide greater insight into Calexico economics.

HEFFERNAN MEMORIAL HEALTHCARE DISTRIC | BUSINESS PLAN

Employment by Occupations in Calexico, Ca

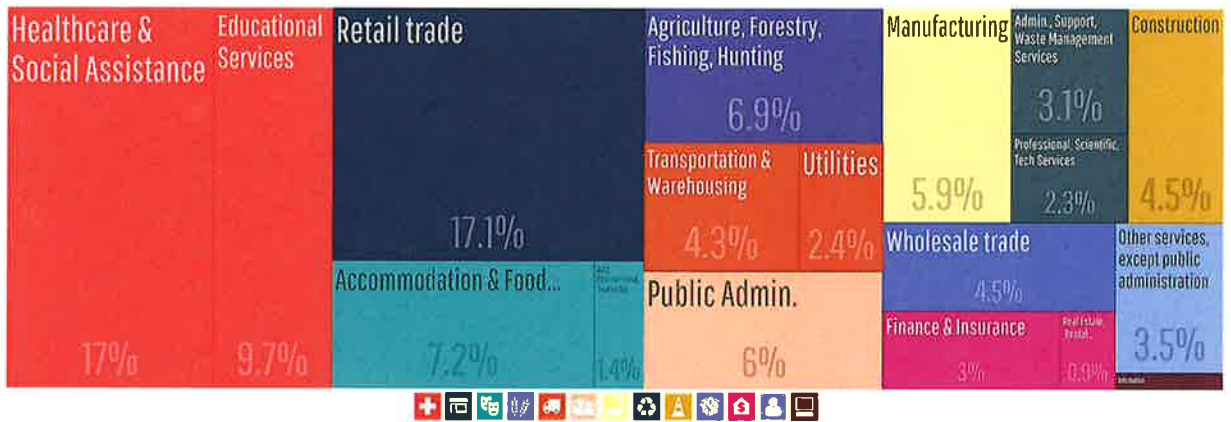
This chart compares the data for the county of Calexico, CA to the state of California, CA and the United States. Data is from the Bureau of Economic Analysis, CA and is based on the U.S. Census Bureau, 2019.



DATA USA:

Employment by Industries in Calexico, Ca

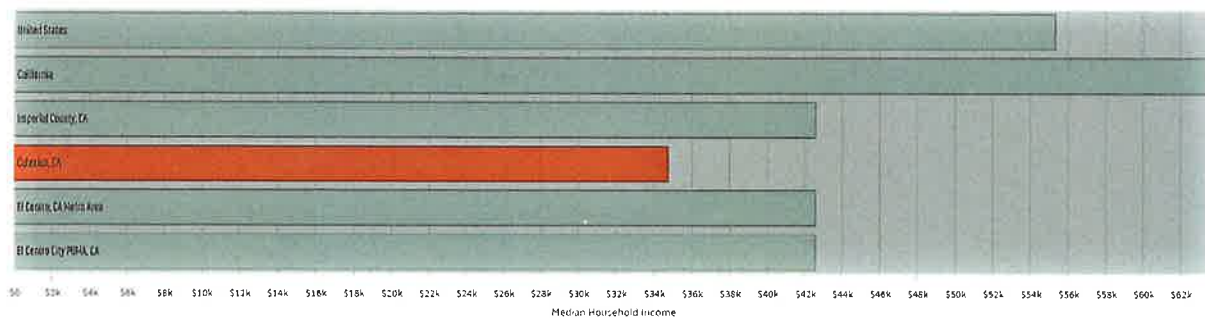
This chart compares the data for the county of Calexico, CA to the state of California, CA and the United States. Data is from the Bureau of Economic Analysis, CA and is based on the U.S. Census Bureau, 2019.



DATA USA:

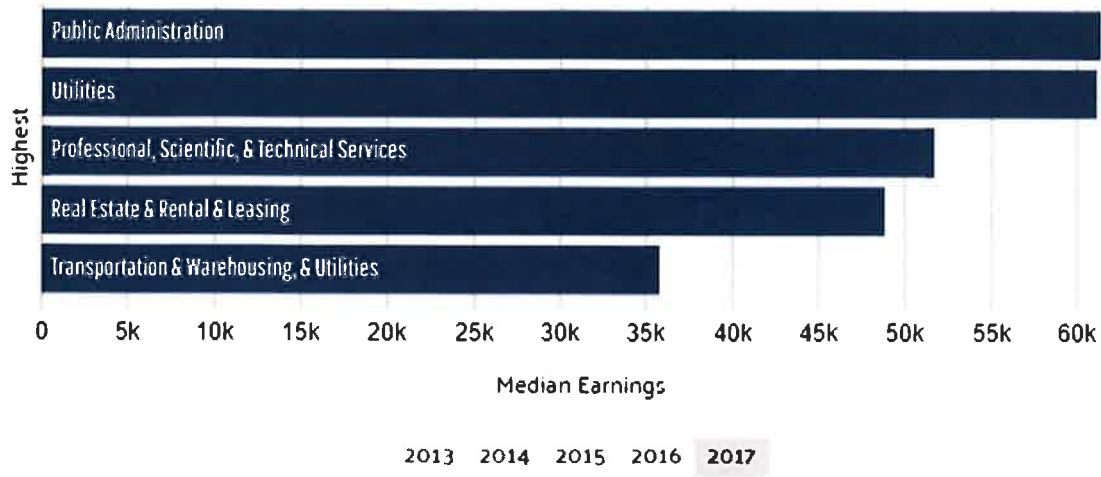
Median Household Income in Calexico, Ca

This chart compares the data for the county of Calexico, CA to the state of California, CA and the United States. Data is from the Bureau of Economic Analysis, CA and is based on the U.S. Census Bureau, 2019.

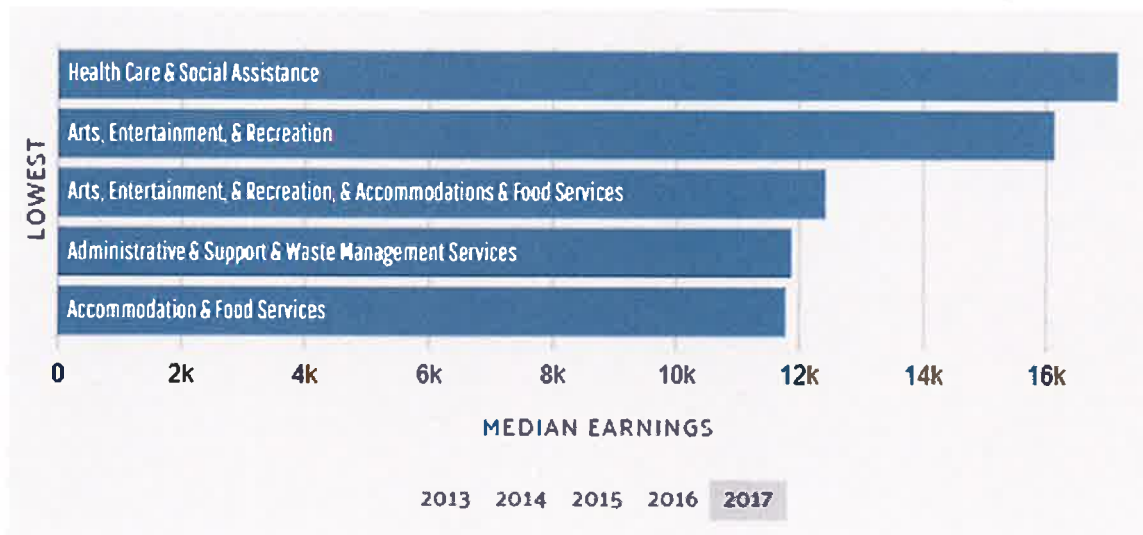


DATA USA:

