
PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 3605 Hospital Road, • Atwater, California 95301 •
(209) 381-2000 x 7002 • fax: (209) 722-9020

Date: August 19, 2020

Phone: (209) 724-4102

Fax: (209) 722-9020

Bloss Memorial Healthcare District will hold their next Finance Committee meeting on Wednesday, August 26, 2020 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

Bloss Memorial Healthcare District will hold their next **Board of Directors** meeting on Wednesday, August 26, 2020 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

I, Fily Cale, posted a copy of the agenda of the Board of Directors of Bloss Memorial Healthcare District, said time being at least 24 hours in advance of the meeting of the Board of Directors.

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
3605 Hospital Road, Atwater, CA 95301
BOARD OF DIRECTORS MEETING
BOARD ROOM
Wednesday, August 26, 2020
2:00 pm

AGENDA FOR PUBLIC SESSION

I. CALL TO ORDER

II. ROLL CALL

	<u>ACTION</u>	<u>EXHIBIT</u>
III. APPROVAL OF AGENDA	*	

IV. PUBLIC COMMENTS

Comments can be made concerning any matter within the Board's jurisdiction; but if the matter is not on the agenda, there will be no Board discussion of the issue. Anyone wishing to address the Board on any issue, please stand and approach the microphone.

V. APPROVAL OF MINUTES

A. Approval of July 30, 2020 Board of Directors Meeting	*	1
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VI. FINANCIAL REPORT

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C. July Payroll, Electronic Payments & Check Register	*	4

VII. CHIEF EXECUTIVE OFFICER REPORT

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B. Bloss Board Member Report		
C. Information Only - Executed Dental Surgery Centers of America (DSCA) Documents		6

IX. NEW BUSINESS

X. APPOINTMENTS / CEREMONIAL MATTERS *

XI. AGENDA FOR CLOSED SESSION

Closed Session Items Pursuant the Brown Act will be:
 Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services.
 Estimated date of public disclosure will be in 2020.
 Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of Litigation.
 Section 1461 of the Health and Safety Code – Quality Management.

XII. NEXT MEETING DATE

XIII. ADJOURNMENT

Assistance for those with disabilities: If you have a disability and need accommodation to participate in the meeting, please call Fily Cale at (209) 724-4102 or (209) 381-2000 extension 7000 for assistance so that any necessary arrangements may be made.

Any written materials relating to an agenda item to be discussed in open session of a regular meeting that is distributed within the 24 hours prior to the meeting is available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. These documents are available from the Executive Assistant in administration at 3605 Hospital Road, Suite F, Atwater, California 95301.

Important Notice Regarding COVID-19 Based on guidelines from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19, the Bloss Memorial Healthcare District Board of Directors meeting will be held via video conference. For the Board of Directors who wish to participate in person, social distancing will be observed. Members of the public may listen to the meeting and offer public comment telephonically by calling into (515) 604-9359 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, July 30, 2020
2:00 pm**

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC

In order to minimize the spread of the COVID-19 virus, this meeting will be conducted pursuant to the provisions of the Governor's Executive Orders N-29-20, which suspended certain requirements of the Brown Act and will not physically be open to the public.

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 2:00 pm.

ROLL CALL

Board Members Present: Vivian Passwaters, Board Member, Zone 1; Kory Billings, Chair, Zone 2; Zone 3 Vacant; Al Peterson, Secretary / Treasurer, Zone 4 and Bob Boesch, Board Member, Zone 5

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Jenna Anderson, County Legal Counsel; Rick Ramirez, CFHC Maintenance; Sabrina Cooksey, HR; Peter Mojarras, CFHC, COO via Teleconference @ 2:04 pm and Mouzer Bachour, DDS, Castle Dental Group @ 2:15 pm

Absent: None

APPROVAL OF AGENDA

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to accept and approve the July 30, 2020 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. May 28, 2020 Board of Directors Meeting, Exhibit 1

A motion was made / seconded, (Bob Boesch / Vivian Passwaters) to accept and approve the May 28, 2020 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.

FINANCIAL REPORT

A. June 25, 2020 Finance Committee Meeting Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept and approve the June 25, 2020 Finance Committee Meeting minutes as presented, Exhibit 2. Motion carried.

B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle, CFO, reported that for June and FYE 2020, BMHD did have a net gain before depreciation of \$17,213 and a net loss of \$41,495 after depreciation. Some of the variances from prior months were the decreased in rental income from the dental surgery and the last of the \$50,000 grant to CFHC, which is always recorded as an expense. The YTD net bottom line is a net gain of \$573,181. There will be some AP that will be accrued due to late invoices.

C. June 2020 Payroll, Electronic Payments and Check Register, Exhibit 4

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the June 2020 Payroll in the amount of \$14,334.23, Accounts Payable in the amount of \$136,643.36 for a Grant Total Disbursement of \$150,977.59, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

Edward Lujano reported on Sunday (July 26, 2020) evening there was an electrical shortage in the dental surgery center's recovery area. It caused a fire and the sprinklers were activated and it took the fire department an hour to turn the water off. It flooded the entire surgical center along with the exterior parameters of the surgical center.

Belfor has come out and is assessing the damages, everything is being taken out of the surgery center. Testing has been done and they did find some asbestos in the flooring and all flooring is being removed. Walls are being torn down to air between the walls, pictures were shared.

BMHD is also working with Zurich to see how the deductible fits in as initially we thought it would be under the flooding category, which has \$100,000 deductible. Sabrina Cooksey, HR, is trying to get this under a fire deductible and that deductible is \$10,000.

It will take about 30-days to repair the damage and another week to bring back the equipment to the OR's and the plumbing.

David Thompson, DSCA, reported that they had also contacted their carrier, they have a policy and there will be some segregation between the two. Mostly they are focused on the equipment and fortunately no one was here or injured. They have a couple of other sites they can redirect the patients to. The battle is with health insurances as you can't just move patients from one facility to another, already being authorized. Once they authorize one facility to do the treatment, even though it's the same company, same exact treatment, you have to have the parents call to cancel the authorization and then resubmit for a new authorization at another facility, and this is about a 3 week process for these patients.

This will put them a couple of weeks behind in terms of treating the patients. When he spoke to his carrier, they usually calculate for a business income loss, the past 3 months of income, which with COVID, he is hoping that they'll take last years the same period. They are working through this.

Edward Lujano also stated that all of the grids for the chiller for the Castle facility will be delivered tomorrow and they will start to replace the entire system, it is a 3 day process, tomorrow through Sunday. We also purchased some portable coolers to put throughout the facility.

OLD BUSINESS / REPORTS

A. Castle Family Health Centers, Inc (CFHC) Report, Exhibit 5

Peter Mojarras reported that encounters performed very well for the past month with over 12,000 visits. Providers and community have adjusted well to the virtual and telephonic calls. CFHC saw more patients in June 2020 than in June 2019. This model of care will continue for a period of time, none of us know how long this will continue. CFHC is also working with a few vendors on a telehealth model versus a telephonic call. CFHC is also adding providers.

CFHC is also looking at a thermal temperature station versus the infrared temperature check currently being used. CFHC is moving toward a contactless model of care. This way CFHC keeps the distance between staff, patients and minimize as much as possible so that there is no contact with a patient. If CFHC is able to get those units into the health centers that would be a big benefit for staff and patient safety.

CFHC has been very busy in urgent care and continue to be one of the primary locations for COVID testing. Atwater and Winton have been hit very hard this past week. Three and a half weeks ago CFHC was reporting 30 positives and as of today CFHC has tested close to 4,000 and positives are up to 960 in the area. They are not all residents of Atwater and Winton, CFHC has also seen people from outside areas as CFHC is able to test them without appointments. CFHC still has about 900 test pending results, the laboratories have fallen behind with results 10-12 days out, they are catching up and results are improving.

COVID testing is being done at the Castle and Winton sites and CFHC will continue to do this for a period of time. There is also early discussion to offer support to UC Merced, to be able to provide support for the faculty, support members and early discussion whether CFHC would be able to support their student population. Most students are on line, but there are 1,000 to 2,000 students that may be on campus for various reason that they cannot do their program online.

He also thanked the BMHD Board of Directors for their continued support.

CFHC has also experienced in-house positive tests and they are doing everything they can to ensure patient and staff safety. A strong emphasis is being put into face masks and social distancing.

CFHC is also working with a group from Los Angeles who is interested in purchasing Day Break.

B. Bloss Board Member Report

Kory Billings received communication from an insurance service, Van Burden for a Webinar they are putting on regarding health insurance costs and the rising issues. The Webinar is designed for CEO's, business owners, CFO's and HR Directors. He will pass it along to Edward Lujano and if he feels it is something that is needed, to go ahead and proceed.

Kory Billings stated that he had an extensive walk through the surgery center yesterday and there is significant damage throughout the entire dental surgery center. Should any board member wish to walk through this can be done after the meeting.

NEW BUSINESS

A. Request from Castle Dental Group for Installation of Amalgam Separator on Evacuation Line, Exhibit 6

Dr. Bachour reported that air pressure, vacuum lines, oxygen and nitrous oxide are very important in a dental office. Here at BMHD the equipment is very far from the premise and out of bounds of Castle Dental.

BMHD has been supplying these services, vacuum, air pressure and nitrous oxide since 2001 as Castle Dental Group does not have access to it. Air pressure is 100 feet away and vacuum is in the basement under optometry. The air pressure service has to comply with what the dentist needs and they install a filter for delivery of the air pressure. There is a requirement from ADA, which was due July 14, 2020 to install an amalgam separator. This captures the debris from old fillings and must be recycled every year, it is part of the vacuum system. This is the responsibility of BMHD, according to the lease, Article 12, Paragraph C.

He has purchased an amalgam separator and is requesting to have it installed. This will be an annual process along with returning the old one to the State.

Jenna Anderson, Legal Counsel, stated that she had a conversation with Ed Lujan0 about this. She stated that it is not legally required for the District to pay for the separator and installation, this is a trade fixture specific to the dental office and it would be a trade fixture installed on their behalf. However, she noted to the board that trade fixtures installed under the lease would then become ours at the end of the lease. In her opinion the lease does not legally require the District to pay for this on the dental side.

Rick Ramirez, CFHC Maintenance Supervisor, reported that in the installation and plumbing it went from a 1 ½ inches to ¾ and he might lose suction. Edward Lujano wants Dr. Bachour to understand that if there is loss of pressure that it comes back to BMHD and BMHD does not want to be accountable to that. Dr. Bachour stated that if it becomes a problem he will purchase a bigger one and ask to have that installed.

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to agree to have Dr. Bachour purchase the units and the filters and be responsible for returning all used filter cartridges. BMHD's responsibility will be to install the unit and the annual filter cartridges and return the used cartridges to Dr. Bachour, Exhibit 6. Motion carried.

B. Approval of Policies & Procedures, “Guidance for the use of Face Coverings during the COVID-19 Pandemic” and “Novel Coronavirus (COVID-19) Guidance for Temperature Screening at its Facilities”, Exhibit 7

Edward Lujano presented the “Guidance for the use of Face Coverings during the COVID-19 Pandemic” and “Novel Coronavirus (COVID-19) Guidance for Temperature Screening at its Facilities policies. A conversation was held with legal counsel on what BMHD can do as an organization and what they can do if they want to implement more safety structures with those individuals coming into their facilities.

Jenna Anderson stated that as landlords, we have control over what happens in our common spaces, the spaces we are in control of. Places that BMHD leases out, they lease out their rights, everything they are allowed to do and BMHD is allowed to do is defined by the lease. If BMHD wanted to require things of their tenants to do inside their offices, an amendment to the lease would be required. However, if there is an entrance to the building that is an entrance into the common area that BMHD is still in control of, BMHD can set parameters for what they want for the individuals walking in, and this is what this addresses, temperature screenings and face masks requirements for individuals coming in to the common spaces.

Kory Billings asked if BMHD needs policies or can it be done via a board resolution. Jenna Anderson stated that it could be either the results would be the same. This would be an emergency policy that could be defined to end when the emergency ends and a resolution could be drafted in the same way.

Edward Lujano stated that the 2 main doors into the common area are the two main sliding entrance doors in the front of the facility. Urgent care entrance is part of the lease by CFHC and not common space.

Kory Billings commented that as he had mentioned last time, to making sure that the other facility doors are locked down and direct people to utilize the doors that are designated for health and safety. This allows you to guide everybody through the same protocol, if you have a protocol for one set of doors that does not apply to another set of doors, then you are in violation of people’s rights. The protocol must apply to all of the doors.

Sabrina Cooksey, HR, stated that there are a few entrances because of staffing issues and getting staff into the areas on time. CFHC has allowed for staff to enter through the back door, screeners are back there. Kory Billings asked if they are also asking questions, because when he came in through the main entrance earlier, he informed them that he was a board member and they took his temperature and did not ask any questions, but asked questions of the lady behind him. Sabrina Cooksey will talk to Peter Mojarras about this. The areas to get staff in also allow for less exposure and staff to get in on time. Using only the 2 entrances, was causing staff to be late.

Kory Billings stated that if you’re following protocol for everyone then you’re fine, but if you’re not follow the same protocol for everybody then you’re violating people’s rights because you asked one person one thing that you did not ask another.

Jenna Anderson mentioned that from a County perspective the way they have addressed it, it has been different on a county by county basis. The Administration Building downtown all employees are treated the same as the public by entering and reading the list of questions, no temperature

screening is taken and you are to self-evaluate. If you have any of the symptoms you should leave. The Public Health does temperature screenings and they do it at separate entrances for the employees versus the public. Most places have a list of the CDC symptoms and you'd verbally ask if they have any of these symptoms, yes / no, come in and do a temperature screening. The courts also have a separate entrance for employees and public. The screening is essentially the same. State guidance is very clear to employers that there should be some sort of screening process or a board to remind them of the symptoms. Signage and questions need to be consistent.

