
PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 3605 Hospital Road, • Atwater, California 95301 •
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Date: June 22, 2018

Phone: (209) 724-4102

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Bloss Memorial Healthcare District will hold their Finance Committee meeting on Thursday, June 28, 2018 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

Bloss Memorial Healthcare District will hold their **Board of Directors** meeting on Thursday, June 28, 2018 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, May 31, 2018
 2:00 pm**

AGENDA FOR PUBLIC SESSION

I. CALL TO ORDER

II. ROLL CALL

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

IV. PUBLIC COMMENTS

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

V. APPROVAL OF MINUTES

- A. May 29, 2018 CCDSC Advisory Committee Meeting - **Informational**
- B. May 29, 2018 CDSC Advisory Committee Meeting - **Informational**
- C. May 31, 2018 Board of Directors Meeting * 1

VI. FINANCIAL REPORT

- A. May 31, 2018 Finance Committee Minutes * 2
- B. Chief Financial Officer Report 3
- C. May Payroll, Electronic Payments & Check Register * 4

VII. CHIEF EXECUTIVE OFFICER REPORT

VIII. OLD BUSINESS / REPORTS

- A. Castle Family Health Centers, Inc Report 5
- B. Bloss Board Member Report
- C. Approval of FY 2019 Budget * 6

IX. NEW BUSINESS

- A. Approval of Updated Organizational Chart * 7
- B. Resolution 18-1, Candidate Election Statement * 8
- C. Approval of Carpet Purchase/Installation for Day Break Adult * 9
Day Health Care Center @ 1251 Grove Avenue, Atwater
- D. Consulting Services by The Neenan Company, LLLP for Roof * 10
Repairs at 3605 Hospital Road and 1251 Grove Ave, Atwater
- E. Approval of Amendment of Affiliation Agreement Between * 11
Castle Family Health Centers, Inc and Bloss Memorial
Healthcare District, a public entity

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 2018.

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 72 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, A Public Entity (BMHD)
CENTRAL CALIFORNIA DENTAL SURGERY CENTER (CCDSC)
Advisory Committee Meeting
Executive Conference Room
Tuesday, May 29, 2018
10:00 am**

CALL TO ORDER

Edward Lujano called the meeting to order at 10:05 am.

ROLL CALL

Present: Edward Lujano, Bloss CEO; Fily Cale, Executive Assistant;
Dawnita Castle, CFO; Kory Billings, Committee Chair and
Alfonse Peterson

Others Present: Kylene Powell, CCDSC Administrator

Absent: Lloyd Weaver, Committee Member

APPROVAL OF AGENDA

A motion was made / seconded, (Kory Billings / Alfonse Peterson) to approve the May 29, 2018 agenda as presented. Motion carried.

APPROVAL OF MINUTES

A. April 24, 2018 CCDSC Meeting Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Alfonse Peterson) to approve and accept the April 24, 2018 CCDSC Meeting Minutes as presented, Exhibit 1. Motion carried.

FINANCIAL REPORT

A. April 2018 Financials, Exhibit 2

Dawnita Castle reported that for April 2018, CCDSC treated 168 patients and had a net profit before overhead in the amount of \$127,276 and a net profit of \$122,153 after overhead.

Recorded in the revenue is a retro payment for \$74,548 which will skew the net per patient revenue on the income summary per case. Patient revenue per case was \$2,174 and without the retro payment it would have been \$1,727 per patient and expense per case was \$1,413. Days in AR decreased to 65 days in the month of April 2018.

A motion was made /seconded, (Kory Billings / Lloyd Weaver) to approve and accept the April 2018 Financials, Exhibit 2. Motion carried.

ADMINISTRATOR REPORT

Kylene Powell reported that CCDSC was very busy administratively in trying to prepare for the change of ownership. Medical records need to be changed over, dental supplies need to move over, talking to vendors and in working on separating between Bloss and the new ownership.

A letter was received from the Department of Health Services with the dental transformation initiative and they are expecting that payment in early May in the amount of \$114,000.

Quarterly Peer Review was done and she has received the results on the dental side and is still waiting on the anesthesia side. New Peer Review sheets have been revised and they will be able to compare quarter to quarter and see if there are any increasing trends.

Dawnita Castle, CFO, stated that AP had sent out some letters to the vendors letting them know of the change of ownership.

Fily Cale asked if Kylene Powell needed her to do anything on the Board of Pharmacy. Kylene Powell stated that she is working on this. Fily Cale will also complete the Abandonment of Fictitious Business Name statement for both dental surgery centers. Kylene Powell mentioned that they will keep ComCast as it was already separating between Bloss and CCDSC.

OLD BUSINESS

None

NEW BUSINESS

A. Policies & Procedures Recommendation, Exhibit 4

None

B. Credentialing Privileging Recommendation

None.

AGENDA FOR CLOSED SESSION

Section 1461 of the Health and Safety Code – Quality Management.

NEXT MEETING DATE

The next Advisory Committee meeting will be held Monday, June 25, 2018 at 10:00 am.

ADJOURNMENT

As there was no further business, the meeting adjourned into closed session at 10:12 am for the Quality Report under Section 1461 Quality Management.

The meeting reconvened into public session at 10:14 am and adjourned. No action taken.

Respectfully Submitted,

Fily Cale
Executive Assistant

Kory Billings
Advisory Committee Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
U.S. DENTAL SURGERY
d/b/a CHILDREN'S DENTAL SURGERY CENTER (CDSC)
Advisory Committee Meeting
Executive Conference Room
Tuesday, May 29, 2018
10:30 am**

PUBLIC COMMENTS

None.

CALL TO ORDER

Edward Lujano, Bloss CEO, called the meeting to order at 10:31 am as we had a quorum.

ROLL CALL

Present: Edward Lujano, Bloss CEO; Fily Cale, Executive Assistant;
Dawnita Castle, CFO; Glenn Arnold, Committee Member and
Alfonse Peterson, Board Member

Others Present: Kylene Powell, CDSC Administrator and Kory Billings, Board Member

Absent: None

APPROVAL OF AGENDA

A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to approve the May 29, 2018 agenda as presented. Motion carried.