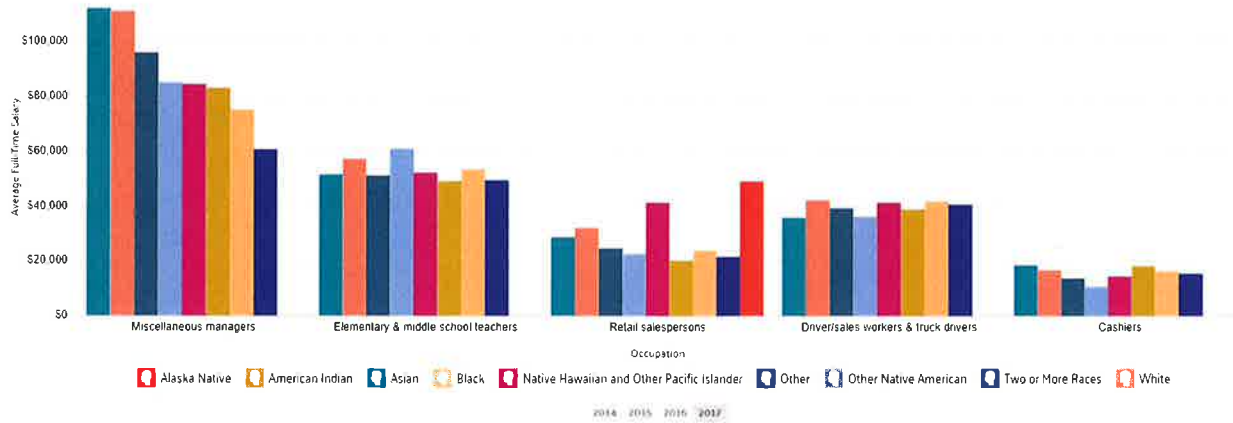
Highest Paying Jobs



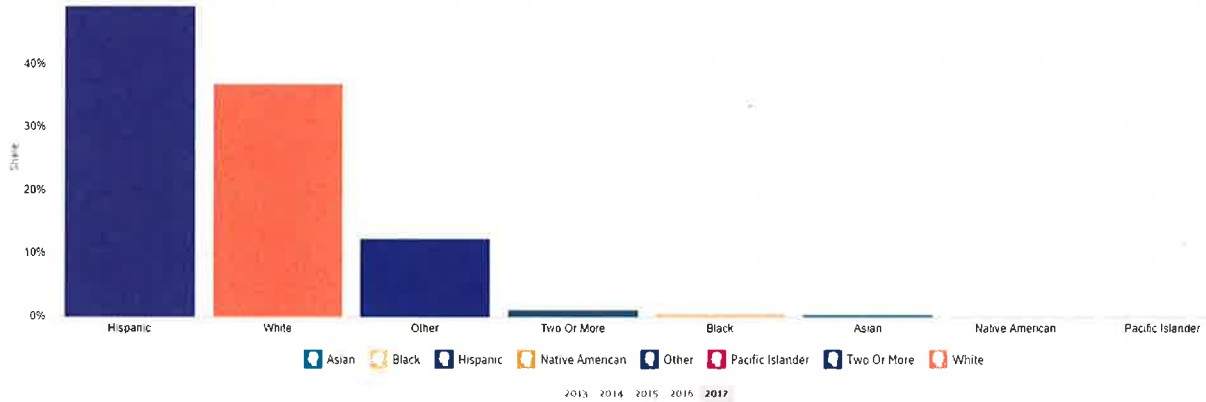
Lowest Paying Jobs



Wage by Race and Ethnicity in Common Jobs



Poverty by Race



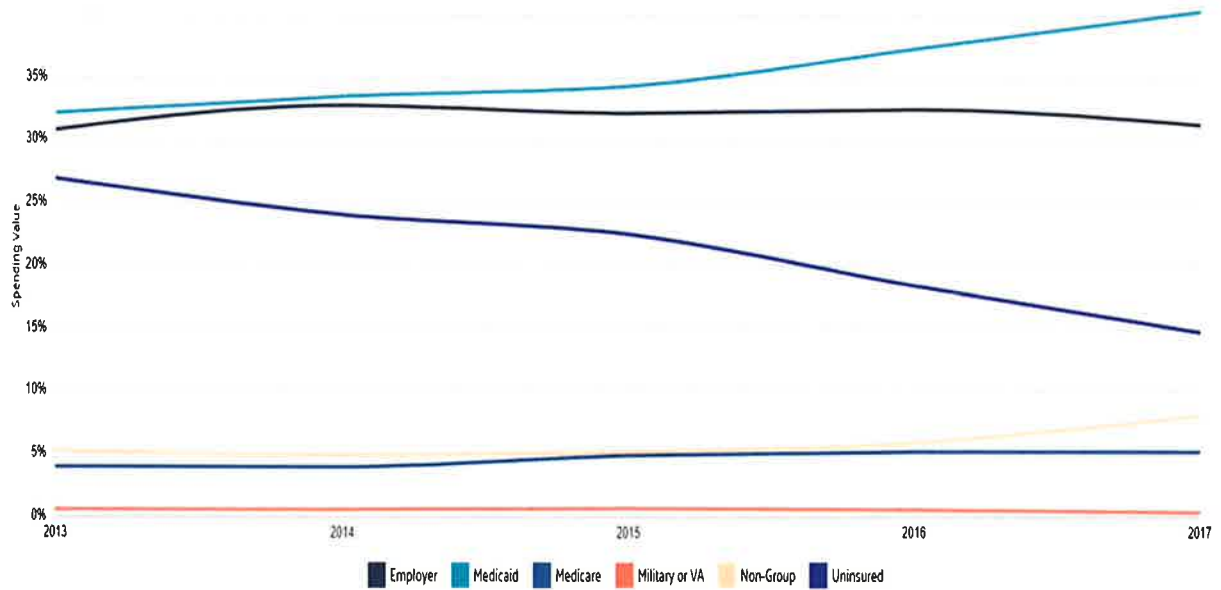
Property Value



HEFFERNAN MEMORIAL HEALTHCARE DISTRICT | BUSINESS PLAN

Health Care Coverage:

Uninsured	14.8%	Employer Coverage	31.3%
Medicaid	40.3%	Non-Group	8.07%
Medicare	5.19%	Military or VA	0.416%



Calexico Medical Economy

Access to Care

Healthcare is in growing demand as the population ages and Baby Boomers enter later stages of life. These later stages often require more frequent and more intensive healthcare services. Along with this trend, Calexico has more lives over 65 years of age per capita than any other city in the County.

An additional factor to the rising demand for healthcare services in Calexico is the shrinking number of residents without health insurance. The creation of the Affordable Care Act in 2014 did bring some relief to Calexico families since more than 34% of households have incomes less than \$25,000 per year. This Act created more insured patients, however, underinsured. What it didn't do, is increase the number of available physicians to address the influx of patients seeking health care.

Other identified barriers to access care in Calexico are transportation, communication, prompt appointment times, knowledge deficits, physical and cognitive disabilities, a shortage of providers, information and non-compliance.

Healthcare Professional and Service Supply

While the number of healthcare jobs has increased over the past decade, it does not meet current or future demands. Imperial Valley College is one of the primary sources for Registered Nurses, Paramedics, Emergency Medical Technicians, and Certified Nurse Assistants in the County. Although many of these professionals are locals, they leave the Imperial County as soon as they graduate having a greater impact in local economics.

There are currently no medical schools or medical residency programs in the Imperial County. The closest Residency program is in Yuma, Arizona at Yuma Regional Medical Center. The closest medical school is the UCSD School of Medicine in San Diego.

Much of Imperial County is designated as a medically underserved area. The County has a shortage of medical providers, in particular those that provide primary care and mental health services. In 2013, there was one primary-care physician for every 4,410 Imperial county residents, compared to one for every 1,270 residents statewide. There is one mental health provider for every 930 County residents, compared to one for every 360 residents in California overall. There are also a limited number of dentists to serve the local population: one for every 3,140 County residents, while in the rest of the state there are one for every 1,260 residents.

In Calexico, it is a reality that health workforce supply falls short of what is needed to ensure access to basic primary care, preventive and specialty services. These deficits are compounded by an aging healthcare workforce and new demands for medical services generated by population growth, population aging and insurance coverage expansions.

Calexico Based Physicians/Clinics

Calexico currently has four Private Physician Practices, one Group owned practice with rotating providers, two Rural Health Clinics (one owned by El Centro Regional Medical Center, and the other by Pioneers Memorial Healthcare District), and one Federally Qualified Health Center (owned by Clinicas de Salud del Pueblo). These clinics provide primary care and sporadic specialty care.

Imperial County Hospitals

Imperial County has two hospitals, El Centro Regional Medical Center located in El Centro and Pioneers Memorial Healthcare District located in Brawley. These hospitals anchor the healthcare delivery system in the County. Each has their main campus and each has two rural health clinics. Both hospitals own and operate clinics in Calexico. Both hospitals are designated Trauma level IV. Major trauma and any conditions requiring subspecialties are transferred to San Diego hospitals or Desert Regional Medical Center in Palm Springs.

Chronic Disease

Chronic diseases such as heart disease, stroke, cancer, and diabetes are the leading causes of death and disability in the United States. Chronic diseases account for 70 percent of all deaths in the U.S., or 1.7 million each year. These diseases also cause major limitations in daily living for nearly one out of 10 Americans, or about 25 million people. Chronic diseases are among the most common, costly and preventable of all health problems.

In addition to access to healthcare and lack of healthcare resources, Calexico faces the challenges brought on by a large number of residents with chronic disease. Although Calexico may seem to have a similar patient to clinician ratio to the Imperial County, it still falls way below the state average ratio. It is worthy of note to state that Calexico has the oldest and sickest population in the Imperial County. If you couple this with uninsured and underinsured patients, we end up with a greater challenge and burden for care. Finding providers that will spend more time with our patients in an environment of scarce resources is a challenge. This creates an opportunity for a new type of medical delivery model that can thrive in Calexico's healthcare environment.

The prevalence of chronic disease in Calexico follows the same trend as the County. Heart disease, cancer, stroke, diabetes, hypertension, kidney disease, chronic liver disease, tuberculosis and asthma rates are too high to ignore. In too many cases, residents suffer from multiple chronic diseases further augmenting their need for high quality care.

Diabetes is the fifth leading cause of death in Imperial County. In 2014, nearly 16 percent of adults reported ever being diagnosed with diabetes (excluding gestational diabetes), compared to 8.9 percent statewide (CHIS).

Heart disease accounted for 17 percent of all deaths in Imperial County on average in 2012-2014, while stroke caused nearly 6 percent of deaths in this County.

In 2014, 28 percent of adults in Imperial County reported having high blood pressure, and 63 percent of those reported taking medication for high blood pressure (CHIS).

In 2012-2014, on average 21 percent of Imperial County deaths were due to cancer.

VII. Goals, Strategies, and Tactics

Goal 1: Develop Community health awareness

Strategy: Lead progress toward being a healthier community.

Tactics

1. Deliver four (4) health fairs per year each focusing on a high priority healthcare need.
2. Collaborate with local health partners by participating in local health movements via health fair participation and/or financial support.
3. Collaborate with local health providers to identify trends in healthcare needs and engage their active participation in community's health.
4. Collaborate with local health partners and community leaders to promote district movements.

Goal 2: Enhance Access to Care

Strategy: Develop Heffernan Memorial Healthcare Center/Urgent Care.

Tactics

1. Collaborate with Community, healthcare partners, and community leaders to identify a central location for center.
2. Collaborate with State Government Officials to obtain Rural Health Clinic or Federally Qualified Health Center Status
3. Design and build health center
4. Develop and implement healthcare delivery model to incentivize quality, efficiency, and care.
5. Engage physicians to become champions of access to care.