Peter Mojarras stated that the CDC is making a recommendation and there is no standard that has been set for any employer or healthcare. CFHC does temperature checks across the board for anyone coming into the building. Currently, we do not go through the questions with staff but we will create a poster board with the symptoms and post in areas that staff come through and temperature checks will be done.

A motion was made /seconded, (Bob Boesch / Vivian Passwaters) to approve policies 400 Guidance for the use of Face Coverings during the COVID-19 Pandemic and 500 Novel Coronavirus (COVID-19) Guidance for Temperature Screening at its Facilities, Exhibit 7. Motion carried.

C. CFHC Request for COVID Temperature Screening, FTE, Kiosk and Supplies, Exhibit 8

Peter Mojarras presented the request for the temperature screening model that Edward Lujano brought, the goal is to get some of these units throughout the facility.

Edward Lujano stated that this is for temperature check screenings at the entry points in the common space of BMHD's facilities and CFHC is prepared to offer its assistance. To support this process, CFHC is requesting \$50,000 to cover the cost for a 6 month period and fund 2 FTE's one at Castle Site and the other at the Bloss Site, purchase 3 Thermal Kiosk & Fever Checking devices and PPE supplies.

Peter Mojarras stated that there is a main entry point at the Castle Site, but there is no support staff to have a separate exit door. He is making this a consideration if there is an opportunity. The challenges CFHC has is having staff to be able to monitor that and there is a concern having people exit through the same area as people entering who have not been screened. Currently CFHC is trying to improve and enhance their screenings, they are also doing screenings for the 2 tenants, Castle Dental Group and Castle Pharmacy. CFHC is now seeing more non-essential patients.

Kory Billings asked what the cost of the thermal screenings is. Edward Lujano replied that they are \$2,100 each. Kory Billings stated that if CFHC is paying someone \$14 per hour for 8 hours per day, 5 days per week, it is \$40,320, if you calculate out to what CFHC is asking for 6 months. Edward Lujano mentioned that this also includes all of the PPE.

Kory Billings asked if it would be considered to have BMHD hire temporary employees to reduce some of the costs. Edward Lujano replied that if CFHC employees them, currently CFHC does not offer any benefits, it would be strictly an hourly rate and they cannot be guaranteed long term employment and an agency would cost more. It's being able to find support staff, Sabrina Cooksey, HR, has informed him that they are not available. Pete Mojarras stated that you have to consider the level of training the individual receives and who would be providing them the updates from CDC as they have ongoing changes and updates. CFHC is also open until 6pm with the pharmacy and clinics

go until 8pm and the dental surgery center starts closure to 7am and CFHC has to provide them with some assistance.

Kory Billings stated that no matter what, the math does not work because CFHC will now have to run 2 shifts of people, and \$50,000 is not going to cover what is being asked for. Peter Mojarras stated that currently CFHC has a rotation of staff to cover the needs from the surgical center and also the time CFHC closes at 8pm along with 6pm for Castle Pharmacy. And they've been looking at the entry point, if there are more from the urgent care and it is a challenge to provide that support.

Edward Lujano stated that temporary staffing can still be done if that is the request from BMHD. Kory Billings wants to do what is most fiscally responsible and CFHC goes more than 8 hours per day, whoever is calculating \$50,000 is not going to cover it. Edward Lujano stated that the numbers for this came from staff.

Bob Boesch stated that \$50,000 is cheap for BMHD. Kory Billings stated that it is cheap for BMHD, but will CFHC come back again and ask again, BMHD just gave them \$150,000 to help them get through the last 4 months. Alfonse Peterson recommends giving CFHC the \$50,000 for now.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve the request for CFHC for \$50,000 for the 6 month period to help subsidize the cost of staffing, equipment and PPE for entry facilities over 6 months with upfront costs for equipment, Exhibit 8. Nay, opposed, Kory Billings. Motion carries.

D. Disposal of Day Break Adult Day Health Care Center (ADHC) Equipment, Exhibit 9

Dawnita Castle reported that BMHD still has equipment at Day Break, this equipment is about 16 years old and fully depreciated. CFHC has a buyer for Day Break and they are interested in purchasing the equipment.

CFHC is requesting that the BMHD equipment be transferred to CFHC so they can transfer it to the new purchasers.

Edward Lujano reported that CFHC has decided not continue the operations of the Day Break program. When CFHC notified the State, a group from the LA area approached CFHC and they are interested in continuing the program. They have toured the facility and will take the transfer of the licensed and run the operations initially through a telemedicine support. They are very familiar with a task program that allows them to do that.

The intent is for them to sublease the same facility through July of next year because CFHC would like to continue expanding its operations. If they see the opportunity that it does work they would like to come back and talk to the BMHD Board about possibly expanding the rear of the building. Their hope is to take the program from the current licensed 49 participants to 100 participants.

They want some of the furniture and fixtures and some of the items still belong to BMHD and the listed equipment is what is on the depreciation schedule. The fair market value is \$3,965.

Jenna Anderson stated that she has looked at the lease between the District and CFHC and subleasing is permitted with prior written consent.

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to dispose of the Day Break Adult Day Health Care Center equipment and donate it to CFHC who will transfer it to August Chai Enterprises, LL., Exhibit 9. Motion carried.

E. Approval of Commercial Sublease Agreement with August Chai Enterprises, LLC, Exhibit 10

Edward Lujano stated that the intent is for August Chai Enterprises to start in August. They will continue to run the Day Break program through the lease term and hopefully will want to expand at the Bloss Site.

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approve the Commercial Sublease Agreement for Day Break Adult Day Health Care Center (ADHC) between August Chai Enterprises, LLC, and Castle Family Health Centers, Inc., Exhibit 10. Motion carried.

F. Agreement for Purchase and Sale of Assets (BMHD/US Dental/DSCA), Exhibit 11

G. Commercial Sublease Agreement (DSCA/Parlier), Exhibit 12

H. Exhibit "A" Commercial Sublease Agreement (DSCA/Parlier), Exhibit 13

Kory Billings stated that these items were placed on the agenda as some items had remained unsigned for quite some time and it seems that BMHD is now getting some of these signatures. He asked David Thompson to bring the Board of Directors up to date on these signatures.

David Thompson stated that the documents had to be signed and notarized for the Agreement for Purchase and Sale of Assets and they had to submit it with the change of ownership application. He found Walter Sorensen's as it had been mailed to his office and Dr. Chiu's is most likely at the Stockton office as that is where he was practicing primarily and it should be signed and notarized as well.

Kory Billings also mentioned that signatures are also missing on the Commercial Sublease Agreement and on Exhibit "A" Commercial Sublease Agreement. These documents were dated in 2018 and this is an unfulfilled lease.

David Thompson stated that he has Walter Sorensen's signatures for the Sublease for Parlier. They had to all have signatures for the change of ownership application. Even if he has to go and ask for that back from the State, that may be an option.

Edward Lujano stated that Dr. Chiu is no longer a partner. David Thompson confirmed that Dr. Chiu is no longer a partner with DSCA. Kory Billings stated that he may need to do an addendum stating that he is no longer a partner as he is on the original paperwork, although it doesn't have his signature. Jenna Anderson, Legal Counsel, stated that she doesn't see where Dr. Chiu has signed and he is still personally guaranteeing, and she is fine with having something in documentation that he no longer has shares and this can be an addendum to the agreement for tracking purposes. She is concerned about the personal guarantee in here without a signature from him.

Kory Billings asked that David Thompson produce the signed documentation within the next 30-days, otherwise the contract is in delinquency. It is the responsibility of BMHD to be protected and to protect the public because the Board of Directors is a public elected body.

I. Staffing

No action.

APPOINTMENTS / CEREMONIAL MATTERS

Kory Billings reminded those that are up for election to please file. Vivian Passwaters, Kory Billings and Alfonse Peterson have filed.

AGENDA FOR CLOSED SESSION

There will be 2 items for discussion under Section 54954.5(c); 54956.9 Conference with Legal Counsel for Initiation of Litigation. One is an update and the other participation.

NEXT MEETING DATE

The next Board of Directors Meeting will be held on Wednesday, August 26, 2020 at 2:00 p.m. in the Board Room.

The next Finance Committee will also meet on Wednesday, August 26, 2020 at 1:30 p.m. in the Board Room.

ADJOURNMENT

As there was no further business, the meeting adjourned at 3:43 pm.

The meeting reconvened into public session at 4:09 p.m.

The Board took action to begin to participate in the Opioid Litigation with a 4-0 vote.

The meeting adjourned at 4:10 p.m.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, July 30, 2020
1:30 p.m.**

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC

In order to minimize the spread of the COVID-19 virus, this meeting will be conducted pursuant to the provisions of the Governor's Executive Orders N-29-20, which suspended certain requirements of the Brown Act and will not be physically open to the public.

Committee: Edward Lujano, CEO; Dawnita Castle, Chief Financial Officer; Fily Cale, Executive Assistant; Alfonse Peterson, Committee Chair and Kory Billings, Committee Member

Others Present: None

Absent: None

CALL TO ORDER

Alfonse Peterson, Committee Chair, called the meeting to order at 1:32 p.m. in the Board Room.

APPROVAL OF AGENDA

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve the July 30, 2020 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. June 25, 2020 Finance Committee Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept the June 25, 2020 Finance Committee Minutes as presented, Exhibit 1. Motion carried.

REVIEW OF DISTRICT FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle, CFO, reported that for June 30, 2020, the Operating Cash Balance was at \$2,688,490 and Days on Cash on Hand decreased to 773 days. The cash decrease was due to rental income down by \$13,000 for assisting the dental surgery centers due to decreased patient volume due to COVID, increased rental expense in Sierra Kings to \$5,000 and the last of the \$50,000 grant to CFHC was paid off in June 2020.

BMHD had a total gain before depreciation of \$17,213 and a net income loss of \$41,492. The donation to CFHC is always recorded as donation expense. The YTD net income is \$573,181.

Both investments had an increase of \$17,000 total and YTD are both down \$7,000 and \$2,000. Alfonse Peterson mentioned that with fixed annuities you will only get a small taste of interest and the dividends we're getting on these accounts are way above what you'll get on a fixed annuity. We're better off getting an income from dividends or equities.

The annual Investment Committee meeting will be scheduled as a Zoom meeting.

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept the Review of District Financial Statements, Exhibit 2. Motion carried.

SKDSC FINANCIAL REPORT, EXHIBIT 3

Dawnita Castle reported that SKDS included \$15,380 of costs.

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept SKDSC Financial Report, Exhibit 3 as presented. Motion carried.

WARRANTS AND PAYROLL

A. June 2020 Payroll, Electronic Payments & Check Register, Exhibit 4

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the June 2020 Total Payroll in the amount \$14,334.23 and Total Accounts Payable in the amount of \$136,643.36 for a total Grand Total Disbursement of \$150,977.59, Exhibit 4. Motion carried.

DISCUSSION

None.

AGENDA FOR CLOSED SESSION

There was no Closed Session item(s) for discussion.

NEXT MEETING DATE/ADJOURNMENT

The next Finance Committee meeting will be held on Thursday, August 27, 2020 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:39 p.m.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$80,746 for the month compared to a net gain of \$85,073 last year. Net income after depreciation was a gain of \$22,041. Included in Non-Operating Expense is \$15,000 for sports physicals.

Expenses include \$10,580 of SKDSC costs.

The July 31, Operating Cash Balance was \$2,661,708 and Days Cash On Hand Decreased to 751 Days*. In June the DCH was 773 Days.

* Days Cash on Hand (DCH) = Operating Cash / Average Daily Expense (excluding depreciation). DCH indicates Bloss's ability to cover operating expenses. The Benchmark for Health Centers is a minimum of 90 Days.

A summary comparison of operations for the month and the prior year is as follows :

	Jul-20	Jul-19	VARIANCE *	%	Y-T-D Jul-20	Y-T-D Jul-19	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	57	18,372	(18,315)	-99.69%	57	18,372	(18,315)	-99.69%
Total Net Operating Revenue	57	18,372	(18,315)	-99.69%	57	18,372	(18,315)	-99.69%
Operating Expenses Excluding Depreciation	109,896	109,803	(93)	-0.08%	109,896	109,803	(93)	-0.08%
Net Operating Income (Loss) Before Depreciation	(109,839)	(91,431)	(18,408)	-20.13%	(109,839)	(91,431)	(18,408)	-20.13%
Net Non Operating-Gains/Losses	38,116	2,590	35,526	1371.66%	38,116	2,590	35,526	1371.66%
Gain/Loss on Investments	15,000	0	15,000		15,000	0	15,000	
Grant Donation Expense	137,469	173,914	36,445	20.96%	137,469	173,914	(36,445)	-20.96%
All Other Non-Operating Gains/Losses	190,585	176,504	(14,081)	-7.98%	190,585	176,504	14,081	7.98%
Total Net Non-Operating Income: Losses/Gains	80,746	85,073	(4,327)	-5.09%	80,746	85,073	(4,327)	-5.09%
Total Net Income (Loss) Before Depreciation	58,705	58,457	248	0.42%	58,705	58,457	248	0.42%
Depreciation Expense	22,041	26,616	(4,575)	-17.19%	22,041	26,616	(4,575)	-17.19%
Net Income (Loss) After Depreciation								

* Note: unfavorable variances are indicated by parenthesis (-).