APPROVAL OF MINUTES

A. April 24, 2018 CDSC Meeting Minutes, Exhibit 1

A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to approve and accept the April 24, 2018 Advisory Committee Meeting Minutes as presented. Motion carried.

FINANCIAL REPORT

A. April 2018 Financials, Exhibit 1

Dawnita Castle reported that AP has submitted letters to the vendors to let them know that they are taking over the business. However in Stockton the fire alarm and security company stated that it is an automatic renewal and will not let us out of the contract,

which still has 2.5 years. One charge is \$46.00 per month and the other is \$56.00 per month. We can continue to bill on a monthly basis or pay out which will be about \$1,000 for both. Her recommendation is to bill and then ensure that it will not renew. Kylene Powell stated that they plan on using the same vendor and they are fine with that.

Dawnita Castle stated that for April 2018, CDSC had treated 117 patients (they also treated 117 for May) and recorded a net profit in the amount of \$8,751. This profit consist of a retro payment in the amount of \$48,539, which will skew the income by revenue and it is currently at \$2,191. Without the retro payment it would have been \$1,775. Expense per case was \$2,116.

AR at the end of April 2018 was at \$373,633.00 and the days in AR were down to 51.

A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to approve and accept the April 2018 Financial Report, Exhibit 2, as presented. Motion carried.

ADMINISTRATOR REPORT

Kylene Powell reported that they have been very busy administratively in trying to talk to vendors and get everything changed over with the change of ownership. Meeting with vendors and getting accounts switched over is going well.

We did start off very strong in the beginning of the month, the first week we had an average of 8.5 patients and as the month wore on it became more of a struggle with scheduling. We ended up with having one 2 OR day for the month of April versus the past months with two 2OR days.

We had another perfect day on April 27, 2018, scheduled 10 patients and treated 10 patients.

We had quite a few repairs at CDSC, such as the expansion tank failing in the boiler. And a few humidifier canisters also had to be changed out for the OR's.

We completed Peer Review and are still awaiting the anesthesia Peer Review. We did dental and Kylene Powell distributed a current face sheet for review and understanding of how they are doing the providers in Peer Review.

Glenn Arnold asked if there were any issues with the transition and ownership. Kylene Powell stated that it is where it needs to be, most of the main vendors are aware and they are in the process, they are still working on their end with licensing and certification. Some of it she needs to hold off until she received the Bill of Sale. Her focus has been to make sure that they are able to start June 1, 2018 of treating patients.

OLD BUSINESS

None.

NEW BUSINESS

A. Policies & Procedures Recommendation, Exhibit 4

None.

B. Credentialing / Privileging Recommendation

None.

AGENDA FOR CLOSED SESSION

Section 1461 of the Health and Safety Code – Quality Management.

NEXT MEETING DATE

The next Advisory Committee Meeting will be held Monday, June 25, 2018 at 10:30 a.m.

ADJOURNMENT

As there was no further business, the meeting adjourned into closed session at 10:39 am for the Quality Report under Section 1461 Quality Management.

The meeting reconvened into public session at 10:40 am and adjourned. No action taken.

Respectfully Submitted,

Glenn Arnold
Advisory Committee Member

Edward Lujano
Chief Executive Officer

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, May 31, 2018
2:00 pm**

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 2:02 pm.

ROLL CALL

Board Members Present: Kory Billings, Chair; Glenn Arnold, Vice Chair; Al Peterson, Secretary / Treasurer and Lloyd Weaver, Board Member

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Ralph Temple, Jr., Legal Counsel; Rick Ramirez, Maintenance Supervisor; Michael Muhareb, LPL Financial / ThiesenDucker; Vince Mastro, LPL Financial / ThiesenDucker; Peter Mojarras, CFHC COO @ 2:07 pm and Sabrina Cooksey, HR @ 2:11 pm

Absent: None

APPROVAL OF AGENDA

A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to approve the May 31, 2018 agenda with the changes. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

- A. April 24, 2018, CCDSC Advisory Committee Meeting – Informational
- B. April 24, 2018, CDSC Advisory Committee Meeting – Informational
- C. April 26, 2018 Board of Directors Meeting, Exhibit 1
- D. May 3, 2018 Special Board of Directors Meeting, Exhibit 1a

A motion was made /seconded, (Alfonse Peterson / Lloyd Weaver) to accept and approve the March 26, 2018 Board of Directors meeting as presented, Exhibit 1 and the May 3, 2018 Special Board of Directors meeting as presented, Exhibit 1a. Motion carried.

FINANCIAL REPORT

A. April 26, 2018 Finance Committee Meeting Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Lloyd Weaver) to accept the April 26, 2018 Finance Committee Meeting Minutes as presented. Exhibit 2. Motion carried.

B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle, CFO, provided a correction on paragraph 1 of the Operations Report, the net gain was \$89,614 not \$76,905.

Dawnita Castle reported that for April 2018, BMHD recorded a net gain before depreciation in the amount of \$135,334 and a net gain in the amount of \$76,905 after depreciation. This net gain does include retro payments from both CCDSC and CDSC dental surgery centers. The net income includes from CCDSC a net profit in the amount of \$427,276 and a 65% Partnership income gain of \$5,688 and expenses for SKDSC in the amount of \$21,363.

The SKDSC rent should be completed in August 2023 and total retro payments for CCDSC was \$75,548 and was recorded in April 2018. Total retro for CDSC was \$48,539.

C. April 2018 Payroll, Electronic Payments and Check Register, Exhibit 4

A motion was made / seconded, (Lloyd Weaver / Alfonse Peterson) to approve and accept the April 2018 Payroll in the amount \$119,525.62 and Accounts Payable in the amount of \$681,136.50 for a total Disbursement of \$800,662.12, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

Edward Lujano, CEO, reported that on May 17, 2018 we had a Celebration Dinner with CCDSC and CDSC staff. Kory Billings, Board Chair was in attendance. Staff was very appreciative of what BMHD had done for them over the years. Staff sent a Thank You card to the Board of Directors via Kory Billings.