Strategy: Recruit providers needed by Calexico Community

Tactics

1. Collaborate with local hospitals and clinics to recruit high need providers (i.e. Primary Care and Geriatrics).
2. Collaborate with Aging physicians to promote practice succession.
3. Collaborate with Chamber of Commerce and Community Leaders to engage in physician recruitment.
4. Collaborate with Independent Physician Associations to engage in recruitment of needed talent.

Strategy: Develop Community Call Center/Navigation program to facilitate access to care.

Tactics

1. Collaborate with local graduate and undergraduate students to gather and translate data.

2. Collaborate with County and Payors to help fund or augment program and to develop system.
3. Create healthcare directory
4. Collaborate with hospitals and local linkages programs to participate and develop communication trees.
5. Base call center/navigation program at HMHD (2023).

Goal 3: Maintain financial health to fulfill mission

Strategy: Raise funds via grants and create new service lines to fund mission initiatives.

Tactics

- 1) Collaborate with State Officials and local health partners to bring needed grant dollars fund community health programs.
- 2) Collaborate with payers to fund joint initiatives.
- 3) Collaborate with state officials to obtain Rural Health Clinic or Federally Qualified Health Center designation (this will help fund imperatives).
- 4) Collaborate with local leaders to improve local economy.
- 5) Purchase (build or modernize), Certify, and Operate Clinic/Urgent Care by 2023.

VIII. Measurement

HMHD places high priority on the measurement, tracking, and reporting of its goals and programs. HMHD will operate strategically and tactically to ensure efficient high quality care. We believe that in order to improve a process, you measure it. Thus, dashboards have been created to track goals and projects. These dashboards will be tracked and reported to the Board and public on a quarterly basis. By measuring and evaluating the impact of HMHD goals and projects, the Board of Directors will be able to monitor compliance and intervene when necessary.

Furthermore, the Board of directors serve on advisory committees to provide input and support. These leaders require a focus on measurement and assessment. HMHD will consider its efforts a success when reduction in healthcare disparities and reduction in identified gaps is evident.

IX. Funding and Potential Revenue Sources

HMHD, as with all other healthcare districts, is funded by its increment of the City's annual property tax revenues. These tax revenues are utilized by the HMHD Board to benefit the health and well-being of the citizens of the community. The funds are either donated to local health-based organizations that make funding requests, or the funds are used by HMHD to implement new healthcare initiatives.

HMHD receives approximately \$975,000 per year from the property tax revenues. As of August 15, 2019, HMHD financial position includes \$5,301,507.85 in savings, plus other assets that bring up the total asset value to \$6,503,901.60 (See Exhibit D).

Potential revenue sources include Rural Health Clinic or Federally Qualified Healthcare Center revenues projected to start 2023. Projected Revenues for the clinic before expenses are expected to be in the range of \$1,920,000 for 2023, \$2,208,000 for 2024, and \$2,539,200 for 2025 (See Exhibit A). These revenues will be used primarily to cover overhead and salaries for the clinics. Excess revenues will be reinvested to bring additional specialties and services to Calexico Residents.

These revenue projections were based on current data of local clinics and reimbursement practices for these types of clinics. Local RHC reimbursements range from a \$156 per encounter to \$172 per encounter at 2 local RHCs. Local FQHC reimbursement is approximately \$200 per encounter.

Volume data projections are based on what a typical provider can see in a month or year. We also considered the shortage of providers in Calexico. HMHD has already reached out to providers for interest in working with the upcoming HMHD Outpatient Center and Urgent Care.

Salary Data: The Camden Group did a Fair Market Evaluation in 2015/2016 for Primary Care in the Calexico area. Our figures were based on that Fair Market Study, as well as local Primary care provider salaries and clinic personnel salaries. (See attached spreadsheet). The figures presented do not include expenses for billing, or cleaning services.

Another potential revenue source comes from grants. In collaboration with Comité Civico del Valle, HMHD is actively in search of grants to expand current programs and address healthcare gaps in the Calexico Community. We are currently pursuing \$250,000 from air quality boards and foundations to expand our Asthma Education Program and Flags Program (air quality surveillance and education) to include all Calexico Schools. Our current program has a cost in the range of \$130,000 per year and covers only 5 schools.

In addition to the above revenue sources, HMHD plans to remodel a property owned in Calexico. There are two interested parties that are entertaining entering into a long-term lease agreement. Said property will produce revenues in excess of \$50,000 per year after expenses. The cost to remodel the site located at 400 Mary Avenue in Calexico is ~\$1.5 million. The modernization project was awarded to SANDERS, INC. ARCHITECTURE/ENGINEERING on November 2019 as the result of a Request For Interest. The design of the modernization project has begun. The project is scheduled for completion on November 2020.

X. Summary and Conclusion

The Heffernan Memorial Healthcare District (HMHD) has been and is operating with a clear intention and realistic expectation of being a proactive resource for the healthcare needs of Calexico residents. In conjunction with all those who are already providing quality service within our district, HMHD will strive to further advance a culture of prevention and a focus on wellness. Through collaboration and innovation, and the support of those who believe in and support the HMHD mission and vision, HMHD will be a change agent that opens a dynamic space with cooperative dialogue and behaviors that will lead to creative healthcare innovation and quality outcomes.

HMHD believes the strength and transparency of our dashboards will create a new sense of awareness that will engage providers, community members, and healthcare leaders to open dialogues pertaining to healthcare needs, and to continually strive to produce higher quality outcomes in our community.

HMHD believes in the strength of developing and operating a clinic and urgent care to further improve access to care. HMHD will adopt a philosophy that is patient centric. HMHD will develop incentives to motivate clinicians and staff to provide prompt individualized high quality care that is second to none.

Heffernan Memorial Healthcare District accepts the healthcare challenges of today and tomorrow. In that endeavor, HMHD commits to putting their patient needs first, to provide high quality outcomes that bring value and improve the quality of lives of those that reside in the Calexico community.

EXHIBIT B

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

August 27, 2019

Comite Civico del Valle, Inc
235 Main Street
Brawley, CA 92227

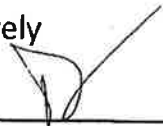
Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear :Jose Luis Olmedo

Please be advised that Heffernan Memorial Healthcare District will continue to fund all grant programs on a month to month basis until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD. Negotiations with grant recipients have not been held within the initial sixty (60) period envisioned by Heffernan Memorial. Negotiations will continue with all grant recipients. Until these negotiations are completed or the establishment of a Request for Proposal procedure is implemented by Heffernan Memorial, all grant recipients' funding will continue on a month to month basis at the same monthly funding level.

Please accept Heffernan Memorial's apologies for any consternation occasioned by the above.

Sincerely



Tomas Virgen, CEO
Heffernan Memorial Healthcare District

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

July 26, 2019

Comite Civico del Valle, Inc
235 Main Street
Brawley, CA 92227

Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear: Jose Luis Olmedo

The Grant Agreement between HMHD and Comite Civico del Valle, Inc.
has terminated effective June 30, 2019.

HMHD's Board of Directors has authorized the continuation of your Grant Agreement on a month to month basis for sixty (60) days or until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD. HMHD will be contacting you to discuss your grant program to determine its viability.

Best wishes,



Tomas Virgen
District Chief Executive
Heffernan Memorial Healthcare District

Heffernan Memorial Healthcare District
601 Heber Avenue
Calexico, CA 92231

Comite Civico del Valle, Inc.
235 Main Street
Brawley, CA 92227

(b) Any notice given shall be deemed effective with personal delivery, upon receipt thereof or with mailing, at the moment of deposit in the course of transmission with the United States Postal Service, except for a notice of termination which shall be effective 3 days following deposit with the United States Postal Service.

10. ASSIGNMENT

This is a services contract for unique services. Neither CCV nor Heffernan may assign or transfer any rights or obligations arising from this Agreement, or any part thereof, without prior written consent of the other party.

11. AMENDMENTS

This Agreement may be amended only by an instrument in writing duly executed by each party.

12. INTEGRATION

This writing constitutes the entire and complete Agreement between the parties relative to the subject. No party relies upon any warranty or representation, express or implied not specifically set forth herein.

13. WAIVER

Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a later breach of the same or any other provision under this Agreement.

14. SEVERABILITY

If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement shall continue in full force and affect.

**AGREEMENT BETWEEN THE HEFFERNAN MEMORIAL HEALTHCARE
DISTRICT AND COMITE CIVICO DEL VALLE**

This Agreement is entered into by and between the Heffernan Memorial Healthcare District, a healthcare district organized under California Health and Safety Code section 32000, ("Heffernan") and Comite Civico del Valle, Inc. ("CCV") (each a "Party" and collectively the "Parties") and made effective as of the date first appearing below (the "Effective Date") under the terms of this Grant Agreement

RECITALS

WHEREAS, Heffernan is desirous of promoting and assisting wellness and prevention programs and to service providers and organizations for the maintenance of good physical and mental health in the communities served by Heffernan, and

WHEREAS, CCV is a public nonprofit organized under the laws of the State of California and has established and designed and provides services to improve the quality of life for disadvantaged communities and desires to provide programs in the City of Calexico and within Heffernan's district to reduce the burden of asthma on its residents. CCV seeks to implement an asthma self-management family home visitation program for 100 patients in Calexico/Heffernan's district to help the patients mitigate hazards at home and in the immediate outdoor environment during the term of this agreement to individuals in Heffernan's district area. These services are to be provided by CCV at no charge to the patients.

WHEREAS, the CCV wishes to provide its services to residents of the Heffernan Memorial Healthcare District:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

CCV shall provide the services under the CCV proposal submittal for grant funding labeled "Asthma Management Program (AMP)" which is attached hereto as Exhibit A and incorporated by reference into this Agreement as though set forth herein, for participants residing within the boundaries of the Heffernan Memorial Healthcare District. This direct financial assistance by Heffernan is to allow the CCV program participants to receive the services provided by the CCV Program free.