Bloss Memorial HealthCare District
 Operations Summary Report
 One Month Ending July 31, 2020

BMHD FULL TIME EQUIVALENTS SUMMARY :

(See FTE report included in Financial Reports for detail)

	Jul-20	Jul-19	VARIANCE	%	Y-T-D Jul-20	Y-T-D Jul-19	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	0.30	(0.70)	-233.33%	1.00	0.30	(0.70)	-233.33%
CONTRACT FTE'S	3.89	3.94	0.05	1.27%	3.89	3.94	0.05	1.27%
TOTAL FTE'S	4.89	4.24	(0.65)	-15.33%	4.89	4.24	(0.65)	-15.33%

* Note: unfavorable variances above are indicated by parenthesis (-).

Full Time Equivalent - Employees for the month are 233.33% more than the prior year with 0.70 more FTE'S

The major (>1 fte) Total Employee FTE increases for the month are comprised primarily of the following :

Department	Cur. Mo. (Increase) DECREASE	YTD (Increase) DECREASE	Reason
Administration	(0.70)	(0.70)	Vacation Hours Paid
All other departments < 1 fte var	0.00	0.00	Various departments less than 1 fte variance.
	(0.70)	(0.70)	Brackets () indicate a decrease (favorable) variance

JULY PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER

Bloss Memorial Healthcare District
 Payroll, Accounts Payable and Funds Disbursements - Summary
 Month of July-20

Payroll			<u>\$9,158.42</u>
Total Payroll			<u>\$9,158.42</u>

Accounts Payable:

A/P Checks	Bloss	<u>\$167,176.53</u>	<u>\$167,176.53</u>
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BLOSS

Auto Debits		\$57.70	
Electronic Payments to CALPERS		\$200.00	
Electronic Payments to DSCA		<u>\$0.00</u>	
Total Auto Debits and Electronic Transfers		<u>\$257.70</u>	<u>\$257.70</u>

Electronic Payments - ACH		<u>\$0.00</u>	<u>\$0.00</u>
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Total Accounts Payable			<u>\$167,434.23</u>
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Grand Total Disbursements			<u>\$176,592.65</u>
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BLOSS	Payroll Disbursements for		July-20
	Payroll dated		
	07/05/20	07/20/20	Total
Earnings			
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	4,166.67	4,166.67	8,333.34
			-
Deductions			
FICA (+)	318.75	318.75	637.50
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	93.79	93.79	187.58
			-
Total	412.54	412.54	825.08
			-
			-
Net Payroll	\$ 4,579.21	\$ 4,579.21	9,158.42

RUN DATE: 07/31/20
 RUN TIME: 1639
 RUN USER: COOKS

Castle Family Health Centers AP **LIVE**
 CHECK REGISTER BY DATE

C
 FROM 07/01/20 TO 07/31/20

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
07/01/20	038799	B0072	BETA HEALTHCARE GROUP	ISSUED	07/01/20	3668.00	
07/01/20	038800	B0072	BETA HEALTHCARE GROUP	ISSUED	07/01/20	5850.00	
07/01/20	038801	B0072	BETA HEALTHCARE GROUP	ISSUED	07/01/20	416.67	
07/01/20	038802	B0207	ALLIANT INSURANCE SERVICES, INC.	ISSUED	07/01/20	25781.35	
07/01/20	038803	B0072	BETA HEALTHCARE GROUP	ISSUED	07/01/20	1268.00	
07/01/20	038804	B0109	KORY BILLINGS	ISSUED	07/01/20	200.00	
07/01/20	038805	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	07/01/20	286.62	
07/01/20	038806	B0225	HOFFMAN SECURITY	ISSUED	07/01/20	577.90	
07/01/20	038807	K0003	M-D VENTURES	ISSUED	07/01/20	19197.65	
07/01/20	038808	B0133	MERCED COMMERCIAL SWEEPING	ISSUED	07/01/20	240.00	
07/01/20	038809	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	07/01/20	4607.39	
07/01/20	038810	B0212	JAVIER L MENDOZA	ISSUED	07/01/20	2775.00	
			REMITTED TO: NATURAL GARDENS				
07/01/20	038811	B0064	PETERSON, ALFONSE	ISSUED	07/01/20	200.00	
07/01/20	038812	B0260	ROBERT F. BOESCH	ISSUED	07/01/20	100.00	
07/01/20	038813	B0282	VIVIAN M PASSWATERS	ISSUED	07/01/20	100.00	
07/01/20	038814	B0056	CARDMEMBER SERVICE-XXXXXXXXXX9140	ISSUED	07/01/20	350.00	
07/09/20	038815	B0159	CAHHS	ISSUED	07/09/20	264.00	
07/09/20	038816	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	07/09/20	15000.00	
07/09/20	038817	B0236	DIBUDUO & DEFENDIS INSURANCE BROKER	ISSUED	07/09/20	182.00	
07/09/20	038818	B0016	GUARDCO SECURITY SERVICES	ISSUED	07/09/20	13179.12	
07/09/20	038819	B0014	PG&E (4705482162-5)	ISSUED	07/09/20	5773.22	
07/16/20	038820	B0072	BETA HEALTHCARE GROUP	ISSUED	07/16/20	416.67	
07/16/20	038821	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	07/16/20	22022.14	
07/16/20	038822	B0132	CLARK PEST CONTROL	ISSUED	07/16/20	480.00	
07/16/20	038823	B0035	DOM'S ELECTRIC MOTOR SHOP	ISSUED	07/16/20	628.25	
07/16/20	038824	B0253	JOHNSON CONTROLS FIRE PROTECTION LP	ISSUED	07/16/20	5384.21	
07/16/20	038825	B0218	JOHN P. NIEMOTKA	ISSUED	07/16/20	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
07/16/20	038826	B0013	WEST COAST GAS CO, INC.	ISSUED	07/16/20	550.68	
07/23/20	038827	B0027	CITY OF ATWATER PAYMENT CENTER	ISSUED	07/23/20	1004.20	
07/23/20	038828	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	07/23/20	654.34	
07/23/20	038829	B0132	CLARK PEST CONTROL	ISSUED	07/23/20	299.00	
07/23/20	038830	B0225	HOFFMAN SECURITY	ISSUED	07/23/20	7020.00	
07/23/20	038831	B0133	MERCED COMMERCIAL SWEEPING	ISSUED	07/23/20	240.00	
07/23/20	038832	B0025	MERCED IRRIGATION DISTRICT	ISSUED	07/23/20	319.00	
07/23/20	038833	B0026	MERCED IRRIGATION DISTRICT	ISSUED	07/23/20	21573.16	
07/30/20	038834	B0225	HOFFMAN SECURITY	ISSUED	07/30/20	700.39	
07/30/20	038835	B0212	JAVIER L MENDOZA	ISSUED	07/30/20	2775.00	
			REMITTED TO: NATURAL GARDENS				
07/30/20	038836	B0056	CARDMEMBER SERVICE-XXXXXXXXXX9140	ISSUED	07/30/20	2692.57	
TOTAL \$						167176.53	

Bloss Memorial Healthcare District

July-20

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss	57.70
Total	<u>57.70</u>

Electronic Payments to CALPERS	200.00
Electronic Payment to DSCA	0.00
Total	<u>200.00</u>

Grand Total	<u>257.70</u>
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CASTLE FAMILY HEALTH CENTES, INC REPORT

Castle Family Health Centers Inc
 Operations Summary Report
 One Month Ending July 31, 2020

Total encounters for the month are 16,628 compared to 11,322 last year 46.86% increase.

	Jul-20	Jul-19	VARIANCE	%	Y-T-D Jul-20	Y-T-D Jul-19	Y-T-D VARIANCE *	Y-T-D %
Department								
Castle Clinic	6,275	4,595	1,680	36.56%	6,275	4,595	1,680	36.56%
Specialty Clinic	1,176	1,042	134	12.86%	1,176	1,042	134	12.86%
Bloss Clinic	833	802	31	3.87%	833	802	31	3.87%
Winton Clinic	674	637	37	5.81%	674	637	37	5.81%
Urgent Care	1,563	262	1,301	496.56%	1,563	262	1,301	496.56%
Lab	4,700	2,102	2,598	123.60%	4,700	2,102	2,598	123.60%
Radiology	303	646	(343)	-53.10%	303	646	(343)	-53.10%
Behavioral Health	281	156	125	80.13%	281	156	125	80.13%
Adult Day Health Care	0	472	(472)	-100.00%	0	472	(472)	-100.00%
Optometry	478	296	182	61.49%	478	296	182	61.49%
Winton Dental	345	312	33	10.58%	345	312	33	10.58%
TOTAL ENCOUNTERS	16,628	11,322	5,306	46.86%	16,628	11,322	5,306	46.86%

Jul-20 Working Days 22 and 1 Holiday
 Jul-19 Working Days 22 and 1 Holiday

	Jul-20	Jul-19	VARIANCE *	%	Y-T-D Jul-20	Y-T-D Jul-19	Y-T-D VARIANCE *	Y-T-D %
NEW PATIENTS	1,652	421	1,231	292.40%	1,652	421	1,231	292.40%

INFORMATIONAL ONLY

**EXECUTED DENTAL SURGERY CENTERS (DSCA)
OF AMERICA DOCUMENTS**

Fily Cale

From: Ed Lujano
Sent: Friday, July 24, 2020 7:00 AM
To: Fily Cale
Subject: Re: Sublease signatures

Dr chiu sold his shares back to the corporation and stepped away as a partner.

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

From: David Thompson <david@hcbintel.com>
Sent: Thursday, July 23, 2020 7:13:14 PM
To: Ed Lujano <LujanoE@CFHCINC.ORG>
Subject: Sublease signatures

ALERT: This message originated from an external network. BE CAUTIOUS before clicking any link or attachment.

Ed,

See attached for the executed sublease and the BOD resolution for DSCA to repurchase Chiu's (Sigma TC) shares. He was in the middle of opening a private office in the bay area and wanted to focus himself on that project.

thanks
david

--

David Thompson: 559-593-5291

**UNANIMOUS WRITTEN CONSENT OF THE
BOARD OF DIRECTORS OF
DENTAL SURGERY CENTERS OF AMERICA,
A CALIFORNIA CORPORATION**

The undersigned, comprising all the directors of Dental Surgery Centers of California, a California corporation, acting by unanimous written consent without a meeting pursuant to California Corporations Code § 307(b) and Article II, Section 14, of the Bylaws of the Corporation, consent to and adopt the following resolutions:

RESOLVED, that the Officers of the Corporation are authorized and directed forthwith to perform the necessary and proper tasks, and execute necessary documentation, in order to repurchase 1,000 shares of capital stock in the Corporation previously issued to Sigma TC, LLC, a California limited liability company, at a price of \$1.00 per share, such transfer to be effective at 12:00 a.m. Pacific Daylight Time, on January 1, 2019.

Dated: December 31, 2018



David Thompson

AGREEMENT FOR PURCHASE AND SALE OF ASSETS

This Agreement for Purchase and Sale of Assets (“Agreement”) is made by and between Bloss/US Dental, a California general partnership (“Seller”), and Dental Surgery Centers of America, a California corporation (“Buyer”), and is dated for reference purposes on the date executed by Buyer.

RECITALS

- A. Seller is a general partnership comprised of two general partners, including Bloss Memorial Healthcare District, a California public entity (“Bloss”), and US Dental Surgery Centers, Inc., a California corporation (“US Dental”).
- B. Seller operates a dental surgical clinic, as described in California Health & Safety Code Section 1204(b)(1), known as Children’s Dental Surgery Center (“CDSC”), located at 1523 East March Lane, Stockton, California 95210 (“the Premises”), which Premises are leased to Seller.
- C. Buyer wishes to acquire the assets of CDSC, and continue operation of the business of CDSC at the Premises.
- D. Seller wishes to sell the assets of CDSC to Buyer.

AGREEMENT

1. PURCHASE AND SALE OF ASSETS.

Subject to the terms and conditions set forth herein, effective May 31, 2018, Seller hereby sells, assigns, transfers, conveys, and delivers to Buyer, and Buyer hereby purchases, all of Seller’s right, title and interest, tangible and intangible, in the assets of CDSC identified in Exhibit “A” hereto (“the Assets”), which Exhibit is incorporated herein by this reference.

2. PURCHASE PRICE AND PAYMENT.

Buyer shall deliver to Seller at or before execution of this Agreement the sum of Twenty-Five Thousand Dollars (\$25,000.00) as a deposit. Buyer shall deliver to Seller at Closing additional consideration totaling Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) (the deposit together with the additional consideration is “the Purchase Price”), consisting of a down payment and promissory note:

2.1. Down Payment.

The down payment shall be in a bona fide check made payable to Seller or Seller’s

order in the amount of Seventy-Five Thousand Dollars (\$75,000.00).

2.2. Promissory Note.

The promissory note in favor of Seller, and in the form of Exhibit "B" hereto, the terms of which are incorporated herein by this reference, shall be for principal in the amount of Two Hundred Thousand Dollars (\$200,000.00), with simple interest at Six Percent (6.0%), payable in Thirty-Six (36) monthly installments in the amount of \$1,000.00, representing interest only, the last such payment to come with a balloon payment of \$200,000.00. The first payment under the note shall be due thirty (30) days after Closing.

2.3. Allocation of Purchase Price.

The Purchase Price shall be allocated to the Assets as set forth in Exhibit "A" hereto. The parties each acknowledge the amount of Purchase Price allocated to the several assets represents the fair market value of the assets determined under an arm's-length transaction as of Closing. Buyer and Seller shall make any necessary reports regarding the purchase and sale of the assets in accordance with such allocation.

