
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: June 25, 2019

Phone: (209) 724-4102

Fax: (209) 722-9020

Bloss Memorial Healthcare District will hold a **Board of Directors** meeting on Thursday, June 27, 2019 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)
 BOARD OF DIRECTORS MEETING
 BOARD ROOM
 Thursday, June 27, 2019
 2:00 pm**

AGENDA FOR PUBLIC SESSION

I. CALL TO ORDER

II. ROLL CALL

ACTION

EXHIBIT

III. APPROVAL OF AGENDA

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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. Ratification of May 30, 2019 Board of Directors Meeting

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1

VI. FINANCIAL REPORT

A. Ratification of May 30, 2019 Finance Committee Minutes

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2

C. Ratification of May Payroll, Electronic Payments & Check Register

*

3

VII. CHIEF EXECUTIVE OFFICER REPORT

VIII. NEW BUSINESS

A. Quotes for Renewal of Commercial Property Insurance

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4

B. Ratification of Dental Surgery Centers of America Note

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5

C. Approval of FY 2020 Budget

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6

X. 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 2019.
 Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of Litigation.
 Section 1461 of the Health and Safety Code – Quality Management.
 Section 54957 Personnel Actions.

XI. NEXT MEETING DATE

XII. 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.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, May 30, 2019
2:00 pm**

CALL TO ORDER

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

ROLL CALL

Board Members Present: Zone 1 Vacant; Kory Billings, Chair, Zone 2; 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; Ralph Temple, Jr., Legal Counsel; Michael Muhareb, LPL Financial; Vince Mastro, LPL Financial; David Thompson, DSCA and Peter Mojarras, CFHC COO @ 2:10 pm

Absent: Glenn Arnold, Vice Chair, Zone 3

APPROVAL OF AGENDA

Kory Billings requested to move IX NEW BUSINSS, A. Annual LPL Financial Report immediately after PUBLIC COMMENTS.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept the April 235, 2019 agenda with changes. Motion carried.

PUBLIC COMMENTS

None.

NEW BUSINESS A. Annual LPL Financial Report.

Michael Muhareb, CFP thanked the Board for having him and Vince Mastro, CLU attend the meeting.

An overview of the investment accounts was provided and reviewed.

APPROVAL OF MINUTES

A. April 25 Board of Directors Meeting, Exhibit 1

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept and approve the April 25, 2019 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.

FINANCIAL REPORT

A. April 25, 2019 Finance Committee Meeting Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept and approve the April 25, 2019 Finance Committee Meeting minutes as presented. Exhibit 2. Motion carried.

B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle, CFO, reported for April 2019, BMHD had a net gain before depreciation of \$632,795 and a net gain after depreciation of \$575,765. This profit is due to the Bloss Trust that was received in the amount of \$549,685.

She spoke to Attorney Eric Tetrault regarding the Bloss Trust with Wells Fargo Bank. He laid out a timeline for Wells Fargo. Wells Fargo is going to go back and review the Bloss Trust. Ralph Temple, Legal Counsel, commented that the issue is whether BMHD is a 501(c) (3) and Wells Fargo Bank felt that BMHD no longer qualified and this is what appears on the IRS registry. There is a whole other section of public entities and even if BMHD was not part of a 501(c) (3), he is still saying that BMHD is still non-profit pursuant to another IRS Code Section. Ralph Temple, Legal Counsel has asked Attorney Eric Tetrault to consider at least going back to the IRS and see if BMHD could get a letter.

Sierra Kings recorded \$24,453 in expenses and Operating Cash Balance was at \$1,228,596. Days of Cash on Hand decreased to 297 days, due to the \$1M contributed to the investment. This also excludes \$491,475 payable to DSCA.

\$129,000 was paid toward the roof, which is on the cash disbursement and there is a final payment that is left on the roof, which will be paid after the final inspection.

C. April 2019 Payroll, Electronic Payments and Check Register, Exhibit 4

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the April 2019 Payroll in the amount \$10,077.78 and Accounts Payable in the amount of \$1,722,834.48 for a total Disbursement of \$1,732,912.26, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

Edward Lujano, CEO, reported that he had attended the California Special Districts Association on May 4, 2019. This was informational with discussion on the possibility of forming a Merced Special Districts Chapter. Other Districts in the county were also in attendance. LAFCO was also in attendance promoting their services.

Alliant, current carrier of the property insurance has decided not to renew our policy after this year. They are concerned about the loss from the roof, although there was no expense and we're getting reimbursed. The age of the facilities was also brought up. BMDH is currently out to bid for property insurance. This item will be put on the agenda for the June 24, 2019 board meeting.

Edward Lujano distributed a print out of the roof of the Castle facility. The air handlers on the roof are highlighted. He has asked Rick Ramirez to look at the cost, on a gradual basis, of replacing the handlers with air conditioning units. The cooling tower sends air everywhere, and it is not controlled as some areas of the facility are hot and others are freezing. It is not cost effective to continue running it the way it is.

The generator was installed at the Parlier site the first week of May and the MedVac system has been ordered and will be installed by the middle of June.

The board will meet on Monday, June 24, 2019 for a Strategic meeting followed by the Board meeting.

OLD BUSINESS / REPORTS

A. Castle Family Health Centers, Inc Report, Exhibit 5

Peter Mojarras reported that a dentist was recruited from Fremont and another will be relocating to Atwater. Some providers will be shifted around for better coverage and support needed for Midlevels.

CFHC has been building and strengthening with Dignity Health. It's become a competitive market with hospitals. Fresno Community Medical Regional Centers are interested in having a presence in this market and Valley Children's Hospital will also be meeting with CFHC tomorrow. This would allow CFHC to establish relationships with specialists. Rather than sending people off to Stanford and UCSF they can be sent to Fresno, which is closer. Some of these specialist may also be able to come to CFHC once a month.

CFHC is also moving forward with establishing relationships with 3 school districts. There has been a big push to establish school based clinics on the campus grounds, it's for access and establishes care for students and the school community.

The mobile unit is still going out to the community. It offers services to the homeless in Turlock, which will continue through October 2019 and UCSF physicians are working on this.

Reminder, flu season will be here soon; CFHC is working with incidents of measles. The next provider meeting will have guest speaker from the county.

B. Bloss Board Member Report

Kory Billings reported that Glenn Arnold has passed away and there is a vacant position created by the passing. The position for Zone 3 is vacant and we'll move forward with the legal requirements to report that to the County. The two vacant positions will be discussed at the board retreat.

With no objection Mr. Arnold was sitting on the Finance Committee, and Kory Billings was the alternate backup and he will step in for the Finance committee.

C. Roof Update

Edward Lujano reported that the roof is 90% completed at the Castle site.

Also, 90% of the damage repairs have been completed.

NEW BUSINESS

A. Annual LPL Financial Report

Moved under Public Comments.

B. Approval of Amended Administrative Services Agreement for Dental Surgery Centers of America (DSCA), Exhibit 6

Kory Billings presented the amended administrative serviced agreement for DSCA.

The change made was on page 6, Section 9. Personnel, it stated that, *Bloss shall, at all times, be the sole employer and supervisor of the Professionals.* This was amended to say *Bloss shall, at all times, be the Management Company.*

A motion was made/seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the verbiage change to state *Bloss shall, at all times, be the Management Company* on the Amended Administrative Services Agreement for Dental Surgery Centers of America. And for Edward Lujano, CEO, to execute the Amended Administrative Services Agreement for Dental Surgery Centers of America on behalf of the Board of Directors, Exhibit 6. Motion carried.

C. Request for Loan from Dental Surgery Centers of America, Exhibit 7

Edward Lujano presented a request from DSCA asking if BMHD would be interested in earing 6.5% over 36 months for an \$80,000 loan in relation to purchasing equipment for the Parlier facility.

David Thompson reported that this would be for the dental component, not for the medical equipment. The list consists of hand pieces, digital sensors, x-ray units, etc. The vendors typically have a finance package available and it is the same offer as Patterson has basically back to BMHD in terms of financing equipment. It is short term and fully amortized with interest and principal payments.

Ralph Temple, Legal Counsel, asked if the loan is for a certain amount of dollars, at a certain percentage amortized over three years. David Thompson confirmed that it is.

Ralph Temple, Legal Counsel, stated that BMHD already has a note with DSCA for a substantial amount of money. He is recommending that the note be secured with equipment along with Uniform Commercial Code (UCC) Filings as its personal property that is securing the obligation.

Dawnita Castle, CFO, commented that BMHD can do the loan and as far as the payments on the interest that we have now, David Thompson has been paying ahead of time. He is 2 months in advance.

David Thomson stated that he and BMHD have had a long relationship of doing business together. He also has a \$2M dollar life insurance policy payable to the corporation, should anything happen to him the company would have the money to pay off the debt.

David Thompson will have the appropriate paperwork drawn up for the loan and UCC Filings.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) asking that the borrower provide a note with the terms and conditions of \$80,000 at 6.5% for 3 years and legal filing fees to be taken care of within the paperwork, Exhibit 7. Motion carried.

D. CFHC Request for 2000 & 2006 Trucks as Trade In, Exhibit 8

Edward Lujano reported that the equipment that was given to CFHC in 2010 when they separated from BMDH included 2 trucks that were part of the inventory. A 2000 Ford Ranger and a 2006 Chevy Silverado. The Chevy no longer works and the 2000 has over 200,000 miles on it. CFHC has been paying for the maintenance and upkeep of these two trucks, with no cost to BMHD outside of time maintenance goes back and forth.

The request is to dispose of these 2 trucks as they belong to BMHD. The truck is used predominately for BMHD activities through the maintenance department to transport between the facilities. The ownership of a new truck should be BMHD and for the use of CFHC for those activities.