2. COMPENSATION

Subject to and under the term and provisions of, this Agreement, Heffernan agrees to grant CCV the sum of \$136,844.00 to fund the AMP commencing on the Effective Date and continuing through June 30, 2019. The total sum will be paid in varying monthly installments, due to CCV on the first day of each month. The monthly payments will be disbursed to CCV by Heffernan's accountant during the term of this Agreement following submission of a report of proposed or actual "proper expenditures" under the AMP, per section 3 below (Records and Financial Reports). Activities and programs sponsored by CCV under the AMP are presumed proper expenditures, unless otherwise contested by Heffernan's accountant prior to disbursement. If Heffernan's accountant contests a proposed or actual expenditure as improper, CCV shall have an opportunity to provide additional information or context before Heffernan's accountant's decision is made final.

3. RECORDS AND FINANCIAL REPORTS

CCV shall provide monthly financial reports about these grant funds and a Profit and Loss financial statement to Heffernan within 30 days of the close of the funding month and 30 days after the funding termination date of this agreement. Upon reasonable and written request by Heffernan, during the term of this agreement, financial information about this allocation and funding shall be reviewed with Heffernan or its designated representative.

4. TERM OF AGREEMENT

This agreement shall be effective as of the Effective Date, and shall automatically terminate on June 30, 2019 unless otherwise agreed upon in writing.

5. REPORTS

CCV shall submit written activity reports, within 30 days of the close of the funding month, to the Heffernan Board. If requested by the Heffernan Board, a presentation to the Heffernan Board relating to services outlined and the activities undertaken as specified in this agreement shall be made. The report shall detail CCV services and its activities during the monthly reporting period.

Within thirty days (30) of the close or termination of this Agreement, CCV shall submit to Heffernan an expenditure report with a detailed accounting of all expenditures related to services provided for under this Agreement.

6. INDEMNIFICATION

The Parties agree to defend and hold the other Party and all its officers, agents, employees, and representatives harmless against any claims brought for or because of personal injury, including death, claims of breach of confidentiality, or business and property damage, which may arise from the Party's willful or negligent acts, errors or omissions under this Agreement. The Party's agree to defend and indemnify the other Party and its officers, agents, employees, and representatives from any suits or actions at law or equity for damages caused, or alleged to have been caused, from the other Party's willful or negligent act, errors or omissions.

If suit or arbitration is initiated by either party to enforce its rights under this Agreement, the losing party shall pay the prevailing party's attorney's fees and cost.

7. INSURANCE

CCV shall, throughout the duration of the Agreement, maintain comprehensive general liability and property damage insurance covering all operations of CCV, its agents and employees, including but not limited to premises and automobile, with minimum coverage of One Million Dollars (\$1,000,000) combined single limits. The policy shall name Heffernan, inclusive of each of its officers and employees, as an additional insured, and a Certificate of Insurance shall be furnished to Heffernan at 601 Heber Avenue, Calexico, CA 92231. Said policy or policies shall provide thirty-day (30) notice to Heffernan of cancellation or of a material change. CCV shall also carry workers compensation insurance in the required statutory amount, evidence of which is to be furnished to Heffernan in a Certificate of Insurance. All such policies shall be in a form satisfactory to Heffernan's General Counsel.

8. INDEPENDENT CONTRACTOR

The parties agree that CCV is an independent contractor and shall not be an employee of Heffernan, nor shall any representative or employee of the CCV represent or imply directly or indirectly that he or she represents or may speak for or bind Heffernan.

9. NOTICES

- (a) Any notice may be served upon either party by delivering it in person, or by depositing it in a U.S. Mail deposit box with the postage thereon prepaid, and addressed to the party at the address set forth below:

15. CONTROLLING LAW VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial.

16. MEDIATION

The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and share the costs of mediation equally. If the parties cannot agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS"). Each party shall strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

17. EXECUTION

This Agreement may be executed in several counterparts, each of which shall constitute the same instrument and shall become binding upon the parties when at least one copy shall have been signed by both parties. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

18. AUTHORITY TO ENTER AGREEMENT

CCV has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and to bind each respective party.

19. PROHIBITED INTERESTS

CCV maintains and warrants it has not employed nor retained any company or person, other than a bona fide employee working solely for CCV, to solicit or secure this Agreement. Further, CCV warrants it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for CCV, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty Heffernan may rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of Heffernan, during the term of his or her service with Heffernan, shall have any

direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

20. EQUAL OPPORTUNITY EMPLOYMENT

CCV represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertizing, layoff or termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on

July 18, 2018

Heffernan Memorial Healthcare District

BY:  _____

Hector Martinez, President, Heffernan Memorial Healthcare District

July 11, 2018

BY:  _____

Jose Luis Olmedo, Executive Director
Comite Civico del Valle, Inc.

Attachment of CCV's funding request labeled Asthma Management Program (AMP), is attached and made a part of this Grant Agreement as though set forth herein including the Programs Timeline, Costs and Project Description of Services to be provided.

EXHIBIT C

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

August 27, 2019

Proactive Health Inc.
2451 Rockwood Ave, Suite 108
Calexico, Ca 92231

Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear :Jose Luis Ramirez

Please be advised that Heffernan Memorial Healthcare District will continue to fund all grant programs on a month to month basis until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD. Negotiations with grant recipients have not been held within the initial sixty (60) period envisioned by Heffernan Memorial. Negotiations will continue with all grant recipients. Until these negotiations are completed or the establishment of a Request for Proposal procedure is implemented by Heffernan Memorial, all grant recipients' funding will continue on a month to month basis at the same monthly funding level.

Please accept Heffernan Memorial's apologies for any consternation occasioned by the above.

Sincerely



Tomas Virgen, CEO

Heffernan Memorial Healthcare District

**AGREEMENT BETWEEN THE HEFFERNAN MEMORIAL HEALTHCARE
DISTRICT AND PROACTIVE-HEALTH INC.**

This Agreement is entered into by and between the Heffernan Memorial Healthcare District, a healthcare district organized under California Health and Safety Code section 32000, ("Heffernan") and Proactive-Health Inc., a 501 (c) (3) corporation and made effective as of July 11, 2018.

RECITALS

WHEREAS, Heffernan is desirous of promoting and assisting wellness and prevention programs and to service providers and organizations for the maintenance of good physical and mental health in the communities served by Heffernan, and

WHEREAS, Proactive-Health is a program created to support efforts to improve the health of individuals through health promotion, disease prevention, lifestyle adjustments and systems based approaches to improving health and wellness. The program will provide health for those citizens suffering from: Pre-Diabetes/Diabetes, Asthma, Heart Disease (reduce blood pressure and cholesterol) and Obesity. The program will provide a specialized program for 50 to 100 Calexico citizens. The program will consist of nutritional guidance, medical evaluations, behavior modifications and anaerobic and aerobic exercise programs taking place at Heffernan Wellness Parks and FLX Fitness, and

WHEREAS, the Proactive-Health program provides its services to residents of the Heffernan Memorial Healthcare District free:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

Proactive-Health Program shall provide services for participants residing within the boundaries of the Heffernan Memorial Healthcare District. Proactive-Health shall provide the services under the undated grant proposal titled "Proactive Health Program "Take action to stop diseases before they start", which is incorporated by reference into this Agreement as though set forth herein, for participants residing within the boundaries of the Heffernan Memorial Healthcare District. Proactive-Health has identified Uri Guffen, M.D., 230 W. Cole Blvd., Calexico, CA as Proactive-Health's medical participant. This direct financial assistance by Heffernan is to allow the Proactive-Health program participants to receive the services provided by the Proactive-Health Program.

2. COMPENSATION

Subject to and under the term and provisions of the Agreement, Heffernan agrees to fund the PROACTIVE-HEALTH program for the mutually agreed upon services, for \$167,760.00 for 12 months commencing on July 11, 2018 through June 30, 2019, payable in monthly installments as determined by Heffernan's accountant. The monthly payments would be distributed on the first day of each month commencing on July 11, 2018 and continuing on the first of the month of each later month during the term of this Agreement. Activities and programs sponsored by the PROACTIVE-HEALTH are proper expenditures of these grant funds. Proper accounting practices and procedures shall identify fund expenditures by PROACTIVE-HEALTH in direct implementation of the program identified in this agreement.

3. RECORDS AND FINANCIAL REPORTS

PROACTIVE-HEALTH shall provide monthly financial reports about these grant funds and an annual Profit and Loss financial statement to Heffernan within 30 days of the close of the funding month and 30 days after the funding termination date of this agreement. Upon reasonable and written request by Heffernan, during the term of this agreement, financial information about this allocation and funding shall be reviewed with Heffernan or its designated representative.

4. TERM OF AGREEMENT

This agreement shall be effective as of the July 11, 2018, and shall automatically terminate on June 30, 2019.

5. REPORTS

PROACTIVE-HEALTH shall submit written activity reports, within 30 days of the close of the funding month, to the Heffernan Board. If requested by the Heffernan Board, a presentation to the Heffernan Board relating to services outlined and the activities undertaken as specified in this agreement shall be made. The report shall detail PROACTIVE-HEALTH's services and its activities during the monthly reporting period.

Within thirty days (30) of the close or termination of this Agreement, PROACTIVE-HEALTH shall submit to Heffernan an annual expenditure report with a detailed accounting of all expenditures related to services provided for under this Agreement.