For the month of April 2018, CDSC scheduled 152 patients, completed 117 cases, received 226 referrals and Sonny Vasquez visited 177 office in the area.

CCDSC scheduled 248 patients and completed 166 cases. Sonny Vasquez participated in the Children's Summit in Merced and visited 146 offices in the surrounding area.

OLD BUSINESS / REPORTS

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

Peter Mojarras, CFHC COO, thanked the Board of Directors for the great relationship between BMHD and CFHC. He hopes there will be continued opportunities to share all of the excited and changes that occur with CFHC. BMHD has been instrumental in the growth of CFHC's of the future opportunities.

Peter Mojarras and Edward Lujano attend the Winton Community Development meeting and the community is very excited about the new medical clinic.

CFHC is in a solid position and will be working with a consulting group on the NAP grant application to become a 330 Grantee.

The remodel of the first hallway in the space vacated by MFA is almost completed. We will be able to provide 3 exam rooms per provider which is the most efficient model for providers.

Peter Mojarras stated that CFHC is currently recruiting for specialists and working with Mercy Hospital. We are also bringing in an Acupuncturist, with Merced County being the top county for adverse effects from opioid medications. This will allow for alternative treatment plan for pain management.

Edward Lujano stated that the lease agreement for the vacated MFA space was dated for June 1, 2018, but there was a delay in some of the materials and CFHC will push this out to July 1, 2018. Ralph Temple, Legal Counsel, commented that if CFHC does this, to just change the effective date on the lease and initial it.

B. Bloss Board Member Report

Kory Billings reported that he had attended the dinner on May 17, 2018 and spend a good evening with the staff we have at the dental surgery centers. It was a fun evening, they were in great spirits and looking forward to what the future has and how things will change and yet stay positive for them. They expressed how thankful they were with all of the opportunities that BMHD has brought to them over the last several years. They had a thank you card and small gift for each Board Member, which he will hand give out.

This morning we had the opportunity to sign the final paperwork for the transfer of power from our dental surgery centers over. This has been signed and checks have been handed in both directions. The new owner will provide insurance and list BMHD as an additional insured, which will take care of any questions that they had. We are awaiting an overnight document from one of the guarantees although we do have copies of it. It was delayed due to airline issues. It was a very smooth transaction.

We have one more regularly scheduled meeting in June 2018, which will cover all of May 2018 and then we have asked them to submit their financials to us monthly. We will review the financials monthly and then go over them quarterly in Closed Session with the Board of Directors as they are a private company. As the lien holder we need to see that they are financially going to meet their long term obligations. Ralph Temple, Legal Counsel, stated that this information will be shared until all of the Promissory Notes are paid in full.

Ralph Temple, Legal Counsel, stated that for the record, we closed escrow for the sale of both dental surgery centers in Stockton and Atwater.

NEW BUSINESS

A. Provider Credentialing / Privileging

None.

B. Approval of CCDSC / CDSC Policies & Procedures

None.

C. Investment Committee Report

Kory Billings reported that an Investment Committee meeting had been held on earlier this month. A committee report will be provided by ThiesenDueker.

Michael Muraheb and Vince Maestro of ThiesenDueker provided handouts which they reviewed and discussed with the Board of Directors.

The Board thanked Michael Muraheb and Vince Maestro for the report.

D. Investment Committee Review of Policy & Procedure, Exhibit 6

Kory Billings presented the Investment Guidelines (Exclusive of Bloss Trust and Goodwin Trust) policy for approval. The policy was reviewed at the annual meeting and acknowledge that they will leave the policy as is for the future years.

A motion was made / seconded, (Lloyd Weaver / Glenn Arnold) to accept and approve the review of the Investment Guidelines (Exclusive of Bloss Trust and Goodwin Trust), Exhibit 6. Motion carried.

E. Investment Committee Acknowledgement of Retirement of Conrad Fournier / LPD Financial ThiesenDueker, Exhibit 7

Kory Billings commented that Conrad Fournier is retiring and all of our questions / comments will need to be directed to his associates Michael Muraheb and Vince Maestro.

A motion was made / seconded, (Glenn Arnold / Alfonse Peterson) to accept and acknowledge the retirement of Conrad Fournier, Exhibit 7. Motion carried.

F. Roofing Proposals for 3605 Hospital Road, Atwater, CA, Exhibit 8

Edward Lujano presented 2 roofing proposals for 3605 Hospital Road. October 31, 2002 is when the roof was previously redone for \$489,404.

Rick Ramirez, Maintenance Supervisor, stated that the roof was not done properly 16 years ago and the wrong materials were used. The roof has many leaks and we need to have it inspected. Other companies provided chose not to follow through with bids once they did a physical walk through.

Edward Lujano commented that he could check with Neenan Archstructures, company building the new Winton Clinic if they would look at the quotes we received and provide specifications of what we made need.

After reviewing and discussing the roofing proposals for 3605 Hospital Road and 1251 Grove Avenue the Board of Directors recommended that we Table this item until we get additional information.

A motion was made / seconded, (Lloyd Weaver / Alfonse Peterson) to Table this item until we received further information, Exhibit 8. Motion carried.

G. Roofing Proposals for 1251 Grove Avenue, Atwater, CA, Exhibit 9

H. This item was discussed under F. Roofing Proposals for 3605 Hospital Road, Atwater, CA, Exhibit 8

I. Approval of FY 2019 Budget, Exhibit 10

The Finance Committee recommended that FY 2019 Budget be tabled until June to get a few other questions answered.

A motion was made / seconded, (Glenn Arnold / Alfonse Peterson) to Table the FY 2019 Budget pending minor clarifications until the next meeting, Exhibit 10. Motion carried.

J. Dissolution of Partnership with Carol Freeman / US Dental

Ralph Temple, Legal Counsel, commented that we had wanted escrow to close before we dissolved the partnership. Escrow has closed and Attorney Eric Tetrault is in the process of preparing the paperwork and we should have the actual Dissolution agreement at the next meeting.

A motion was made / seconded, (Glenn Arnold / Alfonse Peterson) to direct staff to prepare all documentation for Dissolution of Partnership with Carol Freeman / US Dental. Motion carried unanimously.