2.4. The Premises.

The parties understand the current lease of the Premises expires on May 31, 2018, and that Buyer shall be responsible for negotiation of a new lease of the Premises, to be effective upon Closing.

2.5. Personal Guaranty.

Each shareholder of Buyer shall at Closing execute a personal guaranty of the promissory note referenced in Paragraph 2.2 herein, which personal guaranty shall be in the form of Exhibit "C" hereto.

2.6. Costs and Expenses.

Each party shall pay their own attorneys, accountants, and/or other advisors, for fees and/or charges in connection with the transaction(s) covered under this Agreement.

3. CLOSING.

Closing shall take place on May 31, 2018, at 8:00 a.m., at 3605 Hospital Avenue, Atwater, California 95301. Upon execution and delivery by Buyer of the instruments and documents required, Seller shall execute and deliver to Buyer a Bill of Sale for the assets specified in Exhibit "A."

4. **LIABILITIES, BULK SALES LAW, SALES AND PERSONAL PROPERTY TAX.**

Except as otherwise provided in this Agreement, Buyer is not assuming any of Seller's liabilities or obligations, and Seller agrees to pay and discharge all of its liabilities and obligations promptly as due and in due course. Buyer waives compliance with the bulk sales law as provided in California Commercial Code Division 6, but retains all of its rights and defenses. Buyer agrees to pay any sales or use taxes arising from the purchase and sale of assets under this Agreement.

5. **SELLER'S DUTIES, REPRESENTATIONS AND WARRANTIES.**

5.1. **Litigation.**

There is no pending or threatened legal action which, if decided adversely to Seller, would cause a material adverse change to the ability of Seller to perform under this Agreement. However, there is a malpractice action entitled Daleyza Avil-Hernandez v. Children's Dental Surgery Center, et al., which originated in Contra Costa County Superior Court, as Case No. C18-00065, which action, due to a change in venue, is now pending in San Joaquin County Superior Court (no case number has yet been assigned), and damages for which are covered by Seller's insurer ("Hernandez Claim"); further, there is a threatened litigation by Jannett Lemus, a minor, for an incident occurring on April 28, 2016, for which it appears the Government Tort Claims Act has not been followed ("Lemus Claim").

5.2. **No Breach.**

Consummating the transaction(s) described in this Agreement will not cause a material breach of any contract or agreement to which Seller is a party; and, Seller's obligations, representations, warranties and covenants under this Agreement are not in conflict with Seller's general partnership agreement dated April 1, 2009.

5.3. **Partnership Approvals.**

Seller's partners have secured and provided all approvals necessary to allow Seller to enter into this Agreement.

5.4. **Taxation.**

Seller agrees that Buyer has made no representation(s) to Seller regarding the tax consequences of entering in this Agreement.

5.5. **Assets Condition.**

Seller shall warrant for thirty (30) days after Closing that the Assets are

merchantable, fit for their particular uses, and otherwise free from defects. Unless otherwise provided in Exhibit "A" hereto, Seller represents the Assets are owned exclusively by Seller, and are unencumbered by any debt, secured interests, deeds of trust, mortgages and/or contracts of sale.

5.6. Existing Relationships.

Seller does not know of any plan or intention of any of Seller's employees, material suppliers, or customers to sever relationships or existing contracts with Seller or to take any other action that would adversely affect the business of Seller. Seller has no liability, debt, or any obligation due to, or any contractual or similar relationship, with any of Seller's directors, officers, employees, consultants, or shareholders.

5.7. Compensation Payments.

Seller has not increased, or agreed to any increase in, any salaries or compensation paid or payable to any of its employees, agents or independent contractors.

5.8. Seller's Knowledge/Disclosure.

Seller does not know, or have reason to know, of any matter, occurrences, or other information not disclosed to Buyer that would materially and adversely affect the assets purchased by Buyer or its conduct of the business involving such assets. No representation or warranty by Seller in this Agreement, or any documents furnished to Buyer by Seller, contains or will contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statement in these sources accurate.

5.9. Seller's Covenant of Cooperation.

Seller agrees to cooperate with Buyer, on reasonable request, to execute all documents and take all actions as necessary to perfect and implement Buyer's full ownership of the assets of Seller purchased under this Agreement. Further, US Dental agrees to transfer, or facilitate transfer of, any and all transferable licenses to Buyer.

5.10. Seller's Non-Compete Covenant.

Seller and Seller's partners shall not, expressly or impliedly, for five (5) years from Closing, directly or indirectly, engage in or perform for, or permit Seller's name to be used in connection with, or carry on, or own any part of, any business similar to the activities, operations, and business involving the assets sold under this Agreement, as conducted by Seller as of Closing, in Fresno, Madera, Tulare, Kings, Merced, San Joaquin, Sacramento and Stanislaus Counties.

5.11. Seller Not Liable for License Transfers and/or Assignments.

Notwithstanding anything to the contrary in this Agreement, Buyer acknowledges that Seller makes no representation on the assignability or transferability of the license(s) for CDSC, and Buyer assumes all responsibility and risk associated with such transfer(s) and assignment(s) with the licensing agency(ies). Buyer acknowledges and agrees that no stock ownership in US Dental is required to be transferred by Seller or any partner of Seller under the terms of this Agreement.

6. BUYER'S DUTIES, REPRESENTATIONS AND WARRANTIES.

6.1. Litigation.

There is no pending or threatened legal action which, if decided adversely to Buyer, would cause a material adverse change to the ability of Buyer to perform under this Agreement.

6.2. No Breach.

Consummating the transaction(s) described in this Agreement will not cause a material breach of any contract or agreement to which Buyer is a party.

6.3. Capacity.

Buyer is a California corporation in good standing, and has legal capacity to enter into this Agreement. Buyer's officers and agents will have full authority to perform under this Agreement at Closing.

6.4. Taxation.

Buyer agrees Seller has made no representation(s) to Buyer regarding the tax consequences of entering into this Agreement.

6.5. Business Licenses and Permits.

Buyer shall obtain in Buyer's name, at Buyer's expense, all business licenses and permits as necessary for Buyer to continue the business of CDSC.

7. ARBITRATION.

Any controversy or claim arising out of or relation to this Agreement, or its breach shall be settled by arbitration conducted in Fresno, California, as provided in §§ 1280, *et seq.*, of the California Code of Civil Procedure. The arbitrator shall be chosen by agreement between the parties, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. If, for any reason, the parties are unable

to agree to an arbitrator, then either party may petition to the American Arbitration Association for appointment of an arbitrator in accordance with American Arbitration Association rules.”

8. INDEMNITY BY SELLER FOR PRE-CLOSING OBLIGATIONS.

Seller shall pay all debts incurred by Seller in Seller’s operation of the business of CDSC before Closing, and shall indemnify, defend and hold harmless Buyer from and against any and all liabilities and obligations, including, but not limited to, the Hernandez Claim and the Lemus Claim, arising from Seller’s operation of the business of CDSC prior to Closing.

9. RISK OF LOSS.

Until Closing, Seller shall bear all risk of loss, injury, damage or destruction of the Assets. If any loss, injury, damage or destruction impairs the value of such assets prior to Closing, the Buyer may either terminate this Agreement, in which case Buyer will be entitled to a full refund of any consideration paid under this Agreement, or proceed to Closing and receive an assignment of applicable insurance proceeds. Buyer shall bear all such risk of loss after Closing, to the extent such loss is not caused by Seller.

10. GENERAL PROVISIONS.

10.1. Entire Agreement.

This Agreement constitutes the whole and entire agreement of the parties regarding the subject matter of this Agreement, and replaces and supersedes all prior written and oral agreements by and among the parties.

10.2. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.3. Governing Law/Severability.

This Agreement shall be construed and enforced under the laws of the State of California; provided, however, this Agreement shall not be interpreted against either party as the party preparing or causing preparation of this Agreement. If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is impossible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining

provisions of this Agreement shall remain in effect.

10.4. Binding Effect.

This Agreement shall bind and inure to the benefit of the parties and their heirs, personal representatives, and permitted successors and assigns. This Agreement is made solely to benefit the parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.

10.5. Reasonable Assurances.

The parties to this Agreement shall promptly execute and deliver any and all additional documents, instruments, notices, and other assurances, and shall do any and all other acts and things, reasonably necessary in connection with the performance of their respective obligations under this Agreement and to carry out the intent of the parties.

10.6. No Agency or Partnership.

No provision of this Agreement shall be construed to constitute Seller as an agent or partner of Buyer, or Buyer as an agent or partner of Seller.

10.7. Titles and Headings.

Any titles and headings in this Agreement are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.

10.8. Amendments.

This Agreement may be altered, amended, or repealed only by a writing signed by the parties.

10.9. Time of the Essence.

Time is of the essence of every provision of this Agreement that specifies a time for performance.

10.10. Assignment by Buyer.

Buyer may assign no right or interest arising under this Agreement or in the Assets without the prior written consent of Seller, which consent shall not be unreasonably withheld.

10.11. Attorney's Fees.

If any dispute arises between the parties regarding any aspect of this Agreement, the prevailing party in such dispute may recover from the non-prevailing party, the prevailing party's reasonable costs in connection therewith including, without limitation, reasonable attorneys' fees, through final disposition, including final appeal.

10.12. Notices.


All notices, requests, demands, and other communications under this Agreement must be in writing, and will be considered to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the second day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed to:

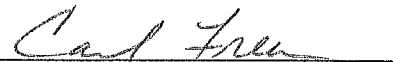
To Seller: Edward H. Lujano, Ph.D.
Bloss Memorial Healthcare District
3605 Hospital Avenue
Atwater, California 95301

To Buyer: David Thompson
Dental Surgery Centers of America
P.O. Box 228
Prather, California 93651

"Buyer"

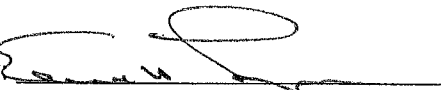
"Seller"

By: 
David Thompson
President/CEO
Dental Surgery Centers of America

By: 
Carol Freeman
President/CEO
US Dental Surgery Centers, Inc.

Dated: 5-8-2018

Dated: 5-7-18

By: 
Edward H. Lujano, Ph.D.
Chief Executive Officer
Bloss Memorial Healthcare District

Dated: 5-3-18

EXHIBIT "A"
LIST OF ASSETS

Intangible Assets

Includes all patient files, office files, goodwill, covenant not to compete, and any all licenses transferred. The amount of the Purchase Price allocated to the intangible assets shall be \$50,000.00.

Tangible Assets

Includes all assets included on Exhibit 1 hereto. The amount of the Purchase Price allocated to the tangible assets shall be \$250,000.00.

Excluded Assets

Does not include accounts receivable through May 31, 2018, and retroactive payments due from the State of California for services performed from July 1, 2017, to May 31, 2018.

Does not include two copy machines leased by Castle Family Health Centers, Inc.

CHILDREN'S DENTAL SURC
ALL CAPITAL ASSETS
AS OF 03/31/18

ACCT	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
		DESCRIPTION									
		QUICKBOOKS ERROR PREVIOUSLY DEPRECIATED					(80.66)				
	QB-0261	2-DRAWER CABINET	5		Apr-09	249.00	249.00				
	QB-0262	2-DRAWER CABINET				249.00	249.00				
	QB-0263	2-DRAWER CABINET				249.00	249.00				
	QB-0264	2-DRAWER CABINET				249.00	249.00				
	QB-0152	2-DRAWER LOCKERS				289.99	289.99				
	QB-0153	6-DRAWER LOCKERS				499.95	499.95				
	QB-0150	6-DRAWER LOCKER #1				499.95	499.95				
	QB-0151	6-DRAWER LOCKER #1				499.95	499.95				
	QB-0074	ANESTHESIA BLUE CART				1,277.76	1,277.76				
	QB-0096	ANESTHESIA CART				1,277.76	1,277.76				
		QB BAND EQUIPMENT				1,127.92	1,127.92				
	QB-0084	BAXTER INFUSION PUMP				439.99	439.99				
	QB-0123	BAXTER INFUSION PUMP				439.99	439.99				
	QB-0124	BAXTER INFUSION PUMP				439.99	439.99				
	QB-0125	BAXTER INFUSION PUMP MODEL AS40A				795.00	795.00				
	QB-0126	BAXTER INFUSION PUMP MODEL AS50				625.00	625.00				
	QB-0178	BOOKSHELF, 3-DRAWER				49.99	49.99				
	QB-0208	CANON FAX PHONE L80				144.85	144.85				
	QB-0180	CHAIR, BLACK DESK				253.80	253.80				
	QB-0138	CHAIR, BLUE				49.99	49.99				
	QB-0170	CHAIR, BLUE				49.99	49.99				
	QB-0171	CHAIR, BLUE				49.99	49.99				
	QB-0172	CHAIR, BLUE				49.99	49.99				
	QB-0173	CHAIR, BLUE				49.99	49.99				
	QB-0174	CHAIR, BLUE				49.99	49.99				
	QB-0175	CHAIR, BLUE				49.99	49.99				
	QB-0176	CHAIR, BLUE				49.99	49.99				
	QB-0177	CHAIR, BLUE				49.99	49.99				
	QB-0187	CHAIR, BLUE				49.99	49.99				
	QB-0191	CHAIR, BLUE				49.99	49.99				
	QB-0192	CHAIR, BLUE				49.99	49.99				
	QB-0228	CHAIR, BLUE 2-SEAT LOBBY				718.50	718.50				
	QB-0229	CHAIR, BLUE 2-SEAT LOBBY				718.50	718.50				
	QB-0222	CHAIR, BLUE 3-SEAT LOBBY				1,052.75	1,052.75				
	QB-0223	CHAIR, BLUE 3-SEAT LOBBY				1,052.75	1,052.75				
	QB-0224	CHAIR, BLUE 3-SEAT LOBBY				1,052.75	1,052.75				
	QB-0230	CHAIR, BLUE 4-SEAT LOBBY				1,404.50	1,404.50				
	QB-0186	CHAIR, BLUE DESK				429.99	429.99				
	QB-0249	CHAIR, BLUE DESK				49.99	49.99				
	QB-0250	CHAIR, BLUE DESK				49.99	49.99				