6. INDEMNIFICATION

PROACTIVE-HEALTH agrees to defend and hold Heffernan and all its officers, agents, employees, and representatives harmless against any claims brought for or because of

personal injury, including death, claims of breach of confidentiality, or business and property damage, which may arise from the PROACTIVE-HEALTH's willful or negligent acts, errors or omissions under this agreement. PROACTIVE-HEALTH agrees to defend and indemnify Heffernan and its officers, agents, employees, and representatives from any suits or actions at law or equity for damages caused, or alleged to have been caused, from PROACTIVE-HEALTH's willful or negligent act, errors or omissions.

PROACTIVE-HEALTH agrees to pay Heffernan's attorneys fees and cost if suit, mediation or arbitration is initiated by Heffernan to enforce its rights under this agreement.

7. INSURANCE

PROACTIVE-HEALTH shall, throughout the duration of the Agreement, maintain professional/medical malpractice liability insurance for PROACTIVE-HEALTH's medical director and comprehensive general liability and property damage insurance covering all operations of PROACTIVE-HEALTH program, its agents, contractors and employees, including but not limited to premises with minimum coverage of One Million Dollars (\$1,000,000) combined single limits. Automobile insurance will also be required in the amount of \$100,000/\$300,000.00 and property damage in the amount of \$100,000. The policies shall name Heffernan, inclusive of each of its officers and employees, as an additional insured, and a Certificate of Insurance shall be furnished to Heffernan at 601 Heber Avenue, Calexico, CA 92231. Said policy or policies shall provide thirty-day (30) notice to Heffernan of cancellation or of a material change. PROACTIVE-HEALTH shall also carry workers compensation insurance in the required statutory amount, evidence of which is to be furnished to Heffernan in a Certificate of Insurance. All such policies shall be in a form satisfactory to Heffernan's General Counsel.

8. INDEPENDENT CONTRACTOR

The parties agree that PROACTIVE-HEALTH is an independent contractor and shall not be an employee of Heffernan, nor shall any representative, contractor or employee of the PROACTIVE-HEALTH represent or imply directly or indirectly that he or she represents or may speak for or bind Heffernan.

9. NOTICES

(a) Any notice may be served upon either party by delivering it in person, or by depositing it in a U.S. Mail deposit box with the postage thereon prepaid, and addressed to the party at the address set forth below:

Heffernan Memorial Healthcare District
601 Heber Avenue
Calexico, CA 92231

Proactive-Health Inc.
2451 Rockwood Ave., Ste. 108
Calexico, CA 92231

(b) Any notice given shall be deemed effective with personal delivery, upon receipt thereof or with mailing, at the moment of deposit in the course of transmission with the United States Postal Service, except for a notice of termination which shall be effective 3 days following deposit with the United States Postal Service.

10. ASSIGNMENT

This is a professional services contract for unique services. Neither PROACTIVE-HEALTH nor Heffernan may assign or transfer any rights or obligations arising from this Agreement, or any part thereof, without prior written consent of the other party.

11. AMENDMENTS

This Agreement may be amended only by an instrument in writing duly executed by each party.

12. INTEGRATION

This writing constitutes the entire and complete Agreement between the parties relative to the subject. No party relies upon any warranty or representation, express or implied not specifically set forth herein.

13. WAIVER

Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a later breach of the same or any other provision under this Agreement.

14. SEVERABILITY

If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement shall continue in full force and effect.

15. CONTROLLING LAW VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial.

16. MEDIATION

The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and share the costs of mediation equally. If the parties cannot agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS"). Each party shall strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

17. EXECUTION

This Agreement may be executed in several counterparts, each of which shall constitute the same instrument and shall become binding upon the parties when at least one copy shall have been signed by both parties. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

18. AUTHORITY TO ENTER AGREEMENT

PROACTIVE-HEALTH has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and to bind each respective party.

19. PROHIBITED INTERESTS

PROACTIVE-HEALTH maintains and warrants it has not employed nor retained any company or person, other than a bona fide employee or contractor working solely for PROACTIVE-HEALTH, to solicit or secure this Agreement. Further, PROACTIVE-HEALTH warrants it has not paid nor has it agreed to pay any company or person, other than a bona fide employee or contractor working solely for PROACTIVE-HEALTH, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty Heffernan may rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of Heffernan, during the term of his or her service with Heffernan, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

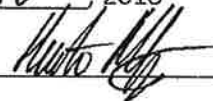
20. EQUAL OPPORTUNITY EMPLOYMENT

PROACTIVE-HEALTH represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination

shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertizing, layoff or termination.


IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on

July 10, 2018

BY:  _____

Hector Martinez, President, Heffernan Memorial Healthcare District

July 11, 2018

BY:  _____

Jose L. Ramirez, Chief Executive Officer, Proactive-Health Inc.

Proactive-Health shall provide the services under the undated grant proposal titled "Proactive Health Program "Take action to stop diseases before they start", which is incorporated by reference into this Agreement as though set forth herein, for participants residing within the boundaries of the Heffernan Memorial Healthcare District. Proactive-Health has identified Uri Guffen, M.D., 230 W. Cole Blvd., Calexico, CA as Proactive-Health's medical participant.

EXHIBIT D

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

August 27, 2019

Heffernan Wellness 4 Kids
401 E. Birch St. Suite A
Calexico, CA 92231

Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear :Luz Tristan,MD

Please be advised that Heffernan Memorial Healthcare District will continue to fund all grant programs on a month to month basis until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD. Negotiations with grant recipients have not been held within the initial sixty (60) period envisioned by Heffernan Memorial. Negotiations will continue will all grant recipients. Until these negotiations are completed or the establishment of a Request for Proposal procedure is implemented by Heffernan Memorial, all grant recipients' funding will continue on a month to month basis at the same monthly funding level.

Please accept Heffernan Memorial's apologies for any consternation occasioned by the above.

Sincerely



Tomas Virgen, CEO

Heffernan Memorial Healthcare District

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

July 26, 2019

HeffernanWellness 4 Kids
401 E. Birch St.Suite A
Calexico, CA 92231

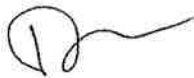
Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear Luz Tristan MD

The Grant Agreement between HMHD and Heffernan Wellness 4 Kids has terminated effective June 30, 2019.

HMHD's Board of Directors has authorized the continuation of your Grant Agreement on a month to month basis for sixty (60) days or until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD. HMHD will be contacting you to discuss your grant program to determine its viability.

Best wishes,



Tomas Virgen
District Chief Executive
Heffernan Memorial Healthcare District

**AGREEMENT BETWEEN THE HEFFERNAN MEMORIAL HEALTHCARE
DISTRICT AND LUZ TRISTAN, MD, INC. dba HEFFERNAN WELLNESS 4 KIDS**

This Agreement is entered into by and between the Heffernan Memorial Healthcare District, a healthcare district organized under California Health and Safety Code section 32000, ("Heffernan") and Luz Tristan, MD, Inc. dba Heffernan Wellness 4 Kids Program (HW4K), and made effective as of July 1, 2018.

RECITALS

WHEREAS, Heffernan is desirous of promoting and assisting wellness and prevention programs and to service providers and organizations for the maintenance of good physical and mental health in the communities served by Heffernan, and

WHEREAS, Heffernan Wellness 4 Kids Program is a program created to bring awareness of healthier lifestyles and behavior to prevent childhood obesity and prevent future illness and diseases in children. The Wellness program will educate emphasis on exercise and nutrition.

Childhood obesity in Calexico youth is alarmingly high. In 2013, 47% of Imperial County children were reported overweight or obese which was the highest rate of obesity in all of California's counties. The high rate of diabetes in the Hispanic population in Calexico coupled with the existing rate of obesity, places Calexico's youth at a high risk of developing certain chronic diseases.

WHEREAS, the Program will offer kids and their parents an opportunity to learn about effective exercise and proper nutrition, which will help fight overweight and obesity problems which will reduce the risk of developing certain chronic diseases. Getting healthy through a healthier active lifestyle has additional benefits: increased self-esteem, better academic performance and a longer life expectancy, and

WHEREAS, the Heffernan Wellness 4 Kids Program provides its services to residents of the Heffernan Memorial Healthcare District free:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

Heffernan Wellness 4 Kids Program shall provide services for participants residing within the boundaries of the Heffernan Memorial Healthcare District. This direct financial assistance by Heffernan is to allow the Heffernan Wellness 4 Kids Program participants to receive the services provided by the Heffernan Wellness 4 Kids Program.

2. COMPENSATION

Subject to and under the term and provisions of the Agreement, Heffernan agrees to fund the HEFFERNAN WELLNESS 4 KIDS PROGRAM'S program for the mutually agreed upon services, for \$160,000.00 for 12 months commencing on July 1, 2018 through June 30, 2019, payable in monthly installments of \$13,333.33. The monthly payments would be distributed on the first day of each month commencing on July 1, 2018 and continuing on the first of the month of each later month during the term of this Agreement. Activities and programs sponsored by the HEFFERNAN WELLNESS 4 KIDS PROGRAM are proper expenditures of these grant funds. Proper accounting practices and procedures shall identify fund expenditures by HEFFERNAN WELLNESS 4 KIDS PROGRAM in direct implementation of the program indentified in this agreement.

HEFFERNAN WELLNESS 4 KIDS may site the Program at 401 E. Ste. D, Birch Street, Calexico, CA. The rental amount for this location is authorized at \$1200.00 per month.

3. RECORDS AND FINANCIAL REPORTS

HEFFERNAN WELLNESS 4 KIDS PROGRAM shall provide monthly financial reports about these grant funds and an annual Profit and Loss financial statement to Heffernan within 30 days of the close of the funding month and 30 days after the funding termination date of this agreement. Upon reasonable and written request by Heffernan, during the term of this agreement, financial information about this allocation and funding shall be reviewed with Heffernan or its designated representative.

4. TERM OF AGREEMENT

This agreement shall be effective as of the July 1, 2018, and shall automatically terminate on June 30, 2019.