CFHC will be purchasing a utility van for business and transporting between the centers.

It was recommended that CFHC purchase a used pickup truck and allow BMHD to use it for BMHD activities.

Should CFHC purchase a new vehicle that BMHD would be allowed to use it and BMHD would agree to share in the expenses for that vehicle.

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to donate the 2000 Ford Ranger and the 2006 Chery Silverado to CFHC, and authorize staff to execute whatever documents are necessary to accomplish that. This donation is based on the fact that there will be an understanding that BMHD will share in the upkeep or cost for the new vehicle to be purchased by CFHC, Exhibit 8. Motion carried.

AGENDA FOR CLOSED SESSION

Section 54954.5(c); 54956.9 Conference with Legal Counsel for Initiation of Litigation - A brief update about litigation of Lemas vs CDSC.

NEXT MEETING DATE

The next Board of Directors Meeting will be held on Monday, June 24, 2019 at 1:30 p.m. in the Board Room.

The Finance Committee will also meet on Monday, June 24, 2019 at 1:00 p.m. in the Board Room.

ADJOURNMENT

As there was no further business, the meeting adjourned into Closed Session at 3:25 pm.

The meeting reconvened into public session at 3:33 pm. No action taken.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, May 30, 2019
1:30 p.m.**

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

Others Present: None

Absent: Glenn Arnold, Committee Member

CALL TO ORDER

Alfonse Peterson, Committee Chair, called the meeting to order at 1:30 p.m. in the Board Room.

APPROVAL OF AGENDA

A motion was made/seconded, (Edward Lujano / Kory Billings) to approve the May 30, 2019 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. April 25, 2019 Finance Committee Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept the April 25, 2019 Finance Committee Minutes as presented, Exhibit 1. Motion carried.

REVIEW OF DISTRICT FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle, CFO, report that BMHD had a net gain before depreciation of \$632,795 for April 2019 and a net gain after depreciation of \$575,765. Recorded in Non-Operating Revenue is the Bloss Trust in the amount of \$549,685.

The operating cash balance was \$1,228,596 and the Days on Hand decreased to 29 days. This was due to the \$1M investment with LPL, it is not reflected on this stateemtn as it was issued at the end of April. However, it did increase GL. Cash on Hand also excluded an amount on the Balance Sheet of \$491,475 that was payable to DSCA.

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

SKDSC FINANCIAL REPORT, EXHIBIT 3

Dawnita Castle reported that SKDSC had expenses in the amount of \$24,453 for April 2019.

Other purchase had Tri-Signal Integration, Inc for \$1,360 for the fire alarm install, programming and testing.

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

WARRANTS AND PAYROLL

A. April 2018 Payroll, Electronic Payments & Check Register, Exhibit 4

Dawnita Castle, CFO, pointed out that a check in the amount of \$500,000 was made out to Bloss Memorial Healthcare District. This was for the \$500,000 that was invested in BBVA Compass. Cooling Roofing Systems was also paid \$129,000 and two LPL Financial Investment accounts totaling \$500,000.

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the April 2019 Total Payroll in the amount \$10,077.78 and Total Accounts Payable in the amount of \$1,722,834.48 for a total Grand Total Disbursement of \$1,732,912.26, Exhibit 4. Motion carried.

DISCUSSION

A Strategic Planning meeting will be held on Monday, June 24, 2019.

Edward Lujano commented that there are 2 trucks that BMHD had, of which one is no longer working. The truck is used by CFHC maintenance to transport items between facilities. Would CFHC put in a request to BMHDD to purchase another truck for the BMHD activities as they handle the maintenance of the two facilities? Or would BMHD consider purchasing a truck, although CFHC will have the driver. CFHC has been paying for all vehicle maintenance, gas, licenses and tags.

It was recommended that CFHC put in a request for the purchase of a vehicle and BMHD will give a grant for the purchase of the vehicles, with a stipulation that it has to have a BMJD logo on it along with a CFHC logo.

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 Monday, June 24, 2019 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:45 p.m.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

**MAY PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER**

Bloss Memorial Healthcare District
 Payroll, Accounts Payable and Funds Disbursements - Summary
 Month of May-19

Payroll			\$36,362.96
Total Payroll			<u><u>\$36,362.96</u></u>

Accounts Payable:

A/P Checks	Bloss	\$214,651.11	\$214,651.11
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BLOSS

Auto Debits		\$94.10	
Electronic Payments to Payroll for Hosting Fee		\$0.00	
Electronic Payments to DSCA		\$491,475.67	
Total Auto Debits and Electronic Transfers		<u><u>\$491,569.77</u></u>	<u>\$491,569.77</u>

Electronic Payments - ACH		<u><u>\$0.00</u></u>	<u>\$0.00</u>
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Total Accounts Payable			<u><u>\$706,220.88</u></u>
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Grand Total Disbursements			<u><u>\$742,583.84</u></u>
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BLOSS	Payroll Disbursements for		May-19
	Payroll dated		
Earnings	05/05/19	05/20/19	Total
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,541.67	4,541.67	9,083.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	4,541.67	4,541.67	9,083.34
			-
Deductions			-
FICA (+)	347.43	347.43	694.86
Insurance (-)	-	-	-
Emp Deduction(-)/Reimb(+)	-	26,397.18	26,397.18
Christmas Fund (-)	-	-	-
Process Fee (+)	93.79	93.79	187.58
			-
Total	441.22	26,838.40	27,279.62
			-
			-
Net Payroll	\$ 4,982.89	\$ 31,380.07	36,362.96

RUN DATE: 06/03/19
 RUN TIME: 1527
 RUN USER: COOKS

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

C
 FROM 05/01/19 TO 05/31/19

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
05/03/19	038363	B0016	GUARDCO SECURITY SERVICES	ISSUED	05/03/19	12244.68	
05/03/19	038364	B0225	HOFFMAN SECURITY	ISSUED	05/03/19	577.90	
05/03/19	038365	K0159	JOHNSON AIR	ISSUED	05/03/19	100.00	
05/03/19	038366	B0125	JWT & ASSOCIATES, LLP	ISSUED	05/03/19	5890.00	
05/03/19	038367	K0003	M-D VENTURES	ISSUED	05/03/19	19102.14	
05/03/19	038368	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	05/03/19	2368.79	
05/03/19	038369	B0004	MIT PLUMBING	ISSUED	05/03/19	96.31	
05/03/19	038370	B0212	JAVIER L MENDOZA	ISSUED	05/03/19	2775.00	
			REMITTED TO: NATURAL GARDENS				
05/03/19	038371	B0018	PG&E (0665563335-9)	ISSUED	05/03/19	54.20	
05/03/19	038372	B0021	PG&E (1384254881-3)	ISSUED	05/03/19	216.56	
05/03/19	038373	B0019	PG&E (1832229927-4)	ISSUED	05/03/19	27.42	
05/03/19	038374	B0020	PG&E (1873896591-4)	ISSUED	05/03/19	183.45	
05/03/19	038375	K0044	PG&E (8300477674-2)	ISSUED	05/03/19	737.00	
05/03/19	038376	B0056	CARDMEMBER SERVICE-XXXXXXXXXX9140	ISSUED	05/03/19	529.75	
05/10/19	038377	K0157	TRI POWER SYSTEMS	ISSUED	05/10/19	47927.94	
05/10/19	038378	B0107	BAKER MANOCK & JENSEN	ISSUED	05/10/19	151.50	
05/10/19	038379	B0241	HIGGS, FLETCHER & MACK LLP	ISSUED	05/10/19	2697.50	
05/10/19	038380	K0034	JOE S RODRIGUEZ	ISSUED	05/10/19	375.00	
05/10/19	038381	B0177	MERCED COUNTY REGISTRAR OF VOTERS	ISSUED	05/10/19	14.00	
05/10/19	038382	B0218	JOHN P. NIEMOTKA	ISSUED	05/10/19	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
05/10/19	038383	B0018	PG&E (0665563335-9)	ISSUED	05/10/19	6.75	
05/10/19	038384	B0021	PG&E (1384254881-3)	ISSUED	05/10/19	91.28	
05/10/19	038385	B0019	PG&E (1832229927-4)	ISSUED	05/10/19	3.21	
05/10/19	038386	B0020	PG&E (1873896591-4)	ISSUED	05/10/19	78.09	
05/10/19	038387	B0014	PG&E (4705482162-5)	ISSUED	05/10/19	3777.81	
05/10/19	038388	B0042	RALPH TEMPLE	ISSUED	05/10/19	3825.00	
05/10/19	038389	K0071	TRI-SIGNAL INTEGRATION, INC	ISSUED	05/10/19	615.00	
05/10/19	038390	B0013	WEST COAST GAS CO, INC.	ISSUED	05/10/19	701.97	
05/10/19	038391	B0015	WINTON, WATER & SANITARY DISTRICT	ISSUED	05/10/19	72.80	
05/17/19	038392	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	05/17/19	69986.28	
05/17/19	038393	B0027	CITY OF ATWATER (010448-000)	ISSUED	05/17/19	869.92	
05/17/19	038394	B0134	CITY OF ATWATER (020161-000)	ISSUED	05/17/19	654.34	
05/17/19	038395	K0035	CITY OF PARLIER	ISSUED	05/17/19	163.51	
05/17/19	038396	B0132	CLARK PEST CONTROL	ISSUED	05/17/19	779.00	
05/17/19	038397	B0025	MERCED IRRIGATION DISTRICT	ISSUED	05/17/19	259.35	
05/17/19	038398	B0026	MERCED IRRIGATION DISTRICT	ISSUED	05/17/19	16390.42	
05/17/19	038399	B0212	JAVIER L MENDOZA	ISSUED	05/17/19	1206.00	
			REMITTED TO: NATURAL GARDENS				
05/17/19	038400	K0057	SOCAL GAS (090 828 6930 7)	ISSUED	05/17/19	73.33	
05/23/19	038401	B0133	MERCED/MODESTO COMMERCIAL SWEEPERS	ISSUED	05/23/19	240.00	
05/23/19	038402	K0071	TRI-SIGNAL INTEGRATION, INC	ISSUED	05/23/19	444.00	
05/31/19	038403	B0207	ALLIANT INSURANCE SERVICES, INC.	ISSUED	05/31/19	1729.00	
05/31/19	038404	B0099	EMPLOYMENT DEVELOPMENT DEPT	ISSUED	05/31/19	12767.01	
05/31/19	038405	B0225	HOFFMAN SECURITY	ISSUED	05/31/19	672.90	
05/31/19	038406	B0212	JAVIER L MENDOZA	ISSUED	05/31/19	2775.00	
			REMITTED TO: NATURAL GARDENS				