CHILDREN'S DENTAL SURC
 ALL CAPITAL ASSETS
 AS OF 03/31/18

ACCT	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
	QB-0252	CHAIR, BLUE DESK #1				49.99	49.99	49.99			
	QB-0253	CHAIR, BLUE DESK #2				49.99	49.99	49.99			
	QB-0196	CHAIR, BLUE DESK #1				199.99	199.99	199.99			
	QB-0197	CHAIR, BLUE DESK #2				199.99	199.99	199.99			
	QB-0061	CHAIR, BLUE PATIENT CHAIR #1				3,835.00	3,835.00	3,835.00			
	QB-0065	CHAIR, BLUE PATIENT CHAIR #1				3,835.00	3,835.00	3,835.00			
	QB-0062	CHAIR, BLUE PATIENT CHAIR #2				3,835.00	3,835.00	3,835.00			
	QB-0066	CHAIR, BLUE PATIENT CHAIR #2				3,835.00	3,835.00	3,835.00			
	QB-0237	CHAIR, BLUE PT				49.99	49.99	49.99			
	QB-0238	CHAIR, BLUE PT				49.99	49.99	49.99			
	QB-0193	CHAIR, BLUE PT #1				49.99	49.99	49.99			
	QB-0194	CHAIR, BLUE PT #2				49.99	49.99	49.99			
	QB-0195	CHAIR, BLUE PT #3				49.99	49.99	49.99			
	QB-0088	CHAIR, BLUE ROYAL ASSIST #1				187.00	187.00	187.00			
	QB-0089	CHAIR, BLUE ROYAL ASSIST #2				187.00	187.00	187.00			
	QB-0090	CHAIR, BLUE ROYAL ASSIST #3				187.00	187.00	187.00			
	QB-0080	CHAIR, BLUE ROYAL DENTAL PATIENT				3,835.00	3,835.00	3,835.00			
	QB-0091	CHAIR, BLUE ROYAL DR'S				487.00	487.00	487.00			
	QB-0218	CHAIR, GREEN 2-SEAT LOBBY				718.50	718.50	718.50			
	QB-0219	CHAIR, GREEN 2-SEAT LOBBY				718.50	718.50	718.50			
	QB-0231	CHAIR, GREEN 2-SEAT LOBBY				718.50	718.50	718.50			
	QB-0232	CHAIR, GREEN 2-SEAT LOBBY				718.50	718.50	718.50			
	QB-0225	CHAIR, GREEN 3-SEAT LOBBY				1,052.70	1,052.70	1,052.70			
	QB-0114	CHAIR, GREEN ROYAL ASSIT #1				187.00	187.00	187.00			
	QB-0115	CHAIR, GREEN ROYAL ASSIT #2				187.00	187.00	187.00			
	QB-0016	CHAIR, GREEN ROYAL ASSIT #3				187.00	187.00	187.00			
	QB-0112	CHAIR, GREEN ROYAL DENTAL PATIENT				3,835.00	3,835.00	3,835.00			
	QB-0113	CHAIR, GREEN ROYAL DR'S				487.00	487.00	487.00			
	QB-0211	CHAIR, LOBBY TAN 2-SEAT LOBBY #1				718.50	718.50	718.50			
	QB-0214	CHAIR, LOBBY TAN 2-SEAT LOBBY #1				718.50	718.50	718.50			
	QB-0212	CHAIR, LOBBY TAN 2-SEAT LOBBY #2				718.50	718.50	718.50			
	QB-0215	CHAIR, LOBBY TAN 2-SEAT LOBBY #2				718.50	718.50	718.50			
	QB-0233	CHAIR, TAN 2-SEAT LOBBY				718.50	718.50	718.50			
	QB-0226	CHAIR, TAN 4-SEAT LOBBY				1,404.50	1,404.50	1,404.50			
	QB-0227	CHAIR, TAN 4-SEAT LOBBY				1,404.50	1,404.50	1,404.50			
	QB-0103	COLTULEX LED LIGHT				499.00	499.00	499.00			
	QB-0019	COLTULEX LED LIGHT				499.00	499.00	499.00			
	QB-0076	DENTIST CART				1,592.00	1,592.00	1,592.00			
	QB-0098	DENTIST CART				1,592.00	1,592.00	1,592.00			
	QB-0188	DESK HUTCH				329.99	329.99	329.99			
	QB-0247	DESK HUTCH, BLUE PART 3				659.99	659.99	659.99			
	QB-0260	DESK HUTCH, BLUE PART 3				659.99	659.99	659.99			

CHILDREN'S DENTAL SURG
 ALL CAPITAL ASSETS
 AS OF 03/31/18

ACCT DESCRIPTION	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
	QB-0189	DESK, 2-DRAWER PART 1 OF				529.99	529.99				
	QB-0190	DESK, 2-DRAWER PART 2 OF				529.99	529.99				
	QB-0245	DESK, 3-DRAWER PART 1				629.99	629.99				
	QB-0256	DESK, 3-DRAWER PART 1				629.99	629.99				
	QB-0258	DESK, 3-DRAWER PART 1				629.99	629.99				
	QB-0246	DESK, 3-DRAWER PART 2				629.99	629.99				
	QB-0257	DESK, 3-DRAWER PART 2				629.99	629.99				
	QB-0259	DESK, 3-DRAWER PART 2				629.99	629.99				
		QB DUAL WATER SYSTEM				195.00	195.00				
		QB DUAL WATER SYSTEM				195.00	195.00				
	QB-0033	DURO WHEELCHAIR #1				149.99	149.99				
	QB-0034	DURO WHEELCHAIR #2				149.99	149.99				
	QB-0179	FILE CABINET, 3 DRAWER				129.99	129.99				
		QB FOOT CONTROL OPTION				219.00	219.00				
		QB FOOT CONTROL OPTION				219.00	219.00				
	QB-0055	FRIGIDAIRE REFRIGERATOR				409.99	409.99				
	QB-0255	HUTCH, BLUE PART 3				329.99	329.99				
	QB-0206	KODAK SCAN STATION 100				1,456.32	1,456.32				
	QB-0149	LARGE BAKERS RACK				105.00	105.00				
	QB-0139	LARGE BAKERS RACK 1				105.00	105.00				
	QB-0140	LARGE BAKERS RACK 2				105.00	105.00				
	QB-0141	LARGE BAKERS RACK 3				105.00	105.00				
	QB-0142	LARGE BAKERS RACK 4				105.00	105.00				
	QB-0143	LARGE BAKERS RACK 5				105.00	105.00				
	QB-0144	LARGE BAKERS RACK 6				105.00	105.00				
	QB-0145	LARGE BAKERS RACK 7				105.00	105.00				
	QB-0146	LARGE BAKERS RACK 8				105.00	105.00				
	QB-0086	LARGE OVERHEAD DELL MONITOR				199.00	199.00				
	QB-0108	LARGE OVERHEAD DELL MONITOR				199.00	199.00				
	QB-0015	MEDICATION REFRIGERATOR				309.99	309.99				
		QB PERI-PRO DAYLIGHT LOADER 90090				200.00	200.00				
	QB-0159	PERI-PRO III PROCESSOR				1,761.00	1,761.00				
	QB-0205	PITNEY BOWES POSTAGE PHONE				200.99	200.99				
	QB-0210	SHARP COPIER				779.00	779.00				
	QB-0121	SILVER & BLACK 2-STEP STOOL				50.70	50.70				
	QB-0097	SMALL BAKERS RACK				159.00	159.00				
	QB-0148	SMALL BAKERS RACK				159.00	159.00				
	QB-0163	SMALL BAKERS RACK				159.00	159.00				
	QB-0085	SMALL OVERHEAD DELL MONITOR				150.00	150.00				
	QB-0109	SMALL OVERHEAD DELL MONITOR				150.00	150.00				
	QB-0035	STOOL, GREY W/BACKING				678.00	678.00				
	QB-0036	STOOL, GREY W/BACKING				678.00	678.00				

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 ALL CAPITAL ASSETS
 AS OF 03/31/18

ACCT	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
	QB-0037	STOOL, GREY W/BACKING				678.00	678.00				
	QB-0038	STOOL, GREY W/BACKING				678.00	678.00				
	QB-0060	STOOL, GREY W/BACKING				678.00	678.00				
	QB-0072	STOOL, GREY W/BACKING				678.00	678.00				
	QB-0007	SUCTION REGULATORS				195.00	195.00				
	QB-0008	SUCTION REGULATORS				195.00	195.00				
	QB-0009	SUCTION REGULATORS				195.00	195.00				
	QB-0010	SUCTION REGULATORS				195.00	195.00				
	QB-0011	SUCTION REGULATORS				195.00	195.00				
	QB-0012	SUCTION REGULATORS				195.00	195.00				
	QB-0185	TABLE				79.99	79.99				
	QB-0168	TABLE #1				79.99	79.99				
	QB-0169	TABLE #2				79.99	79.99				
	QB-0213	TABLE, END				310.00	310.00				
	QB-0217	TABLE, END				310.00	310.00				
	QB-0221	TABLE, END #2				310.00	310.00				
	QB-0234	TABLE, END #3				310.00	310.00				
	QB-0220	TABLE, END #1				310.00	310.00				
	QB-0235	TABLE, END #4				310.00	310.00				
	QB-0236	TABLE, END #5				310.00	310.00				
	QB-0137	TABLE, HALF				29.99	29.99				
	QB-0029	TABLE, OVER BED				192.47	192.47				
	QB-0030	TABLE, OVER BED				192.47	192.47				
	QB-0031	TABLE, OVER BED				192.47	192.47				
	QB-0032	TABLE, OVER BED				192.47	192.47				
	QB-0216	TAN 2-SEAT LOBBY CHAIR #3				619.00	619.00				
	QB-0164	TAN 4-DRAWER FILE CABINET				129.99	129.99				
	QB-0209	TAN 4-DRAWER FILE CABINET				129.99	129.99				
	QB-0167	TIME IPS CLOCK				700.00	700.00				
	QB-0102	TOUCHPAD AMALGAMATOR				245.00	245.00				
	QB-0120	TOUCHPAD AMALGAMATOR				245.00	245.00				
	QB	TOWEL CABINET				55.72	55.72				
	QB-0156	ULTRASONIC SCALER				249.00	249.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				

CHILDREN'S DENTAL SURC
 ALL CAPITAL ASSETS
 AS OF 03/31/18

ACCT	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
DESCRIPTION											
	QB	VORTEX, 430SWL HP PO				666.00	666.00	666.00			
	QB	VORTEX, 430SWL HP PO				666.00	666.00	666.00			
	QB	VORTEX, 430SWL HP PO				666.00	666.00	666.00			
	QB	VORTEX, 430SWL HP PO				666.00	666.00	666.00			
	QB	VORTEX, 430SWL HP PO				666.00	666.00	666.00			
	QB	VORTEX, 430SWL HP PO				666.00	666.00	666.00			
	QB-0166	WHIRLPOOL REFRIGERATOR				399.99	399.99	399.99			
	QB	LF-MCKESSON-DR6433 PHYSICAL SCALE									
	QB	LF-MCKESSON-TRASH CAN, GRAY 28 1/2 QT									
	QB	LF-MCKESSON-STETHOSCOPE, ADSCOPE PREM ADULT									
	QB	LF-MCKESSON-TUBE, QUICKATHYROTOMY TRACH 2.0MM									
	QB	LF-MCKESSON-VITAL SIGNS MONITOR SPO2 TEMP									
	QB	LF-MCKESSON-STAND, MOBILE W/BASKET									
	QB	LF-MCKESSON-TUBE, QUICK CRICOTHYROTOMY/TRACH									
	QB	LF-MCKESSON-MISC PRACTICE SUPPLIES									
	QB	LF-GCX-PASSPORT II SPECTRUM MOUNTING ADAPTOR				22,345.80	22,345.80	22,345.80			
	QB	LF-GCX-8"X8" M-SERIES WALL MOUNT									
	QB	LF-GCX-M-SERIES (12") PIVET ARM									
	QB	LF-GCX-M-SERIES (16") PIVET ARM									
	QB	LF-GCX-SEISMIC 19" WALL CHANNEL W/HRDW									
	QB	LF-GCX-SEISMIC 25" WALL CHANNEL W/HRDW									
	QB	LF-GCX-BHM ARM W/TRANSPORT LOCK									
	QB	LF-GCX-12" POST W/IV BAG HOOKS									
	QB	LF-GCX-ERGO MOUNTING BARCKET									
	QB	LF-GCX-ERGO KEYBOARD TRAY									
	QB	LF-GCX-VERTICAL CPU WALL MOUNT									
	QB	LF-GCX-M-SERIES 12" PIVOT ARM WALL MOUNT									
	QB	LF-CERT MED-HOSE ASSY,DISS FEMXDISS MALE C/CHK 5'				8,637.51	8,637.51	8,637.51			
	QB	LF-CERT MED-HOSE ASSY,DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY,DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY,DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY,DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 5' O2									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 5' O2									
	QB	LF-CERT MED-AMVEX OXYGEN FLOWMETER 0-15 LPM									
	QB	AMVEX SUCTION CANISTER HOLDER									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' O2									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' N2O									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' VAC									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' WAG									
	QB	LF-CERT MED-AMVEX SUCTION REGULATORY 0-300 CONTINUOUS									
	QB	LF-CERT MED-AMVEX SUCTION CANISTER 1200 ML				5,312.70	5,312.70	5,312.70			
	QB	LF-CERT MED-AMVEX REGULATORY 25 LPM 870 YOKE-OXY									