5. REPORTS

HEFFERNAN WELLNESS 4 KIDS PROGRAM shall submit written activity reports, within 30 days of the close of the funding month, to the Heffernan Board. If requested by the Heffernan Board, a presentation to the Heffernan Board relating to services outlined and the activities undertaken as specified in this agreement shall be made. The report shall detail HEFFERNAN WELLNESS 4 KIDS PROGRAM'S services and its activities during the monthly reporting period.

Within thirty days (30) of the close or termination of this Agreement, HEFFERNAN WELLNESS 4 KIDS PROGRAM shall submit to Heffernan an annual expenditure report with a detailed accounting of all expenditures related to services provided for under this Agreement.

6. INDEMNIFICATION

HEFFERNAN WELLNESS 4 KIDS PROGRAM agrees to defend and hold Heffernan and all its officers, agents, employees, and representatives harmless against any claims brought for or because of personal injury, including death, claims of breach of confidentiality, or business and property damage, which may arise from the HEFFERNAN WELLNESS 4 KIDS PROGRAM'S willful or negligent acts, errors or omissions under this agreement. HEFFERNAN WELLNESS 4 KIDS PROGRAM agrees to defend and indemnify Heffernan and its officers, agents, employees, and representatives from any suits or actions at law or equity for damages caused, or alleged to have been caused, from HEFFERNAN WELLNESS 4 KIDS PROGRAM'S willful or negligent act, errors or omissions.

HW4K agrees to pay Heffernan's attorneys fees and cost if suit, mediation or arbitration is initiated by Heffernan to enforce its rights under this agreement.

7. INSURANCE

HEFFERNAN WELLNESS 4 KIDS PROGRAM shall, throughout the duration of the Agreement, maintain comprehensive general liability and property damage insurance covering all operations of HEFFERNAN WELLNESS 4 KIDS PROGRAM, its agents, contractors and employees, including but not limited to premises with minimum coverage of One Million Dollars (\$1,000,000) combined single limits. Automobile insurance will also be required to be maintained of in the amount of \$100,000/\$300,000.00 and property damage in the amount of \$100,000. The policies shall name Heffernan, inclusive of each of its officers and employees, as an additional insured, and a Certificate of Insurance shall be furnished to Heffernan at 601 Heber Avenue, Calexico, CA 92231. Said policy or policies shall provide thirty-day (30) notice to Heffernan of cancellation or of a material change. HEFFERNAN WELLNESS 4 KIDS PROGRAM shall also carry workers compensation insurance in the required statutory amount, evidence of which is to be furnished to Heffernan in a Certificate of Insurance. All such policies shall be in a form satisfactory to Heffernan's General Counsel.

Liability insurance shall be provided by CIGA-admitted insurers. If a claim occurs that is covered by any such insurance, the insurance coverage shall be the exclusive remedy of

Heffernan and HW4K shall not be required to indemnify if any such claim is covered by insurance.

8. INDEPENDENT CONTRACTOR

The parties agree that HEFFERNAN WELLNESS 4 KIDS PROGRAM is an independent contractor and shall not be an employee of Heffernan, nor shall any representative, contractor or employee of the HEFFERNAN WELLNESS 4 KIDS PROGRAM represent or imply directly or indirectly that he or she represents or may speak for or bind Heffernan.

9. NOTICES

- (a) Any notice may be served upon either party by delivering it in person, or by depositing it in a U.S. Mail deposit box with the postage thereon prepaid, and addressed to the party at the address set forth below:

Heffernan Memorial Healthcare District
601 Heber Avenue
Calexico, CA 92231

Heffernan Wellness 4 Kids Program
401 E. Birch Street, Ste. D
Calexico, CA 92231

- (b) Any notice given shall be deemed effective with personal delivery, upon receipt thereof or with mailing, at the moment of deposit in the course of transmission with the United States Postal Service, except for a notice of termination which shall be effective 3 days following deposit with the United States Postal Service.

10. ASSIGNMENT

This is a professional services contract for unique services. Neither HEFFERNAN WELLNESS 4 KIDS PROGRAM nor Heffernan may assign or transfer any rights or obligations arising from this Agreement, or any part thereof, without prior written consent of the other party.

11. AMENDMENTS

This Agreement may be amended only by an instrument in writing duly executed by each party.

12. INTEGRATION

13. This writing constitutes the entire and complete Agreement between the parties relative to the subject. Nor party relies upon any warranty or representation, express or implied not specifically set forth herein.

14. WAIVER

Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a later breach of the same or any other provision under this Agreement.

15. SEVERABILITY

If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement shall continue in full force and affect.

16. CONTROLLING LAW VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial.

17. MEDIATION

The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and share the costs of mediation equally. If the parties cannot agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS"). Each party shall strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

18. EXECUTION

This Agreement may be executed in several counterparts, each of which shall constitute the same instrument and shall become binding upon the parties when at least one copy shall have been signed by both parties. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

19. AUTHORITY TO ENTER AGREEMENT

HEFFERNAN WELLNESS 4 KIDS PROGRAM has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party

warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and to bind each respective party.

20. PROHIBITED INTERESTS

HEFFERNAN WELLNESS 4 KIDS PROGRAM maintains and warrants it has not employed nor retained any company or person, other than a bona fide employee or contractor working solely for HEFFERNAN WELLNESS 4 KIDS PROGRAM, to solicit or secure this Agreement. Further, HEFFERNAN WELLNESS 4 KIDS PROGRAM warrants it has not paid nor has it agreed to pay any company or person, other than a bona fide employee or contractor working solely for HEFFERNAN WELLNESS 4 KIDS PROGRAM, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty Heffernan may rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of Heffernan, during the term of his or her service with Heffernan, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

21. EQUAL OPPORTUNITY EMPLOYMENT

HEFFERNAN WELLNESS 4 KIDS PROGRAM represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertizing, layoff or termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on

July 18, 2018

Heffernan Memorial Healthcare District

BY:  _____

Hector Martinez, President, Heffernan Memorial Healthcare District

July 17, 2018

BY:  _____

Luz Tristan, MD, INC. dba Heffernan Wellness 4 Kids

EXHIBIT E

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

August 27, 2019

I.C.Public Administrator/Area Agency on Aging
778 W. State Street
El Centro, Ca 92243


Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear :Raymond R. Castillo,Chairman

Please be advised that Heffernan Memorial Healthcare District will continue to fund all grant programs on a month to month basis until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD. Negotiations with grant recipients have not been held within the initial sixty (60) period envisioned by Heffernan Memorial. Negotiations will continue with all grant recipients. Until these negotiations are completed or the establishment of a Request for Proposal procedure is implemented by Heffernan Memorial, all grant recipients' funding will continue on a month to month basis at the same monthly funding level.

Please accept Heffernan Memorial's apologies for any consternation occasioned by the above.

Sincerely



Tomas Virgen, CEO
Heffernan Memorial Healthcare District

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

July 26, 2019

I.C. Public Administrator/Area Agency on Aging
778 W. State Street
El Centro, CA 92243

Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear: Raymond R. Castillo, Chairman

The Grant Agreement between HMHD and I.C. Administrator/Area Agency on Aging has terminated effective June 30, 2019.

HMHD's Board of Directors has authorized the continuation of your Grant Agreement on a month to month basis for sixty (60) days or until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD.

HMHD will be contacting you to discuss your grant program to determine its viability.

Best wishes,



Tomas Virgen
District Chief Executive
Heffernan Memorial Healthcare District

**AGREEMENT BETWEEN THE HEFFERNAN MEMORIAL HEALTHCARE
DISTRICT AND THE IMPERIAL COUNTY PUBLIC ADMINISTRATOR/AREA AGENCY ON AGING**

This Agreement is entered into by and between the Heffernan Memorial Healthcare District, a healthcare district organized under California Health and Safety Code section 32000, ("Heffernan") and the Imperial County Public Administrator/Area Agency on Aging, a public entity ("AAA"), organized under the laws of the State of California and made effective as of July 1, 2018 under the terms of this Grant Agreement

RECITALS

WHEREAS, Heffernan is desirous of promoting and assisting wellness and prevention programs and to service providers and organizations for the maintenance of good physical and mental health in the communities served by Heffernan, and

WHEREAS, AAA is a public entity organized under the laws of the State of California and has established and designed and provides free Home Delivered Meals in the City of Calexico and within Heffernan's district. AAA seeks to provide Home Delivered Meals for seniors during the term of this agreement to individuals in Heffernan's district area.

WHEREAS, the AAA wishes to provide its services to residents of the Heffernan Memorial Healthcare District:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

AAA shall provide the services under the AAA letter submittal for grant funding of May 9, 2018, which is incorporated by reference into this Agreement as though set forth herein, for participants residing within the boundaries of the Heffernan Memorial Healthcare District. This direct financial assistance by Heffernan is to allow the AAA program participants to receive the services provided by the AAA Program free or at a nominal fee.

2. COMPENSATION

Subject to and under the term and provisions of the Agreement, Heffernan agrees to fund the AAA program for the mutually agreed upon services, for \$81,095.00 for the program commencing in July 1, 2018 through June 30, 2019, payable in monthly installments. The monthly payments will be distributed as determined by Heffernan's accountant during the term of this Agreement. Activities and programs sponsored by the AAA are proper expenditures of these grant funds. Proper accounting practices and procedures shall

identify fund expenditures by AAA in direct implementation of the program identified in this agreement.

3. RECORDS AND FINANCIAL REPORTS

AAA shall provide monthly financial reports about these grant funds and a Profit and Loss financial statement to Heffernan within 30 days of the close of the funding month and 30 days after the funding termination date of this agreement. Upon reasonable and written request by Heffernan, during the term of this agreement, financial information about this allocation and funding shall be reviewed with Heffernan or its designated representative.