RUN DATE: 06/03/19
RUN TIME: 1527
RUN USER: COOKS

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

C
FROM 05/01/19 TO 05/31/19

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
					TOTAL \$	214651.11	

Bloss Memorial Healthcare District
May-19

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss	94.10
Total	<u>94.10</u>

Electronic Payments to Payroll for Hosting Fee	0.00
Electronic Payment to DSCA	491,475.67
Electronic Transfer to LAIF	0.00
Total	<u>491,475.67</u>

Grand Total	<u>491,569.77</u>
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QUOTES FOR RENEWAL OF
COMMERCIAL PROPERTY INSURANCE

Leap/Carpenter/Kemp – see attached

Zurich – see attached

LEAP/CARPENTER/KEMP

Sabrina Cooksey

From: Michael Carpenter <mcarpenter@lckinsurance.com>
Sent: Tuesday, June 25, 2019 2:44 PM
To: Sabrina Cooksey
Subject: Bloss Proposal

Sabrina, sorry for the tardiness of this information. The annual premium for the Bloss program with a \$10,000 deductible is \$31,718. Please let me know if you have any other questions. Mike Carpenter

From: Sabrina Cooksey <CookseyS@CFHCINC.ORG>
Sent: Tuesday, June 25, 2019 8:41 AM
To: Michael Carpenter <mcarpenter@lckinsurance.com>
Subject: Bloss Proposal

Hi Mike,

Our board will need to review the new proposal with the \$10,000 deductible. Is there any chance you can provide this to me this morning? This will allow us a day for delivery and review. Our Board meeting is this Thursday to make a final decision.

Thanks
Sabrina Cooksey
Human Resource Officer
3605 Hospital Road
Atwater, Ca 95301
Telephone: 209 381-2000 ext 7005
Fax: 209 384-2341

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Ed Lujano

From: Michael Carpenter <mcarpenter@lckinsurance.com>
Sent: Thursday, June 20, 2019 9:43 AM
To: Sabrina Cooksey
Cc: Ed Lujano
Subject: Commercial Insurance Quote - Bloss Memorial Healthcare District
Attachments: Bloss Memorial Healthcare District.pdf

Good morning Sabrina and Ed. Attached is our Commercial Property and General Liability proposal for Bloss Memorial Healthcare District. Coverage is offered by Travelers Insurance for the period of 7/1/19 to 7/1/20. The attached coverage summary outlines the coverages and limits that we previously discussed. Please look it over and let me know if any changes need to be made.

The Travelers quote includes a \$2,500 property deductible. I believe your current program includes a \$10,000 deductible. We have asked the Travelers underwriter to give us an indication of what the annual premium savings would be if the deductible was increased to \$10,000. I will pass that information along to you as soon as we receive it.

If there is a decision to move forward with the Travelers program, they require that we provide a copy of the current annual fire sprinkler "main drain test" certification for each location. They will also require documentation of any claims history (loss run) from the current carrier. I can help you obtain this information.

Please let me know if you have any questions. I am happy to talk by phone or meet in person to review the proposal. Thank you, Mike Carpenter

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INSURANCE PROPOSAL



Prepared for:

Bloss memorial Healthcare District

Presented by:

Michael J. Carpenter



License #0646081

LOCATION SCHEDULE

LOCATION	ADDRESS	BUILDING USE OR OCCUPANCY
Loc # 1	3605 Hospital Road Atwater, CA 95301	
Loc # 2	1251 Grove Street Atwater, CA 95301	
Loc # 3	145 Newmark Avenue Parlier, CA 93648	

COMMERCIAL PROPERTY LIMITS

COMPANY	EFFECTIVE DATE	EXPIRATION DATE
Travelers	07/01/19	07/01/20

Coverage Detail

LIMITS	PROPERTY DESCRIPTION	DEDUCTIBLE	CO-INS	VALUE	CAUSES OF LOSS
Location Number: 001 - 3605 Hospital Road, Atwater, CA 95301					
\$24,000,000	Building	\$2,500	90%	R/C	Special Form
\$500,000	Business Personal Property	\$2,500	90%	R/C	Special Form
Actual Loss	Business Income / Extra Exp			24 Mos	Special Form
Included Mechanical Breakdown					

Location Number: 002 - 1251 Grove Street, Atwater, CA 95301

\$6,400,000	Building	\$2,500	90%	R/C	Special Form
\$200,000	Business Personal Property	\$2,500	90%	R/C	Special Form
Actual Loss	Business Income / Extra Exp			24 Mos	Special Form
Included Mechanical Breakdown					

Location Number: 003 - 145 Newmark Avenue, Parlier, CA 93648

\$3,200,000	Building	\$2,500	90%	R/C	Special Form
\$5,000	Business Personal Property	\$2,500	90%	R/C	Special Form
Actual Loss	Business Income / Extra Exp			24 Mos	Special Form
Included Mechanical Breakdown					

Ordinance Or Law

Loss To Undamaged Property - Included
Demolition Cost and Increased Cost of Construction - \$150,000

Signs - \$25,000

Water Back-Up and Sump Overflow - \$25,000

COMMERCIAL GENERAL LIABILITY

COMPANY	EFFECTIVE DATE	EXPIRATION DATE
Travelers	07/01/19	07/01/20

Coverage Written On: Occurrence Form Claims-Made Form Retro: N/A

Coverage Detail

LIMITS	COVERAGE DESCRIPTION
\$2,000,000	Each Occurrence - Bodily Injury and Property Damage
\$4,000,000	General Aggregate
\$4,000,000	Products and Completed Operations Aggregate
\$2,000,000	Personal & Advertising Injury Liability
\$2,000,000	Fire Damage (any one fire)
\$15,000	Medical Expense (any one person)
\$2,000,000	Non Owned & Hired Automobile Liability

PREMIUM SUMMARY

DESCRIPTION OF COVERAGE	PREMIUM
Commercial Package	\$35,816.00
Premium Total	\$35,816.00

This proposal is for illustration purposes only. It is not a contract. The terms and conditions of the policy in force at the time of loss will apply.

YOUR TEAM

No matter how comprehensive or price competitive your insurance program is, it's still people who must service it to ensure that the coverage will respond when it's needed. We feel our people are our greatest asset - courteous professionals who know that you expect and deserve the very best.

These are the people who will be handling your account:

Michael J. Carpenter	Agent	P: 209-386-5058 F: 209-385-6104 mcarpenter@lckinsurance.com
Sherry Yorks	Account Manager	P: 209-386-5070 F: 209-385-6114 syorks@lckinsurance.com
Ruth Halstead	Marketing Manager	P: 209-386-5066 F: 209-385-6112 rhalstead@lckinsurance.com

ABOUT US

Founded in 1947, LEAP/CARPENTER/KEMPS INSURANCE AGENCY has established a tradition of serving the insurance needs of our clients throughout California.

Along with several leading agencies in the Central Valley, we formed Sierra Gateway Insurance Services, Inc., a full service marketing facility. Operating from an office centrally located in Fresno, the strength of the Sierra Gateway alliance guarantees our customers access to quality insurance programs at the market's most competitive prices.

With the buying power and resources of Sierra Gateway, we are a large regional brokerage firm. We are large enough to directly access world- wide insurance markets, yet responsive enough to be personally involved in your insurance program. We create a customized insurance program that meets your specific needs from the following broad range of products:

Business, Farm and Dairy Packages

Workers Compensation

Bonds • Fidelity & Surety

Aviation • Crime • Fire • Flood

Crop • Property Floaters • Glass

Liability • Professional • Umbrella • Cyber-Liability

Auto • Boat • Recreational Vehicles

Homeowners • Tenants • Mobile Home

Health • Dental • Vision

Life • 401K • 125 Cafeteria Plans

Long Term Disability • Individual Disability

Specialized, knowledgeable service and a commitment to the principles of serving our clients first are our highest priorities.

PLEDGE TO OUR CUSTOMERS

WE PLEDGE....

You are the most important person to us - in person, by mail or on the phone

We will treat you - our clients, visitors and colleagues with dignity, respect and honor

You are not an interruption of our work - you are the purpose of it. You are doing us a favor by giving us the opportunity to serve you.

We thank you for the opportunity to protect your assets at the best value to you.

RECOMMENDATIONS

Cyber and Privacy Insurance

Most notable, but not exclusively, cyber and privacy policies cover a business' liability for a data breach in which the firm's customer' personal information such as Social Security or credit card numbers is exposed or stolen by a hacker or other criminal who has gained access to the firm's electronic network. The policies cover a variety of expenses associated with data breaches including notification costs, credit monitoring, costs defending claims by state regulators, fines and penalties, and loss resulting from identity theft.

Please Provide Premium Indication

I Reject Coverage

Insured

Date

Crime Coverage

As an employer you are subject to theft from current employees. These claims are not covered by the general liability or property policies.