AGENDA FOR CLOSED SESSION

Ralph Temple, Legal Counsel, stated that he has two litigation issues under Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of Litigation. One rising out of the evaluation of Castle by the State that brings into some issues about an affiliation agreement.

Kory Billings, Board Chair also stated that we will have a slight discussion under Section 54957 Personnel Actions on board personnel and the potential of a new board member.

Kory Billings also stated for the record and prior to going into Closed Session that we have received notice that it is election time and there are 3 that are up for election. We will proceed with the appropriate paperwork and resolution will be on the agenda next month.

NEXT MEETING DATE

The next Board of Directors Meeting will be held on Thursday, June 28, 2018 at 2:00 p.m. in the Board Room.

The Finance Committee will also meet on Thursday, June 28, 2018 at 1:30 p.m. in the Board Room.

ADJOURNMENT

As there was no further business, the meeting adjourned into Closed Session at 3:06 pm.

The meeting reconvened into public session at 3:42 pm and adjourned. No action taken.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Board Secretary / Treasurer

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, May 31, 2018
1:30 p.m.**

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

Others Present: Kory Billings, Board Chair

Absent: None

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 / Glenn Arnold) to approve the May 31, 2018 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. April 26, 2018 Finance Committee Minutes, Exhibit 1

A motion was made / seconded, (Glenn Arnold / Edward Lujano) to approve and accept the April 26, 2018 Finance Committee Minutes as presented, Exhibit 1. Motion carried.

REVIEW OF DISTRICT FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle CFO, provided a correction on paragraph 1 of the Operations Report, the net gain was \$89,614 not \$76,905, she picked up the current year instead of the prior year. BMHD's operating cash balance for April 2018 was at \$2,295,869 and Days Cash on Hand was at 189 days.

BMHD recorded a net gain before depreciation in the amount of \$135,334 and a net gain of \$76,905 after depreciation. This net gain includes two retro payments for the surgery centers.

A motion was made / seconded, (Edward Lujano / Glenn Arnold) to approve and accept the Review of District Financial Statements as presented, Exhibit 1. Motion carried.

A. Recommendation of FY 2019 Budget, Exhibit 2a

Dawnita Castle, CFO, stated that she had taken into consideration that BMHD would not have the dental surgery centers included. It does have some accounts payable, accounts receivable and collections in the amount of \$239,000 for both dental surgery centers and about \$85,000 in bad debt, which is anything over 90-days throughout that year.

After review and discussion of the FY 2019 Budget it was recommended that this item be Tabled to the June Board meeting

A motion as made / seconded, (Edward Lujano / Glenn Arnold) to Table the Recommendation of FY 2019 Budget so that the CFO may further review the budget, Exhibit 2a. Motion carried.

CCDSC FINANCIAL REPORT, EXHIBIT 3

Dawnita Castle reported that for April 2018, CCDSC had treated 168 patients and had a net profit of overhead of \$12,276 and a net profit in the amount of \$122,153 after expense allocations. A retro payments is recorded in the amount of \$74,548 and their YTD net revenue is \$636,649.

SKDSC FINANCIAL REPORT, EXHIBIT 4

Dawnita Castle reported that SKDSC total expenses for April 2018 were \$21,363.

CDSC FINANCIAL REPORT, EXHIBIT 5

Dawnita Castle reported that for the month April 2018, CDSC treated 117 patients and recorded a net profit in the amount of \$8,751. This profit includes a retro payment of \$48,539. Their YTD which is January 2018 through April 2018 is \$30,143.

DENTAL CENTERS' COMPARISON, EXHIBIT 6

Dawnita Castle reported that for the 12-month income CCDSC has a profit of \$732,966 and CDSC has a net loss of \$475,958.

A motion was made / seconded, (Glenn Arnold / Edward Lujano) to approve and accept the Review of District Financials as presented, Exhibit 2; CCDSC Financial Report, Exhibit 3; SKDSC Financial Report, Exhibit 4; CDSC Financial Report, Exhibit 5 and Dental Centers' Comparison, Exhibit 6 as presented. Motion carried.

WARRANTS AND PAYROLL

A. April 2018 Payroll, Electronic Payments & Check Register, Exhibit 7

A motion was made/seconded, (Glenn Arnold / Edward Lujano) to approve and accept the April 2018 Total Payroll in the amount \$119,525.62 and Total Accounts Payable in the amount of \$681,136.55 for a total Grand Total Disbursement of \$800,662.12, Exhibit 7. Motion carried.

DISCUSSION

None.

AGENDA FOR CLOSED SESSION

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

NEXT MEETING DATE/ADJOURNMENT

The next Finance Committee meeting will be held on Thursday, June 28, 2018 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:55 p.m.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$64,998 for the month compared to a net gain of \$39,504 last year. Expenses include \$21,352 of SKDSC costs.

The May 31, Operating Cash Balance was \$2,172,726 and Days Cash On Hand was 156 Days*. In April the DCH was 189 Days.

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

Dental Surgery Center Summary :