CHILDREN'S DENTAL SURC
ALL CAPITAL ASSETS
AS OF 03/31/18

ACCT DESCRIPTION	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
QB PIPES						301.00	301.00				
QB CENTER WALL PLATE, 765 DC X-RAY						129.00	129.00				
QB CENTER WALL PLATE, 765 DC X-RAY						129.00	129.00				
90.1230.0020	3457	CDSC GCX	10	Active	Jul-15	1,334.20	422.50	7.60	243.20	668.50	91.20
90.1230.0020	3458	HUFF CONSTRUCTION IMPROVEMENTS	10	Active	Jul-15	7,231.93	2,290.11	41.18	1,317.76	3,624.06	494.16
90.1230.0020	3459	CDSC KAESER COMPRESSOR	10	Active	Jul-15	36,102.62	11,432.50	205.58	6,578.67	18,091.45	2,467.01
90.1230.0020	3460	CDSC SECURITY SYSTEM	10	Active	Jul-15	2,936.94	930.03	16.72	535.14	1,471.77	200.69
90.1230.0020	3461	CDSC SIGNS	10	Active	Jul-15	2,500.00	791.67	14.24	455.67	1,252.66	170.87
90.1230.0020	3462	CDSC WIP FLOORING	10	Active	Jul-15	21,400.00	6,776.67	121.86	3,899.52	10,723.81	1,462.32
90.1230.0020	3463	CDSC SERVI-TECH CONTROLS DAMPER FOR	10	Active	Jul-15	11,593.00	1,304.21	85.74	2,743.68	7,545.11	1,028.88
90.1230.0020	3464	CDSC SMITH HEATING FIRE/SMOKE DAPTERS	10	Active	Jul-15	3,920.00	424.67	29.13	932.16	2,563.17	349.56
90.1230.0020	3465	CDSC AIR DUCT SYSTEM ADVANCE SECURIT	10	Active	Jul-15	758.65	82.19	5.64	180.48	495.98	67.68
90.1230.0020	3466	CDSC COMMERCIAL BROKERAGE LEASING	10	Active	Jul-15	5,455.00	590.96	40.53	1,297.01	3,567.03	486.38
90.1230.0020	3467	CDSC LAYMAN ELECTRIC, INC ELECTRIAN RE	10	Active	Jul-15	1,433.75	155.32	10.65	340.85	937.58	127.32
90.1231.0020	3517	CDSC NEW LOCK SYSTEM ON FRONT DOOR	5	Active	Mar-17	2,086.25	0.00	34.77	417.24	1,669.01	417.24
90.1241.0022	3468	CDSC ACUCAM CONCEPT IV	4	Active	Jul-15	4,995.00	3,163.50	38.16	1,221.05	610.48	457.86
90.1241.0022	3469	CDSC ACUCAM CONCEPT IV	4	Active	Jul-15	4,995.00	3,163.50	38.16	1,221.05	610.48	457.86
90.1241.0022	3470	CDSC AIRSTAR 50 COMPRESSOR-TWIN OILLE	4	Active	Jul-15	5,891.00	3,730.97	45.00	1,440.00	720.03	540.00
90.1241.0022	3471	CDSC DATASCOPE PASSPORT & MONITORS	4	Active	Jul-15	23,465.00	14,861.19	179.25	5,735.92	2,867.90	2,150.84
90.1241.0022	3472	CDSC ANESTHESIA PLUS DRAGER 28 REMAN	4	Active	Jul-15	16,162.50	10,236.24	123.46	3,950.82	1,975.44	1,481.87
90.1241.0022	3473	CDSC GENDEX 765 DC X-RAY MACHINES	4	Active	Jul-15	4,907.00	3,107.76	37.48	1,199.48	599.76	449.81
90.1241.0022	3474	CDSC HARLOFF SAFE FOR MEDS	4	Active	Jul-15	1,670.92	1,058.25	12.76	408.43	204.24	153.17
90.1241.0022	3475	CDSC HENRY SCHEIN MIS INV #31473147A	4	Active	Jul-15	38,413.04	24,328.26	293.43	9,389.82	4,694.96	3,521.19
90.1241.0022	3476	CDSC TWO HITL-ROM ASSISTANT TABLE ASS	4	Active	Jul-15	2,272.00	1,438.94	17.36	555.39	277.68	208.26
90.1241.0022	3477	CDSC MIDMARK ULTRACLAVE	4	Active	Jul-15	4,570.00	2,894.33	34.91	1,117.12	558.55	418.92
90.1241.0022	3478	NARKOMED ANESTHESIA MACHINE ASSET T	4	Active	Jul-15	3,000.00	1,900.00	22.92	733.37	366.64	274.98
90.1241.0022	3479	CDSC PEDIATRIC CRASH CART	4	Active	Jul-15	1,961.00	1,241.97	14.98	479.36	239.67	179.76
90.1241.0022	3480	CDSC PELSTAR SCALE	4	Active	Jul-15	1,219.00	772.03	9.31	297.93	149.04	111.73
90.1241.0022	3481	CDSC POWEREDGE DOMAIN SYSTEM FORM	4	Active	Jul-15	37,609.27	23,819.20	287.29	9,193.35	4,596.72	3,447.52
90.1241.0022	3482	CDSC RED CRASH CART	4	Active	Jul-15	1,150.00	728.33	8.79	281.12	140.55	105.45
90.1241.0022	3483	CDSC RITTER 355 OVERHEAD LAMP	4	Active	Jul-15	7,768.00	4,919.72	59.34	1,898.88	949.40	712.08
90.1241.0022	3484	CDSC TITAN-T RPM MOTOR W/O SWW TWO	4	Active	Jul-15	1,206.00	763.80	9.21	294.76	147.44	110.54
90.1241.0022	3485	CDSC TWO RACK STACKER TABLE	4	Active	Jul-15	250.00	158.33	1.91	61.12	30.55	22.92
90.1241.0022	3486	CDSC VACSTAR 60H TWIN VAC SYSTEM	4	Active	Jul-15	3,878.00	2,456.07	29.62	947.95	474.00	355.49
90.1241.0022	3487	CDSC WELS ALLYN DEFIBRILLATOR	4	Active	Jul-15	10,177.32	6,445.64	77.74	2,487.76	1,243.92	932.93
90.1241.0022	3488	CDSC XRAY MACHINE REPAIRS	5	Active	Jul-15	18,318.91	2,564.79	262.57	8,402.24	7,351.88	3,150.84

CHILDREN'S DENTAL SURC
ALL CAPITAL ASSETS

AS OF 03/31/18

ACCT DESCRIPTION	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
90.1241.0022	3489	CDSC 2 HP GOLDENVAC VACUUM DENNEHY	5	Active	Jul-15	3,379.00	281.58	51.62	1,651.93	1,445.49	619.49
90.1241.0022	3490	CDSC.AASTRA PHONE SYSTEM	4	Active	Jul-15	47,052.50	29,799.88	359.43	11,501.76	5,750.86	4,313.16
90.1225.0002	3491	CDSC PLANE DIG XR SEN DIX3 PATTERSON	4	Active	Jul-15	19,554.00	12,384.20	149.37	4,779.84	2,389.96	1,792.44
90.1225.0002	3492	CDSC WALL CABINET AND SHELVING	4	Active	Jul-15	9,075.88	5,748.06	69.33	2,218.56	1,109.26	831.96
90.1225.0002	3493	CDSC CAMERA SYSTEM 2-OP ACUCAM CIV F	4	Active	Jul-15	9,415.00	5,962.83	71.92	2,301.44	1,150.73	863.04
90.1225.0002	3494	CDSC 2 HP GOLDEN VAC VACUUM UNIT	4	Active	Jul-15	3,193.38	904.79	47.68	1,525.76	762.83	572.16
90.1242.0022	QB-0083	AFC BATTERY BACK-UP	5		Apr-09	119.99	119.99				
90.1242.0022	QB-0056	AIR/WATER SEPARATOR	5		Apr-09	312.00	312.00				
90.1242.0022	QB-0071	APC BATTERY BACK-UP	5		Apr-09	119.99	119.99				
90.1242.0022	QB-0107	APC BATTERY BACK-UP	5		Apr-09	119.99	119.99				
90.1242.0022	QB-0128	APC BATTERY BACK-UP	5		Apr-09	119.99	119.99				
90.1242.0022	QB-0183	APC BATTERY BACK-UP	5		Apr-09	119.99	119.99				
90.1242.0022	QB-0200	APC BATTERY BACK-UP	5		Apr-09	119.99	119.99				
90.1242.0022	QB-0240	APC BATTERY BACK-UP	5		Apr-09	119.99	119.99				
90.1242.0022	QB-0057	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0070	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0081	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0105	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0130	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0184	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0201	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0241	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0244	DELL MONITOR/KEYBOARD/MOUSE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0058	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0069	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0082	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0106	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0129	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0181	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0199	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0239	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0243	DELL TOWER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0242	DYNO LABELWRITER	5		Apr-09	1,000.00	1,000.00				
90.1242.0022	QB-0242	EXT HARD DRIVER	5		Apr-09	99.99	99.99				
90.1242.0022	QB-0132	FLOW METER FOR 02 TANKS	5		Apr-09	107.36	107.36				
90.1242.0022	QB-0133	FLOW METER FOR 02 TANKS	5		Apr-09	314.90	314.90				
90.1242.0022	QB-0134	FLOW METER FOR 02 TANKS	5		Apr-09	314.90	314.90				
90.1242.0022	QB-0134	FLOW METER FOR 02 TANKS	5		Apr-09	314.90	314.90				

CHILDREN'S DENTAL SURC
 ALL CAPITAL ASSETS
 AS OF 03/31/18

ACCT	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
90.1242.0022	QB-0135	FLOW METER FOR 02 TANKS	5		Apr-09	314.90	314.90				
90.1242.0022	QB-0136	FLOW METER FOR 02 TANKS	5		Apr-09	314.90	314.90				
90.1242.0022	QB-0165	GE MICROWAVE	5		Apr-09	169.99	169.99				
90.1242.0022	QB-0022	GURNEY 1	5		Apr-09	185.00	185.00				
90.1242.0022	QB-0023	GURNEY 2	5		Apr-09	185.00	185.00				
90.1242.0022	QB-0024	GURNEY 3	5		Apr-09	185.00	185.00				
90.1242.0022	QB-0025	GURNEY 4	5		Apr-09	185.00	185.00				
90.1242.0022	QB	HDPC ILLUMINATION SYS 1HP OPTION	5		Apr-09	190.00	190.00				
90.1242.0022	QB	HDPC ILLUMINATION SYS 1HP OPTION	5		Apr-09	190.00	190.00				
90.1242.0022	QB	HIFLO SWIVEL FIBER OPTIC 4 HOLE	5		Apr-09	150.00	150.00				
90.1242.0022	QB	HIFLO SWIVEL FIBER OPTIC 4 HOLE	5		Apr-09	150.00	150.00				
90.1242.0022	QB-0131	HP1020 LASERJET PRINTER	5		Apr-09	224.99	224.99				
90.1242.0022	QB-0182	HP1020 LASERJET PRINTER	5		Apr-09	224.99	224.99				
90.1242.0022	QB-0202	HP1020 LASERJET PRINTER	5		Apr-09	224.99	224.99				
90.1242.0022	QB-0203	HP2600N LASERJET PRINTER	5		Apr-09	799.99	799.99				
90.1242.0022	QB-0207	HP4250N LASERJET PRINTER	5		Apr-09	429.99	429.99				
90.1242.0022	QB-0093	MCKESSON IV POLE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0111	MCKESSON IV POLE	5		Apr-09	99.00	99.00				
90.1242.0022	QB	NIKON 5560	5		Apr-09	193.26	193.26				
90.1242.0022	QB-0001	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0002	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0003	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0004	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0005	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0006	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB	PEDO WEDGE CUSION OPTION 1639	5		Apr-09	71.00	71.00				
90.1242.0022	QB	PEDO WEDGE CUSION OPTION 1639	5		Apr-09	71.00	71.00				
90.1242.0022	QB-0094	STAINLESS STEEL KICK BUCKET	5		Apr-09	220.00	220.00				
90.1242.0022	QB-0104	STAINLESS STEEL KICK BUCKET	5		Apr-09	220.00	220.00				
90.1242.0022	QB-0198	STAPLES PAPER SHREDDER	5		Apr-09	159.99	159.99				
90.1242.0022	QB-0248	STAPLES PAPER SHREDDER	5		Apr-09	159.99	159.99				
90.1242.0022	QB-0158	STAR X-RAY DEVELOPER/FIXER	5		Apr-09	66.55	66.55				
90.1242.0022	QB	SWITCH 3 WAY: AIR/VAC1/V C AIRDNT2	5		Apr-09	197.00	197.00				
90.1242.0022	QB	TITAN-T ANGLE ADAPTOR	5		Apr-09	168.00	168.00				
90.1242.0022	QB	TITAN-T ANGLE ADAPTOR	5		Apr-09	168.00	168.00				
90.1242.0022	QB	TITAN-T STRAIGHT NOSECOONE ATTACHMENT	5		Apr-09	405.00	405.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				