Please Provide Premium Indication

I Reject Coverage

Insured

Date

RECOMMENDATIONS

Employment Practices Liability Insurance

As an employer, you are subject to claims from current employees, candidates for hire, and prior employees alleging discrimination in hiring and promotion; harassment (both sexual and otherwise); and wrongful termination. These claims are not covered by the general liability or workers compensation policies.

- Please Provide Premium Indication
- I Reject Coverage

Insured

Date

COMPENSATION DISCLOSURE

You are a highly valued customer, and our firm takes pride in the services we provide to you.

Acting as an independent insurance agent or as an insurance broker, we are able to offer you professional service and competitive prices because we can access insurance coverage, in most cases, from more than one insurance company.

Our compensation is based on ONE of the following:

Our firm is paid a commission for selling and servicing your account. The amount is based on the standard commission schedules established by each of the companies we work with.

or

The insurance company with which your policy is being placed does NOT pay this firm for the placement. Our sole compensation is the Broker Fee, which has previously been disclosed to you, and to which you have given your consent.

or

In addition to the Broker Fee we are charging you, which has previously been disclosed to you, and to which you have given your consent, we also receive compensation from the insurance company in the form of a sales commission described generally above.

Our firm may also be eligible, and in some cases, is eligible, for various forms of incentive compensation, including contingent commissions and other awards and bonuses, from the insurer. Incentive compensation is based upon a variety of factors that may include the level of premium written, retention, growth, overall profitability, or other performance measures established by the insurers with whom we do business.

Our firm will attempt to obtain one or more quotes for insurance coverage suitable for the needs and preferences you have communicated to us, and will provide you with the quotes we obtain that we believe suit your needs. Please remember, however, that you are ultimately responsible for determining what coverages you need for your protection, the amount of insurance you need and other issues.

We are happy to provide you with additional details about our services, our relationship with your insurance company or our compensation.

Our agency is grateful to have you as a customer, and we welcome any suggestions you have to assist us in serving you better. We appreciate your business.

ZURICH

Ed Lujano

Subject: FW: Bloss Memorial Health Care District - Property Insurance Proposal and Cyber Insurance Proposal - effective July 01, 2019
Attachments: _19-20 Bloss Memorial Healthcare District Property Proposal 6.18.19.pdf; _19-20 Bloss Memorial Cyber Proposal - 6-18-19.pdf

From: Josephine Goetes [mailto:jgoetes@alliant.com]

Sent: Tuesday, June 18, 2019 7:21 PM

To: Sabrina Cooksey <CookseyS@CFHCINC.ORG>

Cc: Ed Lujano <LujanoE@CFHCINC.ORG>

Subject: Bloss Memorial Health Care District - Property Insurance Proposal and Cyber Insurance Proposal - effective July 01, 2019

Hi Sabrina,

Finally, attached is the 19-20 Bloss Memorial Health Care District Property proposal from Zurich effective June 30, 2019. As we have previously advised, HARPP is non-renewing the policy due to high loss ratio. **\$10,000 Per Occurrence Deductable, Annual Premium \$22,174.45**

We sent submissions to the following markets to obtain quotes but all declined except for Zurich:

- Allianz Global
- Chubb
- C NA
- Hartford
- Liberty Mutual
- Philadelphia Insurance
- Swiss Re
- Travelers
- XL Catlin

Zurich is accepting a lower replacement cost value on the buildings than what you have with HARPP. Limits and sub-limits are much lower than HARPP's as well. It only covers premises listed on the proposal. It does not cover any of Castle Family's properties.

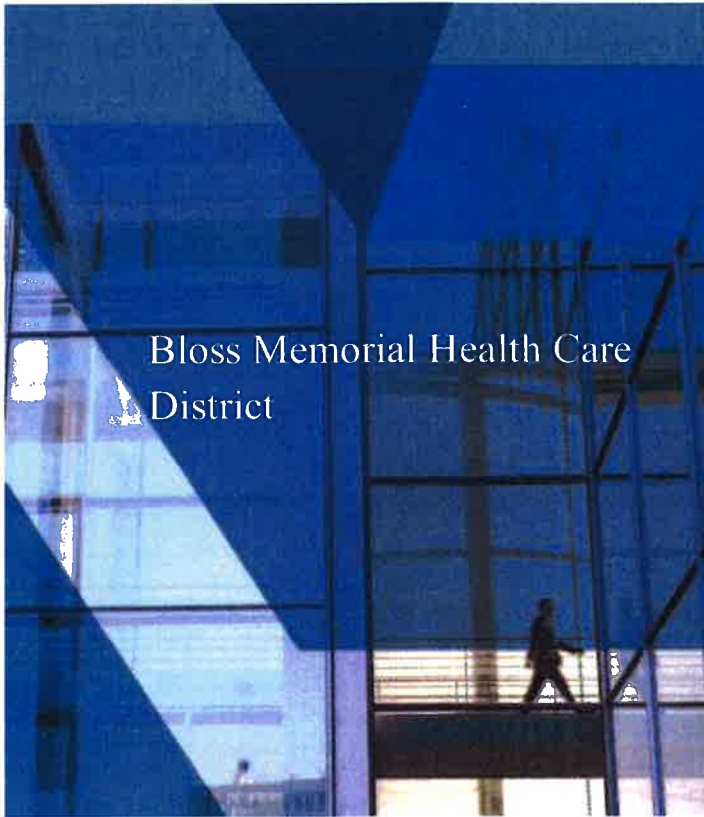
Please note that you also have \$4,000,000 Cyber liability (through HARPP Cyber and ACES Cyber) and \$2,000,000 Pollution coverage which will not be renewed. Zurich is not providing these coverages so we also requested quotes for Cyber and Pollution.

- Pollution - Chubb indicated a premium of **\$12,838 with \$2,000,000 limit and a \$75,000 Self Insured Retention (deductible)**. This is in addition to the above. We're waiting for their firm quote. Proposal to follow.
- Cyber – Proposal attached. See 19-20 Bloss Memorial Cyber Proposal. Premium is in addition to the above.

Kindly review the attached proposals and let us know if you have any questions.

In order to bind coverage, please pick the option if applicable and complete the Request to Bind Coverage on the last page of each proposal and email it back to our office no later than June 26, 2019. This is so we have sufficient time to request the carriers to bind coverage and obtain the binder by July 01.

If you want to discuss any of the above, please let us know.



Bloss Memorial Health Care
District



Commercial Property
Insurance Proposal
2019 – 2020

Presented by:

Chris Tobin, ARM-P
Senior Vice President

Josephine Goetes, CIC, CISR
Account Executive

Miki Fujii
Account Manager

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660
O 949 756 0271
F 619 699 0906
CA License No. 0C36861
www.alliant.com



Named Insured / Additional Named Insureds

Named Insured(s)
Bloss Memorial Health Care District

Additional Named Insured(s)
None Disclosed

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- Are ALL entities listed as named insureds? Coverage is not automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Line of Coverage
Commercial Property Coverage

	Present Coverage - APIP	Proposed Coverage - Zurich
INSURANCE COMPANY:	Various	Zurich American Insurance Company
A.M. BEST RATING*:	Various	A+ (Superior), Financial Size Category: XV (\$2 Billion or greater)
STANDARD & POOR'S RATING*:	Various	AA- (Very Strong)
CALIFORNIA STATUS:	Various	Admitted
POLICY/COVERAGE TERM:	July 1, 2018 To July 1, 2019	July 1, 2019 to July 1, 2020
COVERAGE:	Hospital All Risk Property Program (HARPP) including Property, Boiler & Machinery, Cyber Liability and Pollution Liability	Property, Equipment Breakdown excluding Cyber Liability and Pollution Liability. Direct physical loss or damage in any one occurrence for all "real property", "personal property", "business income" and "extra expense" at "premises" for which the Limit of Insurance is shown as Included in Blanket Limit of Insurance.
TOTAL INSURED VALUES:	\$66,993,288 as of July 01, 2018	\$32,337,933 as of June 13, 2019
CAUSE OF LOSS:	Special	Special
COVERED LOCATION:	As per schedule on file	<ul style="list-style-type: none"> • Premise #1 - 1251 Grove Ave. Atwater, CA 95301 • Premise #2 - 3605 Hospital Rd Bldg 1 Atwater, CA 95301 • Premise #3 - 145 S Newmark Ave Parlier, CA 93648

*Verified in June 2019

Commercial Property Coverage – Continued

COVERAGE & LIMITS:

Present Coverage – AIP	Proposed Coverage - Zurich
<p>Property Part: \$ 1,000,000,000 Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sublimits as Noted below.</p>	<ul style="list-style-type: none"> • Premise #1 <ul style="list-style-type: none"> Included Real Property Included Personal Property Not covered Business Income • Premise #2 <ul style="list-style-type: none"> Included Real Property Included Personal Property Included Business Income • Premise #3 <ul style="list-style-type: none"> Included Real Property Not covered Personal Property Not covered Business Income <p>\$ 29,891,466 Real Property Blanket Limit</p> <p>The above Limit of Insurance is the most we will pay for direct physical loss or damage in any one occurrence for all "real property" at "premises" for which the Limit of Insurance is shown as Included in Blanket Limit of Insurance. If "real property" coverage does not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises". If a more specific Limit of Insurance is shown for "real property" at a "premises", that Limit of Insurance replaces, and is not in addition to, the Blanket Limit of Insurance.</p>

COVERAGE & LIMITS - CONTINUED:

\$ 75,000 Personal Property Blanket Limit

The above Limit of Insurance is the most we will pay for direct physical loss or damage in any one occurrence for all "personal property" at "premises" for which the Limit of Insurance is shown as Included in Blanket Limit of Insurance. If "personal property" coverage does not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises". If a more specific Limit of Insurance is shown for "personal property" at a "premises" that Limit of Insurance replaces, and is not in addition to, the Blanket Limit of Insurance.