	CCDSC	SKDSC	CDSC	COMBINED					
Net Operating Revenue and Non-Operating Operating Expenses	\$405,260	\$0	\$163,204	\$568,464					
Net Income (Loss)	290,604	21,352	260,745	572,701					
	114,656	(21,352)	(97,540)	(4,236)					
BMHCD % Share	100.00%	100.00%	65.00%	N/A					
Bloss Share of Net Income (Loss)	\$114,656	(\$21,352)	(\$63,401)	\$29,903					
A summary comparison of operations for the month and the prior year is as follows :									
	May-18	May-17	VARIANCE *	%		Y-T-D May-18	Y-T-D May-17	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	290,324	298,003	(7,679)	-2.58%		2,949,297	2,868,040	81,257	2.83%
Other Operating Revenue	119,381	896	118,485	13223.77%		158,334	117,544	40,790	34.70%
Total Net Operating Revenue	409,705	298,899	110,806	37.07%		3,107,631	2,985,584	122,047	4.09%
Operating Expenses Excluding Depreciation	432,599	390,807	(41,792)	-10.69%		3,771,955	3,993,025	221,070	5.54%
Net Operating Income (Loss) Before Depreciation	(22,894)	(91,908)	69,014	75.09%		(664,324)	(1,007,441)	343,117	34.06%
Net Non Operating-Gains/Losses	3,235	1,275	1,960	153.73%		15,818	18,476	(2,658)	-14.39%
Gain/Loss on Investments	(63,401)	4,785	68,186	1424.99%		(333,533)	(106,566)	(226,967)	-212.98%
CDSC Gain/Losses	148,058	125,351	(22,707)	-18.11%		2,006,230	1,941,935	64,295	3.31%
All Other Non-Operating Gains/Losses	87,892	131,412	43,520	33.12%		1,688,515	1,853,845	(165,330)	-8.92%
Total Net Non-Operating Income: Losses/Gains	64,998	39,504	25,494	64.54%		1,024,191	846,404	177,787	21.00%
Total Net Income (Loss) Before Depreciation	58,310	59,917	(1,607)	-2.68%		650,119	660,766	(10,647)	-1.61%
Depreciation Expense	6,688	(20,413)	27,101	-132.76%		374,072	185,638	188,434	101.51%
Net Income (Loss) After Depreciation									

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Eleven Months Ending May 31, 2018

Total CFHC Inc. encounters for the month are 11,922 compared to 10,687 last year, a 11.56% decrease.
 CCDCS cases for the month are 18.22% less than last year.
 CDSC cases for the month are 64.62% less than last year.

Department	May-18	May-17	VARIANCE	%	Y-T-D May-18	Y-T-D May-17	VARIANCE *	Y-T-D %
Castle Clinic	4,795	3,723	1,072	28.79%	45,729	39,278	6,451	16.42%
Specialty Clinic	697	771	(74)	-9.60%	6,875	9,371	(2,496)	-26.64%
Bloss Clinic	1,175	1,051	124	11.80%	11,081	12,204	(1,123)	-9.20%
Winton Clinic	787	832	(45)	-5.41%	8,420	8,571	(151)	-1.76%
Urgent Care	324	309	15	4.85%	3,609	5,139	(1,530)	-29.77%
Lab	2,093	1,887	206	10.92%	20,609	19,244	1,365	7.09%
Radiology	670	608	62	10.20%	6,403	6,320	83	1.31%
Behavioral Health	158	223	(65)	-29.15%	2,248	2,389	(141)	-5.90%
Adult Day Health Care	437	505	(68)	-13.47%	5,305	5,672	(367)	-6.47%
Optometry	393	431	(38)	-8.82%	5,140	5,741	(601)	-10.47%
Ophthalmology	393	347	46	13.26%	3,982	3,680	302	8.21%
TOTAL ENCOUNTERS	11,922	10,687	1,235	11.56%	119,401	117,609	1,792	1.52%

CASTLE NEW PATIENTS

Bloss Memorial Health Care District

	May-18	May-17	VARIANCE	%	May-18	May-17	VARIANCE *	%
Central California Dental Surgery Center	193	236	(43)	-18.22%	1,821	2,229	(408)	-18.30%
Childrens Surgery Center	98	277	(179)	-64.62%	1,187	2,504	(1,317)	-52.60%
Total Surgery Center Visits	291	513	(222)	-43.27%	3,008	4,733	(1,725)	-36.45%

May-18 Working Days 22 and 1 Holiday
May-17 Working Days 22 and 1 Holiday

Bloss Memorial HealthCare District
 Operations Summary Report
 Eleven Months Ending May 31, 2018

BMHD FULL TIME EQUIVALENTS SUMMARY :

(See FTE report included in Financial Reports for detail)

	May-18	May-17	VARIANCE	%	Y-T-D May-18	Y-T-D May-17	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	16.54	15.88	(0.66)	-4.16%	13.47	13.42	(0.05)	-0.37%
CONTRACT FTE'S	4.14	4.48	0.34	7.59%	4.44	4.95	0.51	10.30%
TOTAL FTE'S	20.68	20.36	(0.32)	-1.57%	17.91	18.37	0.46	2.50%

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

Full Time Equivalent - Employees for the month are 4.16% more than the prior year with 0.66 more FTE'S

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

Department	Cur. Mo. Increase (DECREASE)	YTD Increase (DECREASE)	Reason
CCDSC	(1.20)	(0.16)	Addtl RN
All other departments < 1 fte var	0.54	0.12	Various departments less than 1 fte variance.
	(0.66)	(0.04)	Brackets () indicate a decrease (favorable) variance

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

Bloss Memorial Healthcare District
 Payroll, Accounts Payable and Funds Disbursements - Summary
 Month of May-18

Payroll	May Payroll People transfer for 06/05/17 payroll		\$71,147.88
			\$127,918.44
Total Payroll			\$199,066.32

Accounts Payable:

A/P Checks	Bloss	\$388,125.61	\$388,125.61
Auto Debits		\$211.89	
Electronic Payments to Castle on Payable		\$38,794.80	
Electronic Transfer to LAIF		\$0.00	
Total Auto Debits and Electronic Transfers		\$39,006.69	\$39,006.69
Electronic Payments - ACH		\$189,892.64	\$189,892.64
Total Accounts Payable			\$617,024.94

Grand Total Disbursements			\$816,091.26
----------------------------------	--	--	---------------------

BLOSS	Payroll Disbursements for		May-18
	Payroll dated		
	05/05/18	05/20/18	Total
Earnings			
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,333.33	4,333.33	8,666.66
Double Time			-
Call In			-
On Call			-
Other			-
			-
CCDSC Surgery Center	27,574.94	28,755.50	56,330.44
CDSC Surgery Center	24,066.67	23,842.75	47,909.42
			-
Total	55,974.94	56,931.58	112,906.52
			-
Deductions			-
FICA (+)	4,282.09	4,355.28	8,637.37
Insurance (-)	(1,031.29)	(1,031.29)	(2,062.58)
Emp Deduction(-)/Reimb(+)	2,670.50	5,714.91	8,385.41
Christmas Fund (-)	(915.00)	165.00	(750.00)
Process Fee (+)	632.84	168.88	801.72
	-		-
Total	5,639.14	9,372.78	15,011.92
			-
			-
Net Payroll	\$ 61,614.08	\$ 66,304.36	127,918.44