CHILDREN'S DENTAL SURC
ALL CAPITAL ASSETS
AS OF 03/31/18

ACCT DESCRIPTION	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TUBE KIT, EXTENDED 10 FT CEILING	5		Apr-09	196.00	196.00				
90.1242.0022	QB	TUBE KIT, EXTENDED 10 FT CEILING	5		Apr-09	196.00	196.00				
90.1242.0022	QB	TUBE KIT, EXTENDED 10 FT CEILING	5		Apr-09	196.00	196.00				
90.1242.0022	QB	TUBE KIT, EXTENDED 10 FT CEILING	5		Apr-09	196.00	196.00				
90.1242.0022	QB	TUBULAR BIOHAZARD HAMPER	5		Apr-09	124.99	124.99				
90.1242.0022	QB	TUBULAR BIOHAZARD HAMPER	5		Apr-09	124.99	124.99				
90.1242.0022	QB	TUBULAR BIOHAZARD HAMPER	5		Apr-09	124.99	124.99				
90.1242.0022	QB	TUBULAR SOILED LINEN HAMPER	5		Apr-09	113.76	113.76				
90.1242.0022	QB	TUBULAR SOILED LINEN HAMPER	5		Apr-09	113.76	113.76				
90.1242.0022	QB	VACUUM REGULATOR	5		Apr-09	65.00	65.00				
90.1242.0022	QB	VACUUM REGULATOR	5		Apr-09	65.00	65.00				
90.1242.0022	QB	CHERYL'S OFFICE FURNISHINGS	5		Oct-09	1,837.77	1,837.77				
90.1242.0022	QB	ZEBRA DIRECT WRISTBAND	5		Apr-09	251.13	251.13				
90.1242.0022	QB	FACILITY DESIGNS	5		Nov-09	1,480.68	1,480.68				
90.1242.0022	QB	INFUSION PUMP TABLE	5		Jun-09	4,750.00	4,750.00				
90.1242.0022	3495	CDSC CONCEPT CAMERA IRIS USB 2.0 CAME	1	Active	Jul-15	9,253.50	6,652.49	553.85	2,601.01	2,215.41	6,646.25
90.1242.0022	3496	CDSC ORAL XRAY SYSTEM PHOT X11	3	Active	Jul-15	26,524.70	6,585.93	179.83	17,723.36	5,035.35	2,157.96
90.1242.0022	3497	CDSC DIGITAL SENSOR	5	Active	Jul-15	10,789.92	0.00	142.74	5,754.57	7,279.62	1,712.88
90.1242.0022	3520	CDSC DEFIBILLATOR MEDTRONIC AED	5	Active	May-17	8,564.28	0.00		1,284.66		

FIXED ASSETS - CURRENT VALUE REP \$ 600,746.71 \$ 370,506.00 \$ 121,601.11 \$ 46,116.98
G/L AMOUNT - DETAIL TRIAL BAL \$ 600,746.71 \$ 492,107.29

VARIANCE \$ - \$ (0.18)

EXHIBIT "B"

PROMISSORY NOTE

\$200,000.00

Stockton, California
May 31, 2018

In the installments described below, for value received, the undersigned ("Borrower") promises to pay to Bloss/US Dental, a California general partnership ("Seller"), or its order, at Bloss Memorial Healthcare District, 3605 Hospital Avenue, Atwater, California 95301, or any other place designated in a writing submitted by Seller to Borrower, the principal sum of Two Hundred Thousand Dollars (\$200,000.00), with interest from May 31, 2018, on unpaid principal at the rate of Six Percent (6.0%) per annum. Principal and interest shall be payable in lawful money of the United States of America, and in Thirty-Six (36) monthly installments in the amount of \$1,000.00, representing interest only, the last such payment to come with a balloon payment of \$200,000.00, representing principal. The first payment under the note shall be due June 30, 2018, and the remaining installments on the last day of the month. The full amount of principal and accrued interest shall be paid in full by May 31, 2021.

Whether or not suit is filed, Borrower agrees to pay all reasonable attorneys' fees, costs of collection, costs, and expenses incurred by Seller in connection with the enforcement or collection of this Note. Borrower further agrees to pay all costs of suit and the sum adjudged as attorneys' fees in any action to enforce payment of this Note or any part of it.

Borrower

Dated: May 31, 2018

Dental Surgery Centers of America,
a California corporation

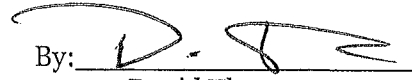
By: 
David Thompson
President/CEO

EXHIBIT "C"

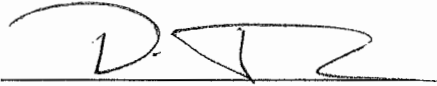
PERSONAL GUARANTY

This Guaranty is given by David Thompson ("Guarantor") to Bloss/US Dental, a California general partnership ("Obligee") to induce Obligee to sell property to and/or extend credit to Dental Surgery Centers of America, a California corporation ("Obligor"), and is dated May 31, 2018.

1. **Obligation Guaranteed.** For valuable consideration, the undersigned Guarantor unconditionally guarantees to Obligee the following obligations of Obligor: the payment of any and all indebtedness of Obligor to Obligee, including but not limited to payment of all sums due, when due (at maturity or upon acceleration) and performance of all obligations of Obligor under the Agreement Of Sale and Promissory Note entered into by Obligor as Buyer/Borrower and Obligee as Seller.
2. **Death, Insolvency, or Bankruptcy.** Guarantor unconditionally guarantees the payment of any and all indebtedness of Obligor to Obligee, including but not limited to payment of all sums due under the Agreement Of Sale and Promissory Note hereinbefore described, whether or not due or payable by Obligor, on (a) the dissolution, insolvency, or business failure of, or any assignment for the benefit of creditors by, or commencement of any bankruptcy, reorganization, arrangement, moratorium, or other debtor relief proceedings by or against, Obligor, or (b) the appointment of a receiver for, or the attachment, restraint of, or making or levying of any court order or legal process affecting the property of Obligor, unconditionally promise to pay this indebtedness to Obligee or order, on demand, in lawful money of the United States.
3. **Extent of Liability.** The liability of Guarantor shall not exceed the sum of \$236,000.00 for principal, plus all interest on the indebtedness or any part thereof.
4. **Capacity and Authority.** If Obligor is a corporation, partnership or other entity, Obligee need not inquire into or verify the powers of Obligor or the authority of those acting or purporting to act on behalf of Obligor, and this Guaranty shall be enforceable with respect to any indebtedness Obligee grants or extends to Obligor in reliance on the purported exercise of those powers or authority.
5. **Effect on Heirs and Assigns.** This guaranty and the liability and obligations of Guarantor under this agreement are binding on Guarantor and his heirs, executors, and assigns, and inure to the benefit of and are enforceable by Obligor and its successors, transferees, and assigns.
6. **Notices.** Any notice given by any party under this Guaranty shall be personally delivered or sent by United States mail, postage prepaid, and addressed to Obligee or Guarantor at their respective addresses for notices indicated in the Agreement for Purchase and Sale of Assets between said parties. Guarantor and Obligee may change the place to which notices are to be sent to them by giving written notice of that change to the other.
7. **Governing Law and Modification.** This Guaranty shall be deemed to be made under, and shall be governed by, the laws of the State of California in all respects, including matters of construction, validity, performance, and enforcement, and its terms and provisions may not be waived, altered, modified, or amended except in writing duly signed by an authorized officer of Obligee and by Guarantor.

8. **Invalidity.** If any provision of this Guaranty contravenes or is held invalid under the laws of any jurisdiction, this Guaranty shall be construed as though it did not contain that provision, and the rights and liabilities of the parties to this agreement shall be construed and enforced accordingly.

“GUARANTOR”

A handwritten signature in black ink, appearing to read 'D. Thompson', written over a horizontal line.

David Thompson

EXHIBIT "C"

PERSONAL GUARANTY

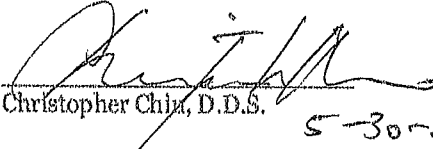
This Guaranty is given by Christopher Chiu, D.D.S. ("Guarantor") to Bloss/US Dental, a California general partnership ("Obligee") to induce Obligee to sell property to and/or extend credit to Dental Surgery Centers of America, a California corporation ("Obligor"), and is dated May 31, 2018.

9. **Obligation Guaranteed.** For valuable consideration, the undersigned Guarantor unconditionally guarantees to Obligee the following obligations of Obligor: the payment of any and all indebtedness of Obligor to Obligee, including but not limited to payment of all sums due, when due (at maturity or upon acceleration) and performance of all obligations of Obligor under the Agreement Of Sale and Promissory Note entered into by Obligor as Buyer/Borrower and Obligee as Seller.
10. **Death, Insolvency, or Bankruptcy.** Guarantor unconditionally guarantees the payment of any and all indebtedness of Obligor to Obligee, including but not limited to payment of all sums due under the Agreement Of Sale and Promissory Note hereinbefore described, whether or not due or payable by Obligor, on (a) the dissolution, insolvency, or business failure of, or any assignment for the benefit of creditors by, or commencement of any bankruptcy, reorganization, arrangement, moratorium, or other debtor relief proceedings by or against, Obligor, or (b) the appointment of a receiver for, or the attachment, restraint of, or making or levying of any court order or legal process affecting the property of Obligor, unconditionally promise to pay this indebtedness to Obligee or order, on demand, in lawful money of the United States.
11. **Extent of Liability.** The liability of Guarantor shall not exceed the sum of \$236,000.00 for principal, plus all interest on the indebtedness or any part thereof.
12. **Capacity and Authority.** If Obligor is a corporation, partnership or other entity, Obligee need not inquire into or verify the powers of Obligor or the authority of those acting or purporting to act on behalf of Obligor, and this Guaranty shall be enforceable with respect to any indebtedness Obligee grants or extends to Obligor in reliance on the purported exercise of those powers or authority.
13. **Effect on Heirs and Assigns.** This guaranty and the liability and obligations of Guarantor under this agreement are binding on Guarantor and his heirs, executors, and assigns, and inure to the benefit of and are enforceable by Obligor and its successors, transferees, and assigns.
14. **Notices.** Any notice given by any party under this Guaranty shall be personally delivered or sent by United States mail, postage prepaid, and addressed to Obligee or Guarantor at their respective addresses for notices indicated in the Agreement for Purchase and Sale of Assets between said parties. Guarantor and Obligee may change the place to which notices are to be sent to them by giving written notice of that change to the other.
15. **Governing Law and Modification.** This Guaranty shall be deemed to be made under, and shall be governed by, the laws of the State of California in all respects, including matters of construction, validity, performance, and enforcement, and its terms and provisions may not be waived, altered, modified, or amended except in writing duly signed by an authorized officer of

Obligee and by Guarantor.

- 16. **Invalidity.** If any provision of this Guaranty contravenes or is held invalid under the laws of any jurisdiction, this Guaranty shall be construed as though it did not contain that provision, and the rights and liabilities of the parties to this agreement shall be construed and enforced accordingly.

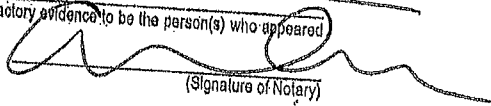
"GUARANTOR"


 Christopher Chia, D.D.S. 5-30-2018

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA COUNTY OF ALAMEDA
 Subscribed and sworn to (or affirmed) before me on this 30 day of MAY
2018 by CHRISTOPHER CHIA

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.


 (Signature of Notary)

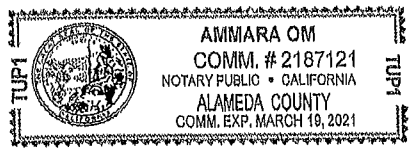


EXHIBIT "C"

PERSONAL GUARANTY

This Guaranty is given by Walter Sorensen ("Guarantor") to Bloss/US Dental, a California general partnership ("Obligee") to induce Obligee to sell property to and/or extend credit to Dental Surgery Centers of America, a California corporation ("Obligor"), and is dated May 31, 2018.