\$ 2,371,467 Business Income And Extra Expense Blanket Limit

The above Limit of Insurance is the most we will pay for in any one occurrence for all loss of "business income" and "extra expense" at "premises" for which the Limit of Insurance is shown as Included in Blanket Limit of Insurance. If "business income" or "extra expense" coverage does not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises". If a more specific Limit of Insurance is shown for "business income" or "extra expense" at a "premises" that Limit of Insurance replaces, and is not in addition to, the Blanket Limit of Insurance.

Additional Coverages:
Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations

COVERAGE & LIMITS - CONTINUED:

Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).	Not Covered	<i>for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Additional Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".</i>
Not Covered	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.	Not Covered	
Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate	Not Covered	
Full All Risk Limit	Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount	See above Business Income Business Income And Extra Expense Blanket Limit	

COVERAGE & LIMITS - CONTINUED:

	is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.	
\$ 50,000,000	Extra Expense	\$ 25,000 Extra Expense Per Premises
\$ 25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Unreported Premises
		\$ 100,000 Real Property - Per Unreported Premises
		\$ 100,000 Personal Property - Per Unreported Premises
		\$ 10,000 Business Income - Per Unreported Premises
		\$ 10,000 Extra Expense - Per Unreported Premises
	365 Days Extended Period of Indemnity	180 Days Extended Period Of Indemnity— Business Income
\$ 25,000,000	Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000	Newly Acquired Premises
		\$ 1,000,000 Real Property - For 180 Days
		\$ 1,000,000 Personal Property - For 180 Days
		\$ 250,000 Business Income - For 180 Days
		\$ 25,000 Extra Expense - For 180 Days

COVERAGE & LIMITS - CONTINUED:

	applies per policy Automatic Acquisition and Reporting Condition. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	<i>The Above Limits Apply Separately To Each Newly Acquired Premises.</i>
		Newly Acquired Property
\$	250,000	Real Property - Per Premises For 180 Days
\$	250,000	Personal Property - Per Premises For 180 Days
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	250,000	Outdoor Trees, Shrubs, Plants, Or Lawns - Per Premises
\$	5,000	Per Tree, Shrub, Plant, Or Lawn
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations. Not Covered
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Not Covered

COVERAGES & LIMITS - CONTINUED:

\$	2,500,000	Money & Securities for named perils only as referenced within the policy.	Not Covered
\$	2,500,000	Unscheduled Fine Arts	\$ 25,000 Fine Arts - Per Premises \$ 25,000 Fine Arts - Away From Premises - Per Occurrence
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.	\$ 25,000 Contamination By A Refrigerant - Per Premises \$ 50,000 Radioactive Contamination - Per Premises
\$	750,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	Not Covered

COVERAGE & LIMITS - CONTINUED:

\$ 50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).	Policy form is silent, Per underwriter, it is Included
\$ 25,000,000	Transit	\$ 25,000 Transit – Personal Property – Per Occurrence \$ 10,000 Transit – Business Income - Per Occurrence
\$ 2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.	Not Covered
\$ 2,500,000	Unscheduled Watercraft up to 27 feet.	Not Covered
\$ 25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.	\$ 100,000 Off-Premises Service Interruption-- Direct Damage - Per Premises
\$ 5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part	Not Covered

COVERAGE & LIMITS - CONTINUED:

		of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.		
\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.		Not Covered
\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.	\$	250,000 Dependent Business Income-- Unscheduled Locations - Per Occurrence
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.		Not Covered
\$	1,000,000	Claims Preparation Expenses		Covered Claims to Reduce Loss
\$	50,000,000	Expediting Expenses	\$	25,000 Expediting Expense - Per Premises

COVERAGE & LIMITS - CONTINUED:

\$	1,000,000	Personal Property Outside of the USA	Not Covered
\$	5,000,000	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.	Not Covered
\$	500,000	Per Occurrence, \$2,000,000 Annual Aggregate per declaration for Communicable Disease	\$ 100,000 Communicable Disease Suspension of Operations - Business Income - Per Premises
\$	100,000	Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.	\$ 25,000 Transit - Personal Property - Per Occurrence \$ 25,000 Temporary Storage Location - Per Occurrence
\$	100,000	Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.	\$ 25,000 Annual Aggregate for Microorganisms \$ 25,000 Annual Aggregate for Microorganisms - Business Income

COVERAGE & LIMITS - CONTINUED:

The following stand-alone coverages are provided by the APIP program but are not covered in the Limit of Liability or the Sub-Limits of Liability above or attached to the Master Policy Form Wording.

Carriers providing these coverages are included in the Schedule of Carriers.

\$ 100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
\$ 10,000	Per Occurrence Deductible for Primary Terrorism.
\$ 600,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$ 1,100,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
\$ 1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense

Terrorism provided via Terrorism Risk Insurance Act (TRIA)

COVERAGE & LIMITS - CONTINUED:

	combined for Terrorism (Excess Layer).		
\$ 500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).		
\$ 2,000,000	Pollution Liability Per Named Insured Aggregate	Not Covered	
\$ 2,000,000	Cyber Liability Each Insured Limit	Not Covered	
30 Days / 20 Mile	Civil Authority subject to 24 hour waiting period	30 Days	Civil Authority - Business Income
		30 Days	Civil Authority - Extra Expense
Included	Consequential Loss	\$ 25,000	Consequential Loss--Net Leasehold Interest - Per Premises
		\$ 250,000	Consequential Loss--Tenant's Improvements And Betterments - Per Premises
		\$ 250,000	Consequential Loss--Undamaged Stock - Per Premises
		\$ 25,000	Contractual Penalties--Business Income - Per Occurrence
Included	Debris Removal	Covered	Debris Removal--Covered Property
		\$ 250,000	Debris Removal--Supplemental Limit - Per Occurrence

COVERAGES & LIMITS - CONTINUED:

	\$	2,500	Debris Removal--Uncovered Property - Per Occurrence
	\$	50,000	Deferred Payments - Per Occurrence
	\$	25,000	Electronic Vandalism - Direct Damage - Annual Aggregate
	\$	25,000	Electronic Vandalism - Business Income - Annual Aggregate
	\$	50,000	Fairs Or Exhibitions - Personal Property - Per Occurrence
	\$	10,000	Fairs Or Exhibitions - Business Income Per Occurrence
	\$	250,000	Fire Department Service Charge - Per Premises
Included			Fire Fighting Expenses
			Covered Fire Protective Equipment Refills
		4 % Annual	Inflation Guard - Real Property
		4 % Annual	Inflation Guard - Personal Property
30 Days / 20 Mile			Civil Authority subject to 24 hour waiting period
30 Days / 20 Mile			Ingress / Egress subject to 24 hour waiting period
		30 Days	Ingress/Egress - Business Income
		30 Days	Ingress/Egress - Extra Expense

COVERAGE & LIMITS - CONTINUED:

		\$	25,000	Lock And Key Replacement - Per Premises
Included	Mobile Medical Equipment - Per Any One Unit	\$	50,000	Mobile Medical Equipment - Per Any One Unit
		\$	50,000	Mobile Medical Equipment - Per Occurrence
Included	Patient Evacuation	\$	25,000	Patient Evacuation - Per Premises
		\$	25,000	Pollutant Clean Up and Removal - Land and Water - Annual Aggregate Per Premises
Included	Preservation of Property		180 Days	Preservation Of Property
\$	1,000,000	\$	25,000	Professional Fees - Per Occurrence
	Claims Preparation Expense		Not Covered	Reported Unscheduled Premises
		\$	25,000	Reward Payments - Per Occurrence
		\$	25,000	Salespersons Samples - Per Occurrence
Included	Theft Damage To Buildings		Covered	Theft Damage To Buildings

COVERAGE & LIMITS - CONTINUED:

Included Accounts Receivable

Marine Coverage

Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Marine Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".

\$ 250,000 Accounts Receivable (Revenue Loss) - Per Premises

\$ 250,000 Accounts Receivable (Revenue Loss) - Away From Premises - Per Premises

Installation And Service Property - Stock To Be Installed

\$ 25,000 Installation Premises - Per Occurrence

\$ 25,000 Temporary Storage Location - Per Occurrence

\$ 25,000 Transit - Per Occurrence

Installation And Service Property - Tools And Equipment

Not Covered Scheduled Equipment

COVERAGE & LIMITS - CONTINUED:

	\$	1,000	Unscheduled Tools & Equipment Per Any One Item
	\$	10,000	Unscheduled Tools & Equipment Per Occurrence
			<i>Unscheduled tools and equipment coverage is intended for items valued at or less than the limit per any one item shown above. An item valued at more than this limit must be specifically scheduled or no coverage applies to that item</i>
	\$	250,000	Original Information Property - Per Premises
	\$	250,000	Original Information Property - Away From Premises - Per Occurrence
			Policy form is silent. Per underwriter, Equipment Breakdown is Included
	\$	100,000,000	Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and

COVERAGE & LIMITS - CONTINUED:

	electronic computer or electronic data processing equipment with the following sub-limits:	
	Included Jurisdictional and Inspections.	Not Covered
\$ 10,000,000	Per Occurrence for Service/Utility/Off Premises Power Interruption.	\$ 100,000 Spoilage--Equipment Breakdown - Per Premises
	Included Per Occurrence for Consequential Damage/Perishable Goods/Spoilage	Not Covered
\$ 10,000,000	Per Occurrence for Electronic Data Processing Media and Data Restoration.	Not Covered
\$ 2,000,000	Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage.	\$ 50,000 Decontamination Expense - Per Premises
\$ 10,000,000	Per Occurrence for Hazardous Substances/ Pollutants/Decontamination.	Not Covered
	Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical,	

DEDUCTIBLES:

Therapeutic, Dental or Pathological Purposes.