RUN DATE: 05/31/18
 RUN TIME: 1615
 RUN USER: COOKS

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

C
 FROM 05/01/18 TO 05/31/18

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
05/07/18	037835	B0072	BETA HEALTHCARE GROUP	ISSUED	05/07/18	2846.42	
05/07/18	037836	K0035	CITY OF PARLIER	ISSUED	05/07/18	188.98	
05/07/18	037837	B0132	CLARK PEST CONTROL	ISSUED	05/07/18	1337.00	
05/07/18	037838	B0100	FEDEX	ISSUED	05/07/18	12.26	
05/07/18	037839	B0248	GRAYBAR	ISSUED	05/07/18	856.37	
05/07/18	037840	B0016	GUARDCO SECURITY SERVICES	ISSUED	05/07/18	10116.75	
05/07/18	037841	B0241	HIGGS, FLETCHER & MACK LLP	ISSUED	05/07/18	120.00	
05/07/18	037842	B0225	HOFFMAN SECURITY	ISSUED	05/07/18	700.50	
05/07/18	037843	K0034	JOE S RODRIGUEZ	ISSUED	05/07/18	375.00	
05/07/18	037844	K0003	M-D VENTURES	ISSUED	05/07/18	19007.11	
05/07/18	037845	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	05/07/18	5774.59	
05/07/18	037846	B0226	NONSTOP ADMIN. & INS. SRVCS, INC.	ISSUED	05/07/18	9031.00	
05/07/18	037847	B0091	OFFICE DEPOT	ISSUED	05/07/18	24.00	
			REMITTED TO: OFFICE DEPOT (32544746				
05/07/18	037848	B0014	PG&E (4705482162-5)	ISSUED	05/07/18	3744.32	
05/07/18	037849	B0102	THE HARTFORD	ISSUED	05/07/18	221.30	
05/07/18	037850	B0013	WEST COAST GAS CO, INC.	ISSUED	05/07/18	2008.49	
05/07/18	037851	B0015	WINTON, WATER & SANITARY DISTRICT	ISSUED	05/07/18	72.80	
05/14/18	037852	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	05/14/18	248.96	
05/14/18	037853	B0038	KINGS VIEW WEC	ISSUED	05/14/18	2375.00	
05/14/18	037854	B0218	JOHN P. NIEMOTKA	ISSUED	05/14/18	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
05/14/18	037855	B0042	RALPH TEMPLE	ISSUED	05/14/18	4792.50	
05/14/18	037856	K0057	SOCAL GAS (090 828 6930 7)	ISSUED	05/14/18	14.30	
05/21/18	037857	B0037	CARDMEMBER SERVICE-XXXXXXXXXX1793	ISSUED	05/21/18	2034.85	
05/21/18	037858	B0027	CITY OF ATWATER (010448-000)	ISSUED	05/21/18	763.63	
05/21/18	037859	B0134	CITY OF ATWATER (020161-000)	ISSUED	05/21/18	654.34	
05/21/18	037860	B0132	CLARK PEST CONTROL	ISSUED	05/21/18	558.00	
05/21/18	037861	B0100	FEDEX	ISSUED	05/21/18	84.69	
05/21/18	037862	B0043	INSIGHT EMPLOYEE ASSISTANCE PRGRM	ISSUED	05/21/18	58.86	
05/21/18	037863	B0025	MERCED IRRIGATION DISTRICT	ISSUED	05/21/18	296.04	
05/21/18	037864	B0026	MERCED IRRIGATION DISTRICT	ISSUED	05/21/18	17159.57	
05/21/18	037865	B0039	VALERO MARKETING AND SUPPLY CO.	ISSUED	05/21/18	537.29	
05/29/18	037866	B0250	DENTAL SURGERY CENTERS OF AMERICA	ISSUED	05/29/18	200000.00	
05/29/18	037867	B0249	US DENTAL SURGERY CENTERS, INC	ISSUED	05/29/18	100000.00	
05/29/18	037868	B0132	CLARK PEST CONTROL	ISSUED	05/29/18	370.00	
05/29/18	037869	B0133	MERCED/MODESTO COMMERCIAL SWEEPERS	ISSUED	05/29/18	240.00	
05/29/18	037870	B0021	PG&E (1384254881-3)	ISSUED	05/29/18	657.96	
05/29/18	037871	B0020	PG&E (1873896591-4)	ISSUED	05/29/18	281.94	
05/29/18	037872	K0044	PG&E (8300477674-2)	ISSUED	05/29/18	160.79	
TOTAL \$						388125.61	

Bloss Memorial Healthcare District
May-18

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees	136.89
Total	<u>136.89</u>

Electronic Payments to Castle on Payable	38,794.80
Electronic Payments to Payroll People for Impound Charge	75.00
Electronic Transfer to LAIF	0.00
Total	<u>38,869.80</u>

Grand Total	<u>39,006.69</u>
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RUN DATE: 05/31/18
RUN TIME: 1517
RUN USER: COOKS