4. TERM OF AGREEMENT

This agreement shall be effective as of the July 1, 2018, and shall automatically terminate on June 30, 2019.

5. REPORTS

AAA shall submit written activity reports, within 30 days of the close of the funding month, to the Heffernan Board. If requested by the Heffernan Board, a presentation to the Heffernan Board relating to services outlined and the activities undertaken as specified in this agreement shall be made. The report shall detail AAA services and its activities during the monthly reporting period.

Within thirty days (30) of the close or termination of this Agreement, AAA shall submit to Heffernan an expenditure report with a detailed accounting of all expenditures related to services provided for under this Agreement.

6. INDEMNIFICATION

AAA agrees to defend and hold Heffernan and all its officers, agents, employees, and representatives harmless against any claims brought for or because of personal injury, including death, claims of breach of confidentiality, or business and property damage, which may arise from the AAA willful or negligent acts, errors or omissions under this agreement. AAA agrees to defend and indemnify Heffernan and its officers, agents, employees, and representatives from any suits or actions at law or equity for damages caused, or alleged to have been caused, from AAA willful or negligent act, errors or omissions.

AAA agrees to pay HEFFERNAN's attorney's fees and costs if suit or arbitration is initiated by HEFFERNAN to enforce its rights under this agreement.

7. INSURANCE

AAA shall, throughout the duration of the Agreement, maintain comprehensive general liability and property damage insurance covering all operations of AAA, its agents and employees, including but not limited to premises and automobile, with minimum coverage of One Million Dollars (\$1,000,000) combined single limits. The policy shall name Heffernan, inclusive of each of its officers and employees, as an additional insured, and a Certificate of Insurance shall be furnished to Heffernan at 601 Heber Avenue, Calexico, CA 92231. Said policy or policies shall provide thirty-day (30) notice to Heffernan of cancellation or of a material change. AAA shall also carry workers compensation insurance in the required statutory amount, evidence of which is to be furnished to Heffernan in a Certificate of Insurance. All such policies shall be in a form satisfactory to Heffernan's General Counsel.

8. INDEPENDENT CONTRACTOR

The parties agree that AAA is an independent contractor and shall not be an employee of Heffernan, nor shall any representative or employee of the AAA represent or imply directly or indirectly that he or she represents or may speak for or bind Heffernan.

9. NOTICES

(a) Any notice may be served upon either party by delivering it in person, or by depositing it in a U.S. Mail deposit box with the postage thereon prepaid, and addressed to the party at the address set forth below:

Heffernan Memorial Healthcare AAA
601 Heber Avenue
Calexico, CA 92231

Imperial County Public Administrator/Area Agency on Aging
778 W. State Street
El Centro, CA 92243

(b) Any notice given shall be deemed effective with personal delivery, upon receipt thereof or with mailing, at the moment of deposit in the course of transmission with the United States Postal Service, except for a notice of termination which shall be effective 3 days following deposit with the United States Postal Service.

10. ASSIGNMENT

This is a services contract for unique services. Neither AAA nor Heffernan may assign or transfer any rights or obligations arising from this Agreement, or any part thereof, without prior written consent of the other party.

11. AMENDMENTS

This Agreement may be amended only by an instrument in writing duly executed by each party.

12. INTEGRATION

This writing constitutes the entire and complete Agreement between the parties relative to the subject. No party relies upon any warranty or representation, express or implied not specifically set forth herein.

13. WAIVER

Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a later breach of the same or any other provision under this Agreement.

14. SEVERABILITY

If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement shall continue in full force and affect.

15. CONTROLLING LAW VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial.

16. MEDIATION

The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and share the costs of mediation equally. If the parties cannot agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS"). Each party shall strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

17. EXECUTION

This Agreement may be executed in several counterparts, each of which shall constitute the same instrument and shall become binding upon the parties when at least one copy shall have been signed by both parties. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

18. AUTHORITY TO ENTER AGREEMENT

AAA has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and to bind each respective party.

19. PROHIBITED INTERESTS

AAA maintains and warrants it has not employed nor retained any company or person, other than a bona fide employee working solely for AAA, to solicit or secure this Agreement. Further, AAA warrants it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for AAA, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty Heffernan may rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of Heffernan, during the term of his or her service with Heffernan, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

20. EQUAL OPPORTUNITY EMPLOYMENT

AAA represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertizing, layoff or termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on


July 18, 2018

Heffernan Memorial Healthcare AAA

BY:  _____

Hector Martinez, President, Heffernan Memorial Healthcare AAA

July _____ 2018

BY:  _____

Raymond R. Castillo, Chairman
Imperial County Board of Supervisors

Attachment of AAA's funding request dated May 9, 2018, is attached and made a part of this Grant Agreement as though set forth herein including the Programs Timeline, Costs and Project Description of Services to be provided.

EXHIBIT F

HEFFERNAN MEMORIAL HEALTHCARE DISTRICT

August 27, 2019

The City of Calexico
Recreation Department's Senior Health and Wellness Program
608 Heber Avenue
Calexico, Ca 92231

Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear :David Dale, City Manager, City of Calexico

Please be advised that Heffernan Memorial Healthcare District will continue to fund all grant programs on a month to month basis until your Grant Agreement is modified, terminated and/or a Request For Proposal procedure for funding grant agreements and programs is established by HMHD. Negotiations with grant recipients have not been held within the initial sixty (60) period envisioned by Heffernan Memorial. Negotiations will continue with all grant recipients. Until these negotiations are completed or the establishment of a Request for Proposal procedure is implemented by Heffernan Memorial, all grant recipients' funding will continue on a month to month basis at the same monthly funding level.

Please accept Heffernan Memorial's apologies for any consternation occasioned by the above.

Sincerely



Tomas Virgen, CEO
Heffernan Memorial Healthcare District

HEFFERNAN MEMORIAL

HEALTHCARE DISTRICT

July 26, 2019

The City of Calexico
Recreation Department's Senior Health and Wellness Program
608 Heber Avenue
Calexico, Ca 92231

Re: Termination of Grant Agreement
And Continuation of the Grant Agreement
On a Month to Month Basis.

Dear: David Dale, City Manager, City of Calexico
The Grant Agreement between HMHD and I.C. Administrator/Area Agency on
Aging has terminated effective June 30, 2019.

HMHD's Board of Directors has authorized the continuation of your Grant
Agreement on a month to month basis for sixty (60) days or until your Grant
Agreement is modified, terminated and/or a Request For Proposal procedure for
funding grant agreements and programs is established by HMHD.

HMHD will be contacting you to discuss your grant program to determine its
viability.

Best wishes,



Tomas Virgen
District Chief Executive
Heffernan Memorial Healthcare District

**AGREEMENT BETWEEN THE HEFFERNAN MEMORIAL HEALTHCARE
DISTRICT AND THE CITY OF CALEXIO, RECREATION DEPARTMENT
SENIOR HEALTH AND WELLNESS PROGRAM**

This Agreement is entered into by and between the Heffernan Memorial Healthcare District, a healthcare district organized under California Health and Safety Code section 32000, ("Heffernan") and the City of Calexico, Recreation Department's Senior Health and Wellness Program ("City") and made effective as of July 1, 2019.

RECITALS

WHEREAS, Heffernan is desirous of promoting and assisting wellness and prevention programs and to service providers and organizations necessary for the maintenance of good physical and mental health in the communities served by Heffernan, and

WHEREAS, the City is a governmental entity organized under the laws of the State of California as a general law city and its Recreation Department has established and designed and provides free Senior health programs and information about exercise and nutrition, and

WHEREAS, it further provides wellness education programs to help Seniors learn about healthy living choices, health services available in the community and education in dealing with chronic diseases to seniors living in the Heffernan service area and which provides its services to its participants free, and

WHEREAS, the City provides its services to resident of the Heffernan Memorial Healthcare District:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

The City shall provide for services under the City's Senior Health and Wellness Program for participants residing within the boundaries of the Heffernan Memorial Healthcare District. This direct financial assistance by Heffernan is to allow the senior program participants to receive the services provided by the City's Senior Health and Wellness Program.

2. COMPENSATION

Subject to and under the term and provisions of the Agreement, Heffernan agrees to fund the CITY'S program for the mutually agreed upon services, for \$50,000 for one year commencing on July 1, 2018 through June 30, 2019, payable in quarterly installments of \$12,500.00. The quarterly payments would be distributed on the first day of each quarter

commencing on July 1, 2018 and continuing on the first of the month of each later quarter during 2018 and 2019.

City shall provide the services under the City's proposal submittal for grant funding dated June 5, 2018 incorporated by reference into this Agreement as though set forth herein, for participants residing within the boundaries of the Heffernan Memorial Healthcare District.

Activities and programs sponsored by the CITY including the payment of instructors are proper expenditures of these grant funds. Proper accounting practices and procedures shall identify fund expenditures by CITY in direct implementation of the program identified in this agreement.

3. RECORDS AND FINANCIAL REPORTS

The CITY shall provide quarterly financial reports concerning these grant funds and an annual Profit and Loss financial statement to Heffernan within 30 days of the close of the funding quarter and 30 days after the funding termination date of this agreement. Upon reasonable and written request by Heffernan, during the term of this agreement, financial information about this allocation and funding shall be reviewed with Heffernan or its designated representative.

4. TERM OF AGREEMENT

This agreement shall be effective as of the 1st day of July 2018, and shall automatically terminate on June 30, 2019.

5. REPORTS

CITY shall submit written activity reports, within 30 days of the close of the funding quarter, to the Heffernan Board. If requested by the Heffernan Board, a presentation to the Heffernan Board relating to service outlined and the activities undertaken as specified in this agreement shall be made. The report shall recount the CITY'S services and its activities during the quarterly reporting period.