Property Part:

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

\$ 10,000 Property Deductible Except for water damage (see water damage deductible) - Per Occurrence

The above deductible applies to all loss, damage, cost, or expense covered by this Commercial Property Coverage Part, unless a specific coverage deductible is shown elsewhere on this Declarations or an endorsement.

"All Risk" Deductible: \$ 10,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

72 Hours Business Income And Extra Expense Waiting Period

The above waiting period applies to all loss or expense covered by Business Income and Extra Expense coverages contained in this Commercial Property

Coverage Part, unless a specific coverage deductible is shown elsewhere on this Declarations or an endorsement.

Deductibles For Specific Perils And Coverages:

DEDUCTIBLES - CONTINUED:

24 Hour	Waiting Period for Service Interruption for All Perils and Coverages	Not Covered
\$ 1,000	Per Occurrence for Specially Trained Animals.	Not Covered
\$ 500,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters).	Not Covered
\$ 10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence. Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.	Not Covered

\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits	Not Covered
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits	Not Covered
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits	Not Covered
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption	Not Covered
	Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage.	Not Covered
\$	10,000	Per Occurrence for Contractor's Equipment	

Water Damage Deductible

\$	75,000	Water Damage – Premise #1
\$	100,000	Water Damage – Premise #2
\$	75,000	Water Damage – Premise #3

DEDUCTIBLES - CONTINUED:

Replacement Cost Contractor's Equipment Valuation Basis

DEDUCTIBLES - CONTINUED:

Boiler & Machinery Part:
 \$ 10,000 Boiler & Machinery Deductible
 10 per foot / \$2,500 Minimum Deep Water Wells

Loss or damage to Covered Property caused by "certain water" is subject to a separate Water Damage Deductible. The Water Damage Deductible will be stated in the Summary of Premises section of this Declarations for that specific "premises".

Application Of Multiple Deductibles:

Unless otherwise stated in a Coverage Form or endorsement, if more than one deductible applies, we will apply each deductible separately, but the total of all deductible amounts applied will not exceed the highest applicable deductible for loss or damage to Covered Property and the highest applicable deductible for loss under "time element coverage". This provision does not apply to Covered Property and "time element coverage" for covered loss or damage due to "earth movement", "flood", "named storm", or to wind or hail when a separate Wind and Hail Deductible is applicable.

\$10,000

DEDUCTIBLES - CONTINUED:

24 Hours	Business Interruption/Extra Expense Except as noted below
30 Days	Business Interruption – Revenue Bond
24 Hour	Waiting Period - Utility Interruption
5 x 100% of Daily Value	Business Interruption – All Objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 Square feet Heating Surface
5 x 100% of Daily Value	Business Interruption – All Objects at Waste Water Treatment Facilities and All Utilities

VALUATION:

Property Part:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment/Vehicles either Replacement Cost or Actual Cash Value as declared by each member. If not declared, valuation will default to Actual cash value

- Agreed Value for Property
- Actual Loss Sustained for Business Income up to Policy Limit
- Calculation Of Premium
- Common Policy Conditions
- Commercial Property Coverage Part Declarations
- Commercial Property Coverage Part General Provisions
- Commercial Property Conditions
- Commercial Property Definitions
- Real And Personal Property Coverage Form
- Additional Coverages Form
- Accounts Receivable Coverage Form (Revenue Loss)
- Fine Arts Coverage Form

ENDORSEMENT & EXCLUSIONS:
(including but not limited to)

Property Part:

- Seepage & Contamination Exclusion - *unless otherwise provided by the Pollution Liability Coverage per the Summary*
- Cost of Clean-up for Pollution Exclusion - *unless otherwise provided by the Pollution Liability Coverage per the Summary*
- Mold Exclusion - *as more fully described in the Master Policy Wording or otherwise provided when Pollution Liability Coverage is purchased, and as defined in the coverage Summary.*

Boiler & Machinery Part:

- Testing Exclusion
- Explosion Exclusion, except for steam or centrifugal explosion

- Installation And Service Property Coverage Form
- Original Information Property Coverage Form
- Transit Coverage Form
- Business Income Coverage Form (Excluding Extra Expense)
- Extra Expense Coverage Form
- Water Damage Deductible
- Dependent Premises Business Income Coverage—Unscheduled Locations
- Enabling Endorsement
- Healthcare Industry Coverage
- Cancellation Changes
- California Changes - Cancellation And Nonrenewal
- California Changes
- Common Policy Declarations
- Resident Agent Countersignature Endorsement
- Loss Payable Provisions

**ENDORSEMENT & EXCLUSIONS -
CONTINUED:**
(including but not limited to)

- Explosion of gas or unconsumed fuel from furnace of the boiler Exclusion
- Objects excluded:
 - Insulating or refractory material
 - Buried Vessels or Piping

TOTAL COST EXCLUDING TRIA:

Not Applicable	\$	21,807.00	Policy Premium
	\$	0.45	<u>State and Local Surcharges</u>
	\$	21,807.45	Total Cost

TOTAL COST INCLUDING TRIA:

\$ 49,352.00	Renewal Business Premium	\$	21,807.00	Policy Premium
\$ 709.00	Excess Boiler	\$	367.00	TRIA Premium
	Included TRIA Premium	\$	0.45	<u>State and Local Surcharges</u>
\$ 878.00	ABS Fee	\$	22,174.45	Total Cost
\$ 1,233.80	Broker Fee			
\$ <u>1,601.95</u>	<u>Surplus Lines Taxes</u>			
\$	53,774.75			Total Cost

MINIMUM EARNED PREMIUM:

- 25% Minimum Earned Premium and cancellations subject to 10% penalty
 - Except Cyber Liability Premium is 30% Earned at Inception
 - Except Pollution Liability Premium is 25% Minimum Earned Premium at Inception, then earned on a pro-rata basis to policy expiration; premium shall be deemed 100% earned in the event of a claim.
- Not Applicable



NOTICE OF CANCELLATION:	90 days except 10 days for non-payment of premium	Not Auditable
POLICY AUDITABLE:	Per policy	July 1, 2019
QUOTE VALID UNTIL:	No Longer Applicable	A written request to bind coverage
BINDING CONDITIONS:	No Longer Applicable	A written request to bind coverage
BROKER:		

See Disclaimer Page for Important Notices and Acknowledgment

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Other Disclosures / Disclaimers - Continued

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

- By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:
- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
 - Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
 - There may be conflicts in defense when your insurer has to defend both you and the additional insured.

See Request to Bind Coverage page for acknowledgement of all disclaimers and disclosures.

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>



Request to Bind Coverage

Bloss Memorial Health Care District

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Premium	Bind Coverage for:
Commercial Property including Terrorism	\$22,174.45	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

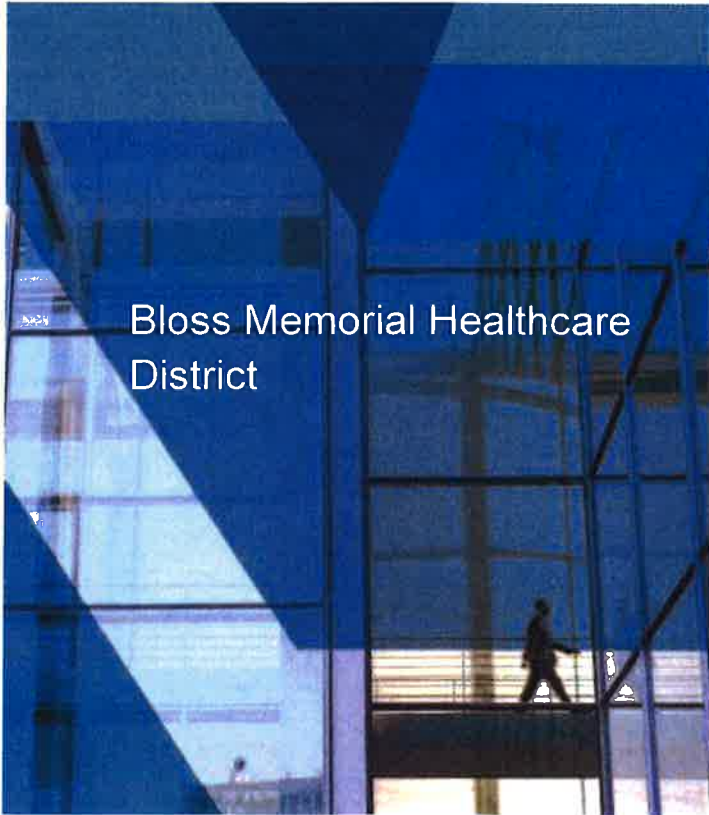
Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to the final carrier approval. The actual terms and conditions of the policy will prevail.