Castle Family Health Centers AP **LIVE**
ELECTRONIC PAYMENT NUMBER LIST

PAGE 1

C
FROM D115941 TO D116303

PMT_NUM	DATE	VENDOR_NUM	VENDOR_NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED	VOIDED
D116057	05/03/18	B0149	SUNG Y. CHO DDS, INC.	DIRECTD	05/03/18	21276.15	
D116058	05/03/18	B0178	CHRISTOPHER CHIU, D.D.S., INC.	DIRECTD	05/03/18	16960.00	
D116059	05/03/18	B0213	WONIL EDWARD JUNG DDS, INC.	DIRECTD	05/03/18	10500.00	
D116060	05/03/18	B0219	KAREN ANN DROSDIK	DIRECTD	05/03/18	10489.68	
D116061	05/03/18	B0221	CHRISTINA BAEK, DDS, PC	DIRECTD	05/03/18	10600.00	
D116062	05/03/18	B0222	FUTURE HEALTH SERVICES, LLC	DIRECTD	05/03/18	7500.00	
D116063	05/03/18	B0223	BEVERLY YI ZHANG HONG	DIRECTD	05/03/18	9815.16	
D116064	05/03/18	B0224	PERRY SOLOMON	DIRECTD	05/03/18	5000.00	
D116297	05/18/18	B0149	SUNG Y. CHO DDS, INC.	DIRECTD	05/18/18	16518.25	
D116298	05/18/18	B0178	CHRISTOPHER CHIU, D.D.S., INC.	DIRECTD	05/18/18	20460.00	
D116299	05/18/18	B0213	WONIL EDWARD JUNG DDS, INC.	DIRECTD	05/18/18	10600.00	
D116300	05/18/18	B0219	KAREN ANN DROSDIK	DIRECTD	05/18/18	15980.52	
D116301	05/18/18	B0221	CHRISTINA BAEK, DDS, PC	DIRECTD	05/18/18	13800.00	
D116302	05/18/18	B0222	FUTURE HEALTH SERVICES, LLC	DIRECTD	05/18/18	7500.00	
D116303	05/18/18	B0223	BEVERLY YI ZHANG HONG	DIRECTD	05/18/18	12892.88	
TOTAL \$						189892.64	

CASTLE FAMILY HEALTH CENTERS, INC REPORT

Castle Family Health Centers Inc
 Operations Summary Report
 Eleven Months Ending May 31, 2018

Total encounters for the month are 11,922 compared to 10,687 last year 11.56% decrease.

Department	May-18	May-17	VARIANCE	%	Y-T-D May-18	Y-T-D May-17	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	4,795	3,723	1,072	28.79%	45,729	39,278	6,451	16.42%
Specialty Clinic	697	771	(74)	-9.60%	6,875	9,371	(2,496)	-26.64%
Bloss Clinic	1,175	1,051	124	11.80%	11,081	12,204	(1,123)	-9.20%
Winton Clinic	787	832	(45)	-5.41%	8,420	8,571	(151)	-1.76%
Urgent Care	324	309	15	4.85%	3,609	5,139	(1,530)	-29.77%
Lab	2,093	1,887	206	10.92%	20,609	19,244	1,365	7.09%
Radiology	670	608	62	10.20%	6,403	6,320	83	1.31%
Behavioral Health	158	223	(65)	-29.15%	2,248	2,389	(141)	-5.90%
Adult Day Health Care	437	505	(68)	-13.47%	5,305	5,672	(367)	-6.47%
Optometry	393	431	(38)	-8.82%	5,140	5,741	(601)	-10.47%
Ophthalmology	393	347	46	13.26%	3,982	3,680	302	8.21%
TOTAL ENCOUNTERS	11,922	10,687	1,235	11.56%	119,401	117,609	1,792	1.52%

May-18 Working Days 22 and 1 Holiday
 May-17 Working Days 22 and 1 Holiday

NEW PATIENTS	May-18	May-17	VARIANCE *	%	Y-T-D May-18	Y-T-D May-17	Y-T-D VARIANCE *	Y-T-D %
	355	315	40	12.70%	4,554	3,386	1,168	34.49%

APPROVAL OF FY 2019 BUDGET

BLOSS MEMORIAL HEALTHCARE DISTRICT
FY 2019 BUDGET

The 2019 Budget Reports are attached and include both the Summary and Detail Formats, Sierra Kings Dental Surgery Center Summary Format, and Bloss Capital Expenditures.

The FY 2019 Budget reflects a projected accrual Net Profit of \$305,906, which includes Other Operating Revenue of \$315,153 and a Net Non-Operating Revenue of \$2,166,860.

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 \$87,153 for Special Dividends from Beta liability insurance and Bad Debt Collections for accounts outstanding over 90 days that 100% Allowance has been applied.

Total Non-Operating Revenues

Bloss Trust is calculated at \$565,000 reflecting the anticipated Year End Distributions for FY 2019. Bloss Trust Revenue is budgeted at actual receipts of FY 2018, expected to be conservative.

Property Tax Revenue is budgeted at the actual receipts of FY 2018 to reflect the tax income earned paid to Bloss Memorial Healthcare District from Merced County in the amount of \$346,565.

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 \$1,242,702.

Total operating expense is estimated at \$2,176,107 for the operations of the two facilities located at the Bloss and Castle site. Total operating expense includes facility costs of Sierra Kings with an annual budgeted amount of \$244,988.

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 \$135,222.

Professional Fees

Professional Fees total is \$92,057 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 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 \$328,477. These services include pest control, housekeeping, security services, monitoring, and lawn care.

Depreciation

Depreciation Expense is projected on the schedule of existing Assets with the exclusion of CCDSC 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 \$463,239.

Other Operating

Other operating expense budget is for facility liability insurance and property taxes for the Sierra Kings facility paid to the property owner of MD Ventures.

Capital Expenditures

Capital Expenditures estimates are included for FY 2019. The budget totaling \$701,629 for roofing repairs at Castle and Bloss sites.

Capital Funds include the Capital Improvements Investment at the current value as of May 2018 of \$253,587 less interest earned. Funded Deprecation is at current value as of May 2018 of \$156,937 both totaling \$410,524 invested for capital improvements.