Within thirty days (30) of the close or termination of this Agreement, the CITY shall submit to Heffernan an annual expenditure report with a detailed accounting of all expenditures related to services provided for under this Agreement.

6. INDEMNIFICATION

The CITY agrees to defend and hold Heffernan and all its officers, agents, employees, and representatives harmless against any claims brought for or because of personal injury, including death, claims of breach of confidentiality, or business and property damage, which

may arise from the CITY'S willful or negligent acts, errors or omissions under this agreement. CITY agrees to defend and indemnify Heffernan and its officers, agents, employees, and representatives from any suits or actions at law or equity for damages caused, or alleged to have been caused, from the CITY'S willful or negligent act, errors or omissions.

7. INSURANCE

CITY shall, throughout the duration of the Agreement, maintain comprehensive general liability and property damage insurance covering all operations of CITY, its agents and employees, including but not limited to premises and automobile, with minimum coverage of One Million Dollars (\$1,000,000) combined single limits. The policy shall name Heffernan, inclusive of each of its officers and employees, as an additional insured, and a Certificate of Insurance shall be furnished to Heffernan at 601 Heber Avenue, Calexico, CA 92231. Said policy or policies shall provide thirty-day (30) notice to Heffernan of cancellation or of a material change. CITY shall also carry workers compensation insurance in the required statutory amount, evidence of which is to be furnished to Heffernan in a Certificate of Insurance. All such policies shall be in a form satisfactory to Heffernan's General Counsel.

8. INDEPENDENT CONTRACTOR

The parties agree that CITY is an independent contractor and shall not be considered an employee of Heffernan, nor shall any representative or employee of the CITY represent or imply directly or indirectly that he or she represents or may speak for or bind Heffernan.

9. NOTICES

(a) Any notice may be served upon either party by delivering it in person, or by depositing it in a U.S. Mail deposit box with the postage thereon prepaid, and addressed to the party at the address set forth below:

Heffernan Memorial Healthcare District
601 Heber Avenue
Calexico, CA 92231

City of Calexico, Recreation Department
Senior Health and Wellness Program
Attention: Sandra Tauler
850 Encinas Avenue
Calexico, CA 92231

(b) Any notice given shall be deemed effective with personal delivery, upon receipt thereof or with mailing, at the moment of deposit in the course of transmission with the United States Postal Service, except for a notice of termination which shall be effective 3 days following deposit with the United States Postal Service.

10. ASSIGNMENT

This is a professional services contract for unique services. Neither CITY nor Heffernan may assign or transfer any rights or obligations arising from this Agreement, or any part thereof, without prior written consent of the other party.

11. AMENDMENTS

This Agreement may be amended only by an instrument in writing duly executed by each party.

12. INTEGRATION

This writing constitutes the entire and complete Agreement between the parties relative to the subject. No party relies upon any warranty or representation, express or implied not specifically set forth herein.

13. WAIVER

Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a later breach of the same or any other provision under this Agreement.

14. SEVERABILITY

If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement shall continue in full force and effect.

15. CONTROLLING LAW VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial.

16. MEDIATION

The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually

agree upon the mediator and share the costs of mediation equally. If the parties cannot agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS"). Each party shall strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

17. EXECUTION

This Agreement may be executed in several counterparts, each of which shall constitute the same instrument and shall become binding upon the parties when at least one copy shall have been signed by both parties. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

18. AUTHORITY TO ENTER AGREEMENT

CITY has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and to bind each respective party.

19. PROHIBITED INTERESTS

CITY maintains and warrants it has not employed nor retained any company or person, other than a bona fide employee working solely for CITY, to solicit or secure this Agreement. Further, CITY warrants it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for CITY, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty Heffernan may rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of Heffernan, during the term of his or her service with Heffernan, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

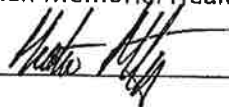
20. EQUAL OPPORTUNITY EMPLOYMENT

CITY represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertizing, layoff or termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on

July 18, 2018

Heffernan Memorial Healthcare District

BY: 

Hector Martinez, President, Heffernan Memorial Healthcare District

July 9, 2018

BY: 

David Dale, City Manager, City of Calexico

Attachment of City's funding request dated June 5, 2018, is attached and made a part of this Grant Agreement as though set forth herein including the Programs Timeline, Costs and Project Description of Services to be provided.

EXHIBIT G

HEFFERNAN MEMORIAL HEALTHCARE DISTRICT
Profit & Loss
July through December 2019

	<u>Jul - Dec 19</u>
Ordinary Income/Expense	
Income	
4000 · Rev Sharing - County Prop Tax	444,718.46
4010 · Rev Sharing - Pass Thru City	6,115.28
4100 · Interest income	19,990.24
	<hr/>
Total Income	470,823.98
Expense	
6010 · Trustee remuneration	13,900.00
6300 · Repairs and maintenance	1,864.00
6310 · Landscaping	620.00
6600 · Legal and professional	12,400.00
6615 · Accounting - Other	12,890.00
6650 · Administration services	35,252.80
7000 · Marketing	9,995.00
7200 · Office supplies	2,292.10
7201 · Leasing Offices Equipment	875.62
7214 · Janitorial Services	3,290.00
7215 · Postage	27.50
7250 · Utilities	
Electricity	1,461.12
Trash	1,085.22
Water	2,415.95
	<hr/>
Total 7250 · Utilities	4,962.29
7270 · Telephone	4,685.03
7285 · Grants - By HMHD	265,786.29
7400 · Travel	6,580.85
7410 · Training and education	15,490.00
7420 · Meals	3,886.77
7550 · Promotion	17,483.75
7610 · Dues and subscriptions	5,250.00
7800 · Mileage reimbursement	154.50
7900 · Miscellaneous	2,665.57
8030 · Property tax	8,312.24
8200 · Bank charges	2.29
	<hr/>
Total Expense	428,666.60
Net Ordinary Income	42,157.38
	<hr/>
Net Income	<u><u>42,157.38</u></u>

HEFFERNAN MEMORIAL HEALTHCARE DISTRICT
Balance Sheet
As of December 31, 2019

	<u>Dec 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash in bank - SCFCU	2,705.42
1014 · Cash in bank - SCFCU Public Fun	3,086,900.73
1030 · Cash in bank - SCFCU Savings	652.18
1050 · Cash in bank - Checking RBB	340,929.98
1052 · Cash in bank - First ICUnion	257,698.02
1055 · Cash in bank - Wells Fargo	1,776,251.16
Total Checking/Savings	<u>5,465,137.49</u>
Other Current Assets	
1250 · Deposits payable - Land	500,000.00
Total Other Current Assets	<u>500,000.00</u>
Total Current Assets	5,965,137.49
Fixed Assets	
1600 · Land	142,750.00
1605 · Building and improvements	576,433.00
1610 · Office equipment	58,727.98
1700 · Accumulated depreciation	(70,347.72)
Total Fixed Assets	<u>707,563.26</u>
TOTAL ASSETS	<u>6,672,700.75</u>
LIABILITIES & EQUITY	
Equity	
3020 · Retained earnings	6,630,543.37
Net Income	42,157.38
Total Equity	<u>6,672,700.75</u>
TOTAL LIABILITIES & EQUITY	<u>6,672,700.75</u>

EXHIBIT H



City of Calexico

City Clerk's Office

608 HEBER AVENUE • CALEXICO, CA 92231 • (760) 768-2102

April 23, 2019

Gloria Romo, President
Heffernan Memorial Healthcare District
601 Heber Avenue
Calexico, CA 92231

Re: Addendum to Wellness Park Grant Agreement – November 19, 2015

Dear Ms. Romo:

Enclosed please find a fully executed copy of the Addendum to the Wellness Park Agreement dated November 19, 2015. This agreement was approved by the Calexico City Council at their regular meeting of April 17, 2019.

Thank you for your attention in this matter. If you have any questions, please do not hesitate to call (760) 768-2102 for assistance.

Sincerely,


Gabriela T. Garcia
City Clerk

Enclosure

cc: David Dale, City Manager

**ADDENDUM TO
WELLNESS PARK GRANT AGREEMENT
DATED NOVEMBER 19, 2015**

This Wellness Park Grant addendum dated February 6, 2019, is entered into by the Heffernan Memorial Healthcare District (Heffernan), a California health care district organized and operating pursuant to California Health and Safety Code section 32000 et. seq. and the City of Calexico (Recipient or City), a California general law city, effective upon execution by Heffernan and the City.

Heffernan and the City desire to amend their November 19, 2015 Wellness Park Grant Agreement through this Addendum as follows:


1. Heffernan and the City agree to add and include two additional City Parks to the Grant Agreement. Heffernan will provide wellness equipment to two (2) additional City Parks. City agrees to receive, place and maintain the wellness equipment at two additional City parks.
2. Heffernan and the City agree that the Heffernan wellness equipment will be placed at Heber Park and Kennedy Gardens Park within the City of Calexico.
3. Heffernan and the City agree that the City will maintain and keep the wellness equipment in a safe and proper condition at the two new park sites.
4. Heffernan and the City wish and desire to place additional wellness equipment in other City parks to be designated at a future date. Heffernan will provide the wellness equipment to these future designated wellness parks. City agrees to receive, place and maintain the wellness equipment at the City parks once these parks are designated, selected and equipped by Heffernan.

*10/21/19
2-06-2019*

Except as modified by this Addendum, Heffernan and the City agree that all of the terms and conditions of the November 19, 2015 Wellness Park Grant Agreement will remain in full force and effect.

Heffernan and the City hereby duly affixed their signatures on this 6 of February, 2019.

Heffernan Memorial Healthcare District



Date: 02-06-2019

Gloria Romo, President
Of the Board of Directors

The City of Calexico



Date: 4.17.19

Lewis Pacheco
Mayor of the City of Calexico