Bloss Memorial Healthcare
District



Cyber Liability Insurance
Proposal
2019-2020

Presented on June 18, 2019 by:

Chris Tobin, ARM-P
Senior Vice President

Josephine Goetes, CIC, CISR
Account Executive

Miki Fujii
Account Manager

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660
O 949 756 0271
F 619 699 0906
CA License No. 0C36861
www.alliant.com



**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

**Line of Coverage
Cyber Liability Coverage**

	Proposed Coverage - Ascent	Proposed Coverage - Beazley
INSURANCE COMPANY:	Ascent Underwriting (Lloyd's of London)	Beazley Insurance Company (Lloyd's of London)
A.M. BEST RATING:	Not Rated	A (Excellent), Financial Size Category: XV (\$2 Billion or greater)
STANDARD & POOR'S RATING:	Not Rated	A+ (Strong) Verified October 2017
CALIFORNIA STATUS:	Non-Admitted	Non-Admitted
POLICY/COVERAGE TERM:	July 1, 2019 to July 1, 2020	July 1, 2019 to July 1, 2020
RETROACTIVE DATE:	Policy Inception	Policy Inception
CONTINUITY DATE:	Policy Inception	Policy Inception
PENDING OR PRIOR PROCEEDINGS DATE:	Not Applicable	Not Applicable
COVERAGE FORM:	Ascent CyberPro (Optio) US v2.7	Beazley Breach Response (F00653 112017 ed.) with BBR Information Pack



**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

LIMITS:

Proposed Coverage - Beazley	Proposed Coverage - Ascent
Security & Privacy Liability \$ 4,000,000	Breach Response 100,000 Notified Individuals \$2,000,000 Legal, Forensic & Public Relations/Crisis Management
Multimedia & Intellectual Property Liability \$ 4,000,000	First Party Loss \$4,000,000 Business Interruption Loss Resulting from Security Breach \$4,000,000 Business Interruption Loss Resulting from System Failure \$1,000,000 Dependent Business Interruption Loss Resulting from System Failure \$1,000,000 Dependent Business Interruption Loss Resulting from System Failure
Event Support Expenses \$ 4,000,000	Liability \$4,000,000 Data & Network Liability \$4,000,000 Regulatory Defense & Penalties \$4,000,000 Payments Cards Liabilities & Costs \$4,000,000 Media Liability
Network Interruption and Recovery \$ 4,000,000	eCrime \$ 100,000 Fraudulent Instruction \$ 100,000 Funds Transfer Fraud \$ 100,000 Telephone Fraud
Privacy Regulatory Defense & Penalties \$ 4,000,000	
Network Extortion \$ 4,000,000	
Electronic Theft, Computer Fraud & Telecommunications Fraud \$ 250,000	
Social Engineering Fraud \$ 250,000	
Reputational Damages \$ 4,000,000	



**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

	Proposed Coverage - Beazley	Proposed Coverage - Ascant
LIMITS - CONTINUED:	Notification Expenses \$ 4,000,000	Criminal Reward \$ 25,000
	PCI Fines \$ 4,000,000	
	Dependent Network Interruption & Recovery \$ 250,000	
	Bricking \$ 250,000	
DEFENSE INSIDE/OUTSIDE THE LIMIT:	Inside	Inside
WHO HAS THE DUTY TO DEFEND:	Insurer	Insurer
RETENTION:	\$ 5,000 Policy Retention 8 Hours Waiting Period for Business Interruption	\$ 10,000 Policy Retention (\$5,000 for Legal) 10 Hours Waiting Period for Business Interruption

**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

**ENDORSEMENT &
EXCLUSIONS:**
(including but not limited to)

Proposed Coverage - Beazley	Proposed Coverage - Ascent
<ul style="list-style-type: none"> • NMA 1256 Nuclear Incident Exclusion (USA) • NMA 1477 Radioactive Contamination Clause (USA) • LSW1001 Several Liability Notice (Insurance) • LSW3000 Premium Payment Clause 45 Days • Retroactive Date – Full Prior Acts • Contingent Bodily Injury Endorsement (sub limited) • RKH Specialty Amendatory Endorsement • Notice of Terrorism Insurance Coverage LMA9105 Endorsement • Deductible Waiver Endorsement • Cyber Terrorism Endorsement • Payment Card Industry Fines and Assessments Endorsement (as specified under Endorsed Coverages) • Notification Expenses Outside Total Limit of Liability Endorsement (as specified under Endorsed Coverages) • Dependent Network Interruption and Recovery Endorsement (as specified under Endorsed Coverages) • Bricking Endorsement (as specified under Endorsed Coverages) 	<ul style="list-style-type: none"> • Bricking Coverage \$1,000,000 sublimit • U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") • Fraud Notice • Privacy Policy • Certified Acts of Terrorism Coverage And Premium Disclosure • System Failure Coverage Endorsement • Dependent Business Interruption Coverage Endorsement • Dependent Business Interruption – System Failure Coverage Endorsement • Consequential Reputational Loss Endorsement \$1,000,000 subject to a six month period of indemnity and two week waiting period • Involuntary Shutdown \$1,000,000 sublimit • GDPR • PCI DSS \$5,000,000 sublimit



**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

TOTAL COST:

\$ 6,500.00 Premium
\$ 335.00 Policy Fee
\$ 218.72 Surplus Lines Tax (3.2%)
\$ 7,053.72 Total Premium

\$ 10,800.00 Premium
\$ 345.60 Surplus Lines Tax (3.2%)
\$ 11,145.60 Total Premium

OPTIONAL COVERAGES:

\$5,000,000 Policy Limit / \$5,000 Retention Option:
\$ 7,500.00 Premium
\$ 335.00 Policy Fee
\$ 250.72 Surplus Lines Tax (3.2%)
\$ 8,085.72 Total Premium

\$5,000,000 Policy Limit / \$10,000 Retention Option:
\$ 12,500.00 Premium
\$ 400.00 Surplus Lines Tax (3.2%)
\$ 12,900.00 Total Premium

QUOTE VALID UNTIL:

July 01, 2019

July 01, 2019

SUBJECTIVITIES:

- Application form to be signed and dated (within 30 days of binding coverage).
- Confirmation of surplus lines details (including name, address, license number and expiry date).
- Please advise what information is stored on portable devices.

- Currently, signed and dated Beazley Breach Response Application
- Non Renewal of coverage under the APIP Program

See Disclaimer Page for Important Notices and Acknowledgement



**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

Named Insured / Additional Named Insureds

Named Insured(s)

Bloss Memorial Healthcare District

Additional Named Insured(s)

None

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

Disclosures

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This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy:

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

Other Disclosures / Disclaimers - Continued

NRRA:

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.



**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

Other Disclosures / Disclaimers - Continued

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.



**Bloss Memorial Healthcare District
2019-2020 Cyber Liability Insurance Indication Proposal**

Request to Bind Coverage

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage	Effective Date:	Bind Coverage for:
<ul style="list-style-type: none"> Ascent Options: \$4,000,000 Limit / \$5,000 Retention Option \$7,053.72 (includes \$335 Policy Fee / \$218.72 Surplus Lines Taxes and Fees) 	July 1, 2019	<input type="checkbox"/>
<ul style="list-style-type: none"> \$5,000,000 Limit / \$5,000 Retention Option \$8,085.72 (includes \$335 Policy Fee / \$250.72 Surplus Lines Taxes and Fees) 	July 1, 2019	<input type="checkbox"/>
<ul style="list-style-type: none"> Beazley Options: \$4,000,000 Limit / \$10,000 Retention Option \$11,145.60 (includes \$345.60 Surplus Lines Taxes and Fees) 	July 1, 2019	<input type="checkbox"/>
<ul style="list-style-type: none"> \$5,000,000 Limit / \$10,000 Retention Option \$12,900.00 (includes \$400.00 Surplus Lines Taxes and Fees) 	July 1, 2019	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

This proposal does not constitute a binder of Insurance. Binding is subject to the final carrier approval. The actual terms and conditions of the policy will prevail.

**RATIFICATION OF
DENTAL SURGERY CENTERS OF AMERICA NOTE**

BUSINESS LOAN AND SECURITY AGREEMENT

This Business Loan and Security Agreement (“Agreement”) is made by and between Bloss Memorial Healthcare District, a California public entity (“Lender”), and Dental Surgery Centers of America, a California corporation (“Borrower”), and is dated for reference purposes on the date executed by Borrower.

RECITALS

- A. Lender is a healthcare district the stated mission of which is to help provide accessible medical and dental care for, and to strive to meet the changing needs of, its patients by partnering with other healthcare organizations.
- B. Borrower operates dental surgery centers for children patients, and wishes to acquire certain equipment and supplies for use in operating a dental surgery center to be located at 145 South Newmark Avenue, Parlier, California 93648 (the “Parlier Center”).
- C. Lender wishes to loan to Borrower, and Borrower wishes to borrow from Lender, the funds necessary to acquire the equipment and supplies for the Parlier Center.

AGREEMENT

1. LOAN.

Subject to the terms and conditions set forth herein, effective upon Closing, Lender hereby loans to Borrower, and Borrower hereby borrows from Lender, the sum of Eighty-Thousand Dollars (the “Loan”), for use in acquiring equipment and supplies for the Parlier Center.

2. REPAYMENT TERMS.

2.1. Monthly Payments.

Borrower shall make thirty-five monthly installments of Two-Thousand Four-Hundred Fifty-One Dollars and Ninety-Two Cents (\$2,451.92), followed by a thirty-sixth monthly payment of Two-Thousand Four-Hundred Fifty-One Dollars and Ninety-Three Cents (\$2,451.93); the first of such monthly payment shall be due by the thirtieth (30th) day after Closing.

2.2. Security Agreement.

As security for amounts owing in respect of the Credit, Borrower shall deliver to Lender at closing a properly made out Form UCC-1 Financing Statement, in the form of Exhibit “A” hereto, showing Borrower as the Debtor, and Lender as the Secured Party, and specifically identifying the equipment and supplies acquired with the Loan.

3. CLOSING.

Closing shall take place on June 24, 2019, at 3:00 p.m., at 3605 Hospital Road, Suite H, Atwater, California 95301.

4. LENDER'S DUTIES, REPRESENTATIONS AND WARRANTIES.

4.1. Litigation.

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

4.2. No Breach.

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

4.3. Necessary Approvals.

Lender has secured and provided all approvals by its governing Board necessary to allow Lender to enter into this Agreement.

