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Or call the IRS Identity Theft Hotline at 1-800-908-4490







**Part V Other Information** (Note the statement requirement in General Instruction V.)

|     |  | Yes | No |
|-----|--|-----|----|
| 33  | Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity   |     | X  |
| 34  | Were any changes made to the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes   |     | X  |
| 35  | If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.   |     |    |
| 35a | a Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?   |     | X  |
| 35b | b If 'Yes,' has it filed a tax return on Form 990-T for this year?   |     |    |
| 36  | Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' complete applicable parts of Schedule N   |     | X  |
| 37a | Enter amount of political expenditures, direct or indirect, as described in the instructions   | 0.  |    |
| 37b | b Did the organization file Form 1120-POL for this year?   |     | X  |
| 38a | Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?                        |     | X  |
| 38b | b If 'Yes,' complete Schedule L, Part II and enter the total amount involved   | N/A |    |
| 39  | 501(c)(7) organizations Enter  |     |    |
| 39a | a Initiation fees and capital contributions included on line 9   | N/A |    |
| 39b | b Gross receipts, included on line 9, for public use of club facilities  | N/A |    |
| 40a | 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ N/A, section 4912 ▶ N/A, section 4955 ▶ N/A   |     |    |
| 40b | b 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' complete Schedule L, Part I |     |    |
|     | c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958   | 0.  |    |
|     | d Enter amount of tax on line 40c reimbursed by the organization   | 0.  |    |
| 40e | e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T  |     | X  |
| 41  | List the states with which a copy of this return is filed ▶ CA   |     |    |

42a The books are in care of ▶ BEACH CITIES HEALTH DISTRICT Telephone no ▶ 310-374-3426  
 Located at ▶ 514 N. PROSPECT AVE., REDONDO BEACH, CA ZIP + 4 ▶ 90277

|     |  | Yes | No |
|-----|--|-----|----|
| 42b | b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?<br>If 'Yes,' enter the name of the foreign country: ▶ _____ |     | X  |
| 42c | c At any time during the calendar year, did the organization maintain an office outside of the U.S.?<br>If 'Yes,' enter the name of the foreign country . ▶ _____  |     | X  |

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of a Foreign Bank and Financial Accounts.

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 — Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶  N/A  
 ▶ 43 | N/A

|    |   | Yes | No |
|----|---|-----|----|
| 44 | Did the organization maintain any donor advised funds? If 'Yes,' Form 990 must be completed instead of Form 990-EZ  |     | X  |
| 45 | Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If 'Yes,' Form 990 must be completed instead of Form 990-EZ |     | X  |

**Part VI Section 501(c)(3) organizations only.** All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51.

- 46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I
- 47 Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II
- 48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.
- 49a Did the organization make any transfers to an exempt non-charitable related organization?
- b If 'Yes,' was the related organization(s) a section 527 organization?

|     | Yes | No |
|-----|-----|----|
| 46  |     |    |
| 47  |     |    |
| 48  |     |    |
| 49a |     |    |
| 49b |     |    |

50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None'

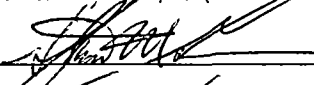
| (a) Name and address of each employee paid more than \$100,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account and other allowances |
|--|--|------------------|---|--|
| -----  |  |                  |   |  |
| -----  |  |                  |   |  |
| -----  |  |                  |   |  |
| -----  |  |                  |   |  |
| -----  |  |                  |   |  |
| Total number of other employees paid over \$100,000            |  |                  |   |  |

51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None'


| (a) Name and address of each independent contractor paid more than \$100,000 | (b) Type of service | (c) Compensation |
|--|---------------------|------------------|
| -----  |                     |                  |
| -----  |                     |                  |
| -----  |                     |                  |
| -----  |                     |                  |
| -----  |                     |                  |
| Total number of other independent contractors receiving over \$100,000       |                     |                  |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer:  Date: 1/26/10  
 Type or print name and title: STEVE GROOM, CFO