17. **Obligation Guaranteed.** For valuable consideration, the undersigned Guarantor unconditionally guarantees to Obligee the following obligations of Obligor: the payment of any and all indebtedness of Obligor to Obligee, including but not limited to payment of all sums due, when due (at maturity or upon acceleration) and performance of all obligations of Obligor under the Agreement Of Sale and Promissory Note entered into by Obligor as Buyer/Borrower and Obligee as Seller.
18. **Death, Insolvency, or Bankruptcy.** Guarantor unconditionally guarantees the payment of any and all indebtedness of Obligor to Obligee, including but not limited to payment of all sums due under the Agreement Of Sale and Promissory Note hereinbefore described, whether or not due or payable by Obligor, on (a) the dissolution, insolvency, or business failure of, or any assignment for the benefit of creditors by, or commencement of any bankruptcy, reorganization, arrangement, moratorium, or other debtor relief proceedings by or against, Obligor, or (b) the appointment of a receiver for, or the attachment, restraint of, or making or levying of any court order or legal process affecting the property of Obligor, unconditionally promise to pay this indebtedness to Obligee or order, on demand, in lawful money of the United States.
19. **Extent of Liability.** The liability of Guarantor shall not exceed the sum of \$236,000.00 for principal, plus all interest on the indebtedness or any part thereof.
20. **Capacity and Authority.** If Obligor is a corporation, partnership or other entity, Obligee need not inquire into or verify the powers of Obligor or the authority of those acting or purporting to act on behalf of Obligor, and this Guaranty shall be enforceable with respect to any indebtedness Obligee grants or extends to Obligor in reliance on the purported exercise of those powers or authority.
21. **Effect on Heirs and Assigns.** This guaranty and the liability and obligations of Guarantor under this agreement are binding on Guarantor and his heirs, executors, and assigns, and inure to the benefit of and are enforceable by Obligor and its successors, transferees, and assigns.
22. **Notices.** Any notice given by any party under this Guaranty shall be personally delivered or sent by United States mail, postage prepaid, and addressed to Obligee or Guarantor at their respective addresses for notices indicated in the Agreement for Purchase and Sale of Assets between said parties. Guarantor and Obligee may change the place to which notices are to be sent to them by giving written notice of that change to the other.
23. **Governing Law and Modification.** This Guaranty shall be deemed to be made under, and shall be governed by, the laws of the State of California in all respects, including matters of construction, validity, performance, and enforcement, and its terms and provisions may not be waived, altered, modified, or amended except in writing duly signed by an authorized officer of Obligee and by Guarantor.

24. **Invalidity.** If any provision of this Guaranty contravenes or is held invalid under the laws of any jurisdiction, this Guaranty shall be construed as though it did not contain that provision, and the rights and liabilities of the parties to this agreement shall be construed and enforced accordingly.

"GUARANTOR"


Walter Schenken - MANAGING MEMBER
ODINSEN LLC.

(SEE ATTACHED)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189



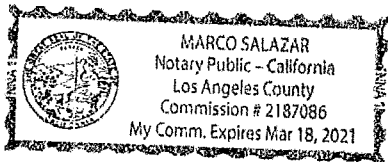
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of LOS ANGELES)
On MAY 30, 2018 before me, MARCO SALAZAR, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared WALTER SORENSEN
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: PERSONAL GUARANTY
Document Date: 05/30/18 Number of Pages: 26
Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer -- Title(s): _____
 Partner -- Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer -- Title(s): _____
 Partner -- Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

COMMERCIAL SUBLEASE AGREEMENT

Bloss Memorial Healthcare District, a public entity, herein called "Lessor", and Dental Surgery Centers of America, a California Corporation, herein called "Lessee", agree as follows:

1. **PROPERTY:** LANDLORD RENTS TO Tenant and Tenant rents from Landlord, the real property and improvements, described as premises at 145 S. Newmark Avenue, Parlier, California, 7,878 square feet ("Premises").
2. **TERM:** The term begins on February 1, 2019 ("Commencement Date" and shall terminate on July 31, 2023 at 12:00 pm. See attached Addendum Exhibit A.
3. **BASE RENT:** Tenant agrees to pay Base Rent at the rate of, see attached Exhibit A.
4. **RENT:** Definition ("Rent") shall mean all monetary obligations of Tenant to Landlord under terms of this agreement, except security deposit. Rent shall be paid to Bloss Memorial Healthcare District at 3608 Hospital Road, Suite F, Atwater, CA 95301, or at any other location specified by Landlord in writing to Tenant. Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.
5. **EARLY POSSESSION:** Tenant is entitled to possession of the Premises on February 1, 2019.
6. **PAYMENTS:** See attached Exhibit A.
7. **PARKING:** Tenant is entitled to per Master Lease unreserved and reserved vehicle parking. "The right to parking is included in the Base Rent charged pursuant to paragraph 3. Parking space(s) are to be used for parking operable motor vehicles, except for trailer, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.
8. **ADDITIONAL STORAGE:** Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.
9. **LATE CHARGE; INTEREST; NSF CHECKS:** Tenant acknowledges that either late payments of Rent or, issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount or which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within **5 calendar days** after due date, or if a check is returned NSF, Tenant shall pay to Landlord, respectively \$50.00 as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

Landlord's Initials EB

Tenant's Initials DA

10. **CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: Generator and Medvac to be installed by Lessor prior to Lessee's opening – see attached Exhibit A.
11. **ZONING AND LAND USE:** Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.
12. **TENANT OPERATING EXPENSES:** Tenant agrees to pay for all utilities and services directly billed to Tenant. See attached Exhibit A.
13. **PROPERTY OPERATING EXPENSES:** Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total footage of the rentable space in the entire property. See attached Exhibit A.
14. **USE:** The Premises are for the sole use as dental surgery center. No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.
15. **RULES/REGULATIONS:** Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purpose, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premise.
16. **MAINTENANCE:** Tenant shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing, gardening and water systems if any, and keep glass, windows, and doors in operable and safe condition. If Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.
17. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
18. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
19. **ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that a 24 hour's notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
20. **SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises within the 90 day period preceding the termination of the agreement. See attached Exhibit A.

Landlord's Initials

Tenant's Initials

21. **SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assigned, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
22. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common area; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 10; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) all improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.
23. **BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 22. Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
24. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises. If total or partial destruction or damage occurs as a result of an act of Tenant or tenant's guests, (i) only Landlord shall have the right, at Landlord's sole discretion, within 30 days after such total or partial destruction or damage to treat the lease as terminated by Tenant, and (ii) Landlord shall have the right to recover damages from Tenant.

Landlord's Initials ()

Tenant's Initials

25. **HAZARDOUS MATERIALS;** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
26. **CONDEMNATION;** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
27. **INSURANCE;** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry (i) liability insurance in an amount of not less than \$1,000,000. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.
28. **SUBORDINATION;** This agreement shall be subordinate to all existing liens and, at Landlord's option the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement. Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgage, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground deed, or the date of recording in accordance with Master Lease.
29. **TENANT REPRESENTATIONS; CREDIT;** Tenant warrants that all state statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain tenant's credit report at the time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.
30. **CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS;** Landlord states that Premises has been inspected by a Certified Access Specialist. If so, Landlord states that the Premises has been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.
31. **DISPUTE RESOLUTION;**
 A. **MEDIATION;** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 31B(2) below. Paragraphs 35B (2) and (3) apply whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an

Landlord's Initials () ()

Tenant's Initials

action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.**

B. ARBITRATION OF DISPUTES: (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 35B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §12833.05.

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from Mediation and Arbitration hereunder; (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A

COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVER AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Landlord's Initials / _____ Tenant's Initials /

Landlord's Initials / _____

Tenant's Initials /

32. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall individually and completely responsible for the performance of all obligations of Tenant under this Agreement, jointly with every other tenant, and individually, whether or not in possession.
33. **NOTICE:** Notices may be served by mail, facsimile, or courier at hate following address or location, or at any other location, or at any other location subsequently designated:

Landlord: Bloss Memorial Healthcare District
 3605 Hospital Road, Suite F
 Atwater, CA 95301-5173

Tenant: Dental Surgery Centers of America
 1523 E. March Lane, Suite A
 Stockton, CA 95210

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of notice; or (iii) 5 days after mailing notice to such location by first class mail, postage pre-paid.

34. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.
35. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.
36. **OTHER TERMS AND CONDITIONS:** See attachments A and B.
 The following ATTACHED supplements/exhibits are incorporated in this agreement, A and B.
37. **ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 32A.
38. **ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evident whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

Tenant: Dental Surgery Centers of America (DSCA)

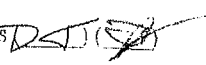
By: 
 David Thompson, for Dental Surgery Centers of America

Date 01/15/2019

Address _____ City _____ State _____ Zip _____

GUARANTEE: In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledge, the undersigned ("Guarantor") does hereby (i) guarantee unconditionally to Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Landlord's Initials 

Tenant's Initials 

Guarantor: David Thompson

Guarantor  Date 01/15/2019
Address 30029 Gooseberry Ln City Prather State CA Zip 93651
Telephone _____ Fax _____ E-mail _____

Guarantor: Christopher Chiu, DDS

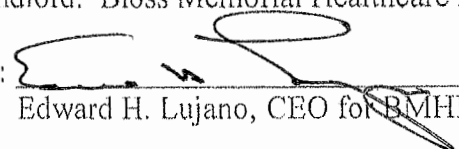
Guarantor _____ Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____

Guarantor: Walter Sorenson

Guarantor  Date 1/15/2019
Address 3258 Country Club Dr City Long Beach State CA Zip 90807
Telephone _____ Fax _____ E-mail _____

Landlord agrees to rent the Premises on the above terms and conditions.

Landlord: Bloss Memorial Healthcare District (BMHD)

By:  Date 1.31.19
Edward H. Lujano, CEO for BMHD

Address _____ City _____ State _____ Zip _____

EXHIBIT A TO COMMERCIAL SUBLEASE AGREEMENT

Bloss Memorial Healthcare District, a public entity, herein (hereafter Sublessor or Landlord) and Dental Surgery Centers of America, Inc. (hereafter Sublessee or Tenant) hereby agree as follows:

1. That the parties acknowledge and agree that this Sublease is for premises located in Parlier, California currently leased by Bloss Memorial Healthcare District pursuant to a lease executed by Bloss with the owner and Lessor of said property, M-D Ventures, 1805 8th Street, Reedley, California on or about August 1, 2006 and terminating July 31, 2023, Exhibit B to this sublease (Master Lease). Each of the parties hereto acknowledge they have read and understand the terms and conditions of said Master Lease and that this sublease is subject to the terms and conditions of the Master Lease.
2. Term: The parties understand and agree that the term of this sublease shall terminate on July 31, 2023, and Tenant shall have no right to hold over and must negotiate a new lease with M-D Ventures, or its successor in interest, should Tenant wish to continue occupying the leased premises.
3. Rent: This sublease shall commence on February 1, 2019 and Tenant shall have the right of occupancy as of that date. However, the parties further agree that no rent shall be due from Tenant to Landlord for a period of four months, until June 1, 2019 at which time rent shall be payable as follows:

June and July 2019 Nine thousand, five hundred fifty one dollars (\$9,551.00) per month.

August 2019 through July 31, 2020 Nine thousand five hundred ninety nine dollars (9,599.00) per month.

August 2020 through July 31, 2021 Nine thousand six hundred forty seven dollars (9,647.00) per month.

August 2021 through July 31, 2022 Nine thousand six hundred ninety five dollars (9,695.00) per month.


August 2022 through July 31, 2023 Nine thousand seven hundred forty four dollars (\$9,744.00) per month.

4. In addition to rent, commencing June 1, 2019, Tenant shall, in addition to rent, pay for all utilities, real property and personal property taxes, building maintenance, alarm, phone, bio hazard disposal, technology, lawn or yard maintenance. Tenant acknowledges that it has been

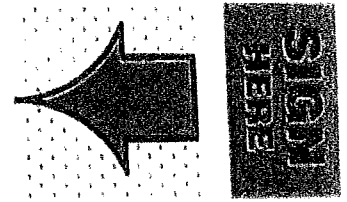
furnished with historical data regarding said costs and expenses, and Landlord shall promptly forward any bills or invoices for said services in connection with its lease with M-D Ventures, and tenant agrees to pay said costs directly to M-D Ventures or other suppliers.

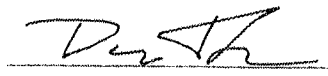
5. Tenant has inspected the premises and agrees that the premises are suitable for occupancy as a dental surgery center, except Landlord shall install a generator at the premises prior to commencement of Tenant's starting actual operations as a dental surgery center. Said generator shall remain the property of Landlord and at the termination of this sublease, tenant shall purchase said generator from Landlord if tenant wishes to continue occupancy of the premises, or landlord shall have the right to remove the generator from the premises or otherwise dispose of said generator. During the term of the sublease, tenant shall maintain said generator and pay all costs incurred therefor.
6. Landlord is not responsible for any equipment, furnishings or remodeling other than what is situated at the premises. Tenant shall be solely responsible for whatever additional improvements or equipment may be required for licensure as a Dental Surgical Center.

The terms and conditions of this Exhibit shall be attached and incorporated and made a part of the Sublease Agreement of the parties.

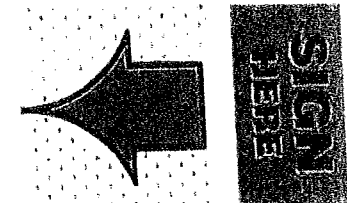

Bloss Memorial Healthcare District
Edward H. Lujano
Chief Executive Officer

1-31-19
Date



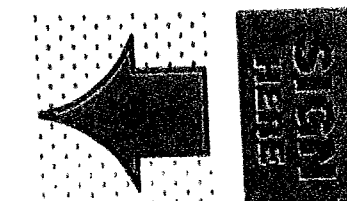

Dental Surgery Centers of America
David Thompson, President / CEO

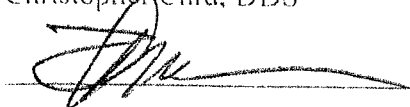
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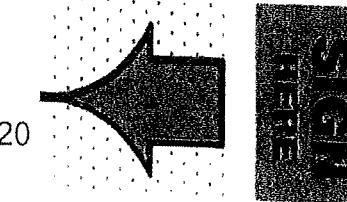
Guarantee
Christopher Chiu, DDS

Date




Guarantee
Walter Sorensen

1/15/2019
Date

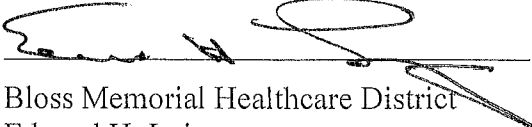


7/23/2020

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