5. BORROWER'S DUTIES, REPRESENTATIONS AND WARRANTIES.

5.1. Litigation.

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

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 Borrower is a party.

5.3. Capacity.

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

6. 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, under the rules of the American Arbitration Association for Large, Complex Commercial Disputes; and, judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

7. GENERAL PROVISIONS.

7.1. 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.

7.2. 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.

7.3. 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.

7.4. 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.

7.5. 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.

7.6. No Agency or Partnership.

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

7.7. 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.

7.8. Amendments.

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

7.9. Time of the Essence.

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

7.10. Assignment by Borrower.

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

7.11. 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.

7.12. 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 Lender: Edward H. Lujano, Ph.D.
Bloss Memorial Healthcare District
3605 Hospital Road
Atwater, California 95301

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

“Borrower”

“Lender”

By: _____
David Thompson
Chief Executive Officer
Dental Surgery Centers of America

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

Dated: June __, 2019

Dated: June __, 2019

EXHIBIT "A"

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> </div>

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	1a. ORGANIZATION'S NAME			
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c.	MAILING ADDRESS	CITY	STATE	POSTAL CODE
			COUNTRY	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	2a. ORGANIZATION'S NAME			
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c.	MAILING ADDRESS	CITY	STATE	POSTAL CODE
			COUNTRY	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME			
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c.	MAILING ADDRESS	CITY	STATE	POSTAL CODE
			COUNTRY	

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME	
OR	
9b. INDIVIDUAL'S SURNAME	
FIRST PERSONAL NAME	
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME				
OR				
10b. INDIVIDUAL'S SURNAME				
INDIVIDUAL'S FIRST PERSONAL NAME				
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX
10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
 covers timber to be cut covers as-extracted collateral is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

APPROVAL OF FY 2020 BUDGET

BLOSS MEMORIAL HEALTHCARE DISTRICT
FY 2020 BUDGET

The 2020 Budget Reports are attached and include both the Summary and Detail Formats.

The FY 2020 Budget reflects a projected accrual Net Profit of \$65,631 which includes Other Operating Revenue of \$142,514 and a Net Non-Operating Revenue of \$2,586,649.

An overview of Budget Development and significant changes is as follows:

Total Net Operating Revenue

No Patient Revenue is expected with the sale of the two Surgery Centers, effective June 1, 2018. According to the Sales Agreement Bloss Memorial District will receive any outstanding accounts receivable due to Children's Dental Surgery Center and Central California Dental Surgery Center through May 31, 2018.

Other Revenue includes an estimated \$6,369 for Special Dividends from Beta liability insurance and \$136,145 of Service Reimbursement for BMHD Administrative Service Agreement between Dental Surgery Centers of America (DSCA).

Total Non-Operating Revenues

Bloss Trust is calculated at \$549,685 reflecting the anticipated Year End Distributions for FY 2020. Bloss Trust Revenue is budgeted at actual receipts of FY 2019, expected to be conservative.

Property Tax Revenue is budgeted at the actual receipts of FY 2019 to reflect the tax income earned paid to Bloss Memorial Healthcare District from Merced County in the amount of \$377,766.

Interest Income is estimated at \$134,524 for Promissory Notes and Working Capital Loan totaling \$2,150,000 at 6.0% simple interest. Interest Income also includes an additional Working Capital Loan in the amount of \$80,000 with simple interest of 6.5%. These agreement are between Bloss and DSCA.

Bloss Memorial Health Care District are landlords to two facilities located in Atwater, California. Rental Income is calculated with the current lease agreements with the annual 2% increase and is budgeted at \$1,468,982.

Total operating expense is estimated at \$2,399,852 for the operations of the two facilities located at the Bloss and Castle site. Total operating expense includes half of the rental costs for Sierra Kings located at 145 S. Newmark Avenue, Parlier, California. Dental Surgery Centers of America has signed a Commercial Sublease Agreement and will reimburse Bloss half of the facility Rent. DSCA is responsible for Utilities, Alarm,

Phone, Yard Maintenance, Bio Hazzard, Technology, Real Property Taxes, Personal Property taxes and Building Maintenance. These items have been exclude from the Bloss budget.

Operating Expenses

Salaries and Benefits

Total Salaries and Benefits includes the annual increase in compensation and corresponding benefits to obtain Executive Services in the amount of \$179,880.

Professional Fees

Professional Fees total is \$92,471 for Legal Fees, Auditing, and Other Contacted Services which include maintenance services provided by Castle Family Health Centers.

Supplies

The supply expense estimate is for office supplies used for monthly board meetings and minor building maintenance supplies for the two facilities located at Bloss and Castle.

Purchased Services

The majority of expense in purchased services consists of Other Purchased Services in the amount of \$736,824. These services include pest control, housekeeping, security services, monitoring, lawn care and building repairs and maintenance.

Depreciation

Depreciation Expense is projected on the schedule of existing Assets with the exclusion of CCDSC and Sierra Kings assets. Additional depreciation expense was included in Buildings and Improvements for roof repairs of the two sites located at Bloss and Castle.

Utilities

The majority of operating expense is budgeted in utilities for electricity, gas, water, garbage, and sewer totaling \$427,957.

Other Operating

Other operating expense budget is for facility liability insurance, Telephone, Training, and other expense.

Transfer to On-Going Grant Reserves

Transfer to On-Going Grant Reserves are funds in the amount of \$200,000 for grants to assist partnering healthcare organizations in providing medical programs to the community.

SUMMARY**Bloss Memorial Healthcare District, A Public Entity****FY 20 BUDGET**

NET PATIENT REVENUE	<u>0</u>
OTHER REVENUE	<u>142,514</u>
TOTAL NET OPERATING REVENUE	<u>142,514</u>
OPERATING EXPENSES	
SALARIES AND WAGES	156,496
EMPLOYEE BENEFITS	23,385
PROFESSIONAL FEES	92,471
SUPPLIES	10,536
PURCHASED SERVICES	736,824
DEPRECIATION	635,235
RENTS AND LEASES	114,612
UTILITIES	427,957
INSURANCE	172,290
OTHER EXPENSE	<u>30,047</u>
TOTAL OPERATING EXPENSE	2,399,852
NET INCOME FROM OPERATIONS	-2,257,338
NON-OPERATING REVENUE	2,586,649
NON-OPERATING EXPENSE	<u>63,681</u>
NET NON-OPERATING INCOME	<u>2,522,969</u>
Transfer to On-Going Grant Reserves	<u>200,000</u>
NET INCOME	<u>65,631</u>

DETAILED
Bloss Memorial Healthcare District, A Public Entity

FY 20 BUDGET

REVENUES

NET PATIENT REVENUE	0
SERVICE REIMBURSEMENT	136,145
MISC OTHER OPERATING REVENUE	6,369
	<hr/>
TOTAL OTHER OPERATING REVENUE	142,514
TOTAL NET OPERATING REVENUE	142,514
	=====

EXPENSES

SALARIES

MANAGEMENT AND SUPERVISION	146,807
VACATION EXPENSE	9,689
	<hr/>
TOTAL SALARIES	156,496

BENEFITS

FICA	11,304
UNEMPLOYMENT INSURANCE	6,291
PENSION PLAN	5,790
	<hr/>
TOTAL BENEFITS	23,385

TOTAL SALARIES AND BENEFITS

179,880

PROFESSIONAL FEES

CONSULTING & MANAGEMENT	2,061
LEGAL	65,587
ACCOUNTING/AUDIT	10,000
OTHER CONTRACTED SERVICE	14,823
	<hr/>
TOTAL PROFESSIONAL FEES	92,471

SUPPLIES

FOOD	992
OFFICE SUPPLIES	1,295

OTHER MINOR EQUIPMENT	889
OTHER NON-MEDICAL SUPPLIES	3,605
FREIGHT ON PURCHASES	3,755
	0
TOTAL SUPPLIES	10,536
PURCHASED SERVICES	
REPAIRS AND MAINTENANCE	263,335
MANAGEMENT SERVICES	10,200
OTHER PURCHASED SERVICES	463,289
TOTAL PURCHASED SERVICES	736,824
DEPRECIATION	
DEPREC-BUILDINGS & IMPROVEMENT	581,801
DEPREC-LEASEHOLD IMPROVEMENT	9,885
DEPREC-EQUIPMENT	43,549
TOTAL DEPRECIATION	635,235
RENTS AND LEASES	
RENTAL - BUILDING SIERRA KINGS	114,612
TOTAL RENTS AND LEASES	114,612
UTILITIES	
ELECTRICITY	329,066
NATURAL GAS	45,472
WATER	20,705
UTILITIES - OTHER	32,714
TOTAL UTILITIES	427,957
OTHER OPERATING EXPENSES	
INSURANCE	172,290
TAX AND LICENSE	13,600
TRAINING	6,000
TELEPHONE	2,860
SUBSCRIPTIONS & DUES	5,550
OTHER EXPENSE	2,037

TOTAL OTHER OPERATING EXPENSE	202,337
TOTAL OPERATING EXPENSE	<u>2,399,852</u>
NET INCOME FROM OPERATIONS	(2,257,338)
NON-OPERATING REVENUES	
BLOSS TRUST	549,685
GAIN ON INVESTMENTS	55,692
INTEREST INCOME	134,524
PROPERTY TAX REVENUE	377,766
RENTAL INCOME	1,468,982
TOTAL NON-OPERATING REVENUE	2,586,649
NON-OPERATING EXPENSE	
LOSS ON MARKETABLE SECURITY	<u>63,681</u>
TOTAL NON-OPERATING EXPENSE	63,681
NET NON-OPERATING INCOME	<u>2,522,969</u>
Transfer to On-Going Grant Reserves	<u>200,000</u>
NET INCOME (LOSS)	<u><u>65,631</u></u>