Paid Preparer's Use Only

Preparer's signature:  Date: 1/25/10  
 Firm's name (or yours if self-employed), address, and ZIP + 4: Moss, Levy & Hartzheim, CPA's  
 9107 Wilshire Blvd., Ste 400  
 Beverly Hills, CA 90210  
 Preparer's Identifying Number (See instructions): 397-64-4152  
 EIN: 75-3194011  
 Phone no: (310) 273-2745

May the IRS discuss this return with the preparer shown above? See instructions

Yes  No

BAA

Form 990-EZ (2008)

Client 15

PROSPECT ONE CORPORATION

95-3096165

1/06/10

02 25PM

**Statement 1**  
**Form 990-EZ, Part I, Line 16**  
**Other Expenses**

PERMITS & LICENSES

|  |       |    |      |
|--|-------|----|------|
|  | Total | \$ | 130. |
|  |       | \$ | 130. |

**Statement 2**  
**Form 990-EZ, Part II, Line 24**  
**Other Assets**

Accounts Receivable  
 DUE FROM BCHD

|       | Beginning   |    | Ending  |
|-------|-------------|----|---------|
|       | \$ 408,140. | \$ | 0.      |
|       | 0.          |    | 58,606. |
| Total | \$ 408,140. | \$ | 58,606. |

**Statement 3**  
**Form 990-EZ, Part II, Line 26**  
**Total Liabilities**

DUE TO BCHD

|       | Beginning   |    | Ending |
|-------|-------------|----|--------|
|       | \$ 377,602. | \$ | 0.     |
| Total | \$ 377,602. | \$ | 0.     |

**Statement 4**  
**Form 990-EZ, Part III**  
**Organization's Primary Exempt Purpose**

PROSPECT ONE CORPORATION WAS ESTABLISHED TO CONSTRUCT AND OPERATE A MEDICAL OFFICE BUILDING FOR THE BENEFIT OF BEACH CITIES HEALTH DISTRICT. THE DISTRICT PROMOTES HEALTH CARE IN THE CITIES OF REDONDO BEACH, HERMOSA BEACH, AND MANHATTAN BEACH. INCOME FROM CASH IS USED TO REDUCE THE DEBT INCURRED WHEN THE MEDICAL OFFICE BUILDING WAS CONSTRUCTED.

**Statement 5**  
**Form 990-EZ, Part VI**  
**Regarding Transfers Associated with Personal Benefit Contracts**

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . No

## Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only

*All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns*

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*

|  |   |   |
|--|---|---|
| <b>Type or print</b>   | Name of Exempt Organization<br><b>PROSPECT ONE CORPORATION</b>  | Employer Identification number<br><b>95-3096165</b> |
| File by the due date for filing your return. See instructions. | Number, street, and room or suite number. If a P O box, see instructions<br><b>514 N. PROSPECT AVENUE 3 FLR</b>           |   |
|  | City, town or post office, state, and ZIP code. For a foreign address, see instructions<br><b>REDONDO BEACH, CA 90277</b> |   |

**Check type of return to be filed** (file a separate application for each return).

- |   |  |                                    |
|---|--|------------------------------------|
| <input type="checkbox"/> Form 990               | <input type="checkbox"/> Form 990-T (corporation)                    | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL            | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input checked="" type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above)         | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF            | <input type="checkbox"/> Form 1041-A                                 | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ BEACH CITIES HEALTH DISTRICT

Telephone No. ▶ 310-374-3426 FAX No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 2/15, 20 10, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year 20\_\_ or
- ▶  tax year beginning 7/01, 20 08, and ending 6/30, 20 09.

**2** If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

|  |           |    |    |
|--|-----------|----|----|
| <b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions  | <b>3a</b> | \$ | 0. |
| <b>b</b> If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit   | <b>3b</b> | \$ | 0. |
| <b>c Balance Due.</b> Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | <b>3c</b> | \$ | 0. |

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

**BAA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.**