SUMMARY

Bloss Memorial Healthcare District, A Public Entity	FY 19 BUDGET
NET PATIENT REVENUE	<u>0</u>
OTHER REVENUE	<u>87,153</u>
TOTAL NET OPERATING REVENUE	<u>87,153</u>
OPERATING EXPENSES	
SALARIES AND WAGES	119,474
EMPLOYEE BENEFITS	15,748
PROFESSIONAL FEES	92,057
SUPPLIES	9,519
PURCHASED SERVICES	395,303
DEPRECIATION	738,271
RENTS AND LEASES	230,365
UTILITIES	463,239
INSURANCE	97,830
OTHER EXPENSE	<u>14,301</u>
TOTAL OPERATING EXPENSE	<u>2,176,107</u>
NET INCOME FROM OPERATIONS	-2,088,954
NON-OPERATING REVENUE	2,184,527
NON-OPERATING EXPENSE	<u>17,667</u>
NET NON-OPERATING INCOME	<u>2,166,860</u>
NET INCOME	<u>77,906</u>

DETAILED

Bloss Memorial Healthcare District, A Public Entity

FY 19 BUDGET

REVENUES

NET PATIENT REVENUE	0
MISC OTHER OPERATING	1,528
BAD DEBT RECOVERY	85,625
	<hr/>
TOTAL OTHER OPERATING REVENUE	87,153
TOTAL NET OPERATING REVENUE	87,153
	=====

EXPENSES

SALARIES	
MANAGEMENT AND SUPERVISION	109,000
VACATION EXPENSE	10,474
	<hr/>

TOTAL SALARIES 119,474

BENEFITS

FICA	8,720
UNEMPLOYMENT INSURANCE	3,600
HEALTH INSURANCE	1,100
WORKERS COMPENSATION	2,328
	<hr/>

TOTAL BENEFITS 15,748

TOTAL SALARIES AND BENEFITS 135,222

PROFESSIONAL FEES

CONSULTING & MANAGEMENT	9,600
LEGAL	35,589
ACCOUNTING/AUDIT	16,000
OTHER CONTRACTED SERVICE	30,868
	<hr/>

TOTAL PROFESSIONAL FEES 92,057

SUPPLIES

FOOD	991
------	-----

CLEANING SUPPLIES	100
OFFICE SUPPLIES	1,310
OTHER MINOR EQUIPMENT	621
OTHER NON-MEDICAL SUPPLIES	5,498
FREIGHT ON PURCHASES	324
SALES TAX AND VARIANCE	675
	<hr/>
TOTAL SUPPLIES	9,519
PURCHASED SERVICES	
REPAIRS AND MAINTENANCE	59,626
MANAGEMENT SERVICES	7,200
OTHER PURCHASED SERVICES	328,477
	<hr/>
TOTAL PURCHASED SERVICES	395,303
DEPRECIATION	
DEPREC-LAND & IMPROVEMENTS	5,652
DEPREC-BUILDINGS & IMPROVEMENT	632,155
DEPREC-LEASEHOLD IMPROVEMENT	10,416
DEPREC-EQUIPMENT	90,048
	<hr/>
TOTAL DEPRECIATION	738,271
RENTS AND LEASES	
RENTAL - BUILDING SIERRA KINGS	230,365
	<hr/>
TOTAL RENTS AND LEASES	230,365
UTILITIES	
ELECTRICITY	340,888
NATURAL GAS	47,646
WATER	39,257
UTILITIES - OTHER	35,448
	<hr/>
TOTAL UTILITIES	463,239
OTHER OPERATING EXPENSES	
INSURANCE	97,830
TAX AND LICENSE	14,301
	<hr/>
TOTAL OTHER OPERATING EXPENSE	112,131

TOTAL OPERATING EXPENSE	2,176,107
	<hr/> <hr/>
NET INCOME FROM OPERATIONS	(2,088,954)
 NON-OPERATING REVENUES	
BLOSS TRUST	565,000
GAIN ON INVESTMENTS	30,260
PROPERTY TAX REVENUE	346,565
RENTAL INCOME	1,242,702
 TOTAL NON-OPERATING REVENUE	2,184,527
 NON-OPERATING EXPENSE	
LOSS ON MARKETABLE SECURITY	17,667
	<hr/>
TOTAL NON-OPERATING EXPENSE	17,667
 NET NON-OPERATING INCOME	2,166,860
 NET INCOME (LOSS)	77,906
	<hr/> <hr/>

SUMMARY

SIERRA KINGS DENTAL SURGERY CENTER

FY 19 BUDGET

NET PATIENT REVENUE	<u>0</u>
OTHER REVENUE	<u>0</u>
TOTAL NET OPERATING REVENUE	<u>0</u>
OPERATING EXPENSES	
PURCHASED SERVICES	3,750
DEPRECIATION	4,620
RENTS AND LEASES	230,365
UTILITIES	4,786
OTHER EXPENSE	<u>1,467</u>
TOTAL OPERATING EXPENSE	<u>244,988</u>
NET INCOME FROM OPERATIONS	-244,988
NET INCOME	<u><u>-244,988</u></u>

BLOSS MEMORIAL HEALTHCARE DISTRICT
CAPITAL EXPENDITURES
FY 2019 BUDGET

LEVEL OF PRIORITY
FIRST PRIORITY HIGH

ITEM	LOCATION	QUOTE
ROOFING	CASTLE BUILDING	658,799

LEVEL OF PRIORITY
SECOND PRIORITY HIGH

ITEM	LOCATION	QUOTE
ROOFING	BLOSS BUILDING	42,830

TOTAL CAPTIAL EXPENDITURES \$701,629

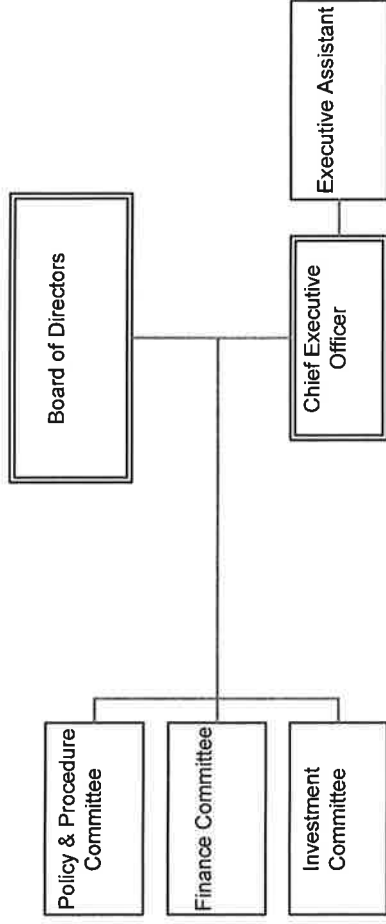
FUNDS FOR CAPITAL EXPENDITURES
CAPITAL IMPROVEMENTS INVESTMENTS
FUNDED DEPRECIATION

253,587
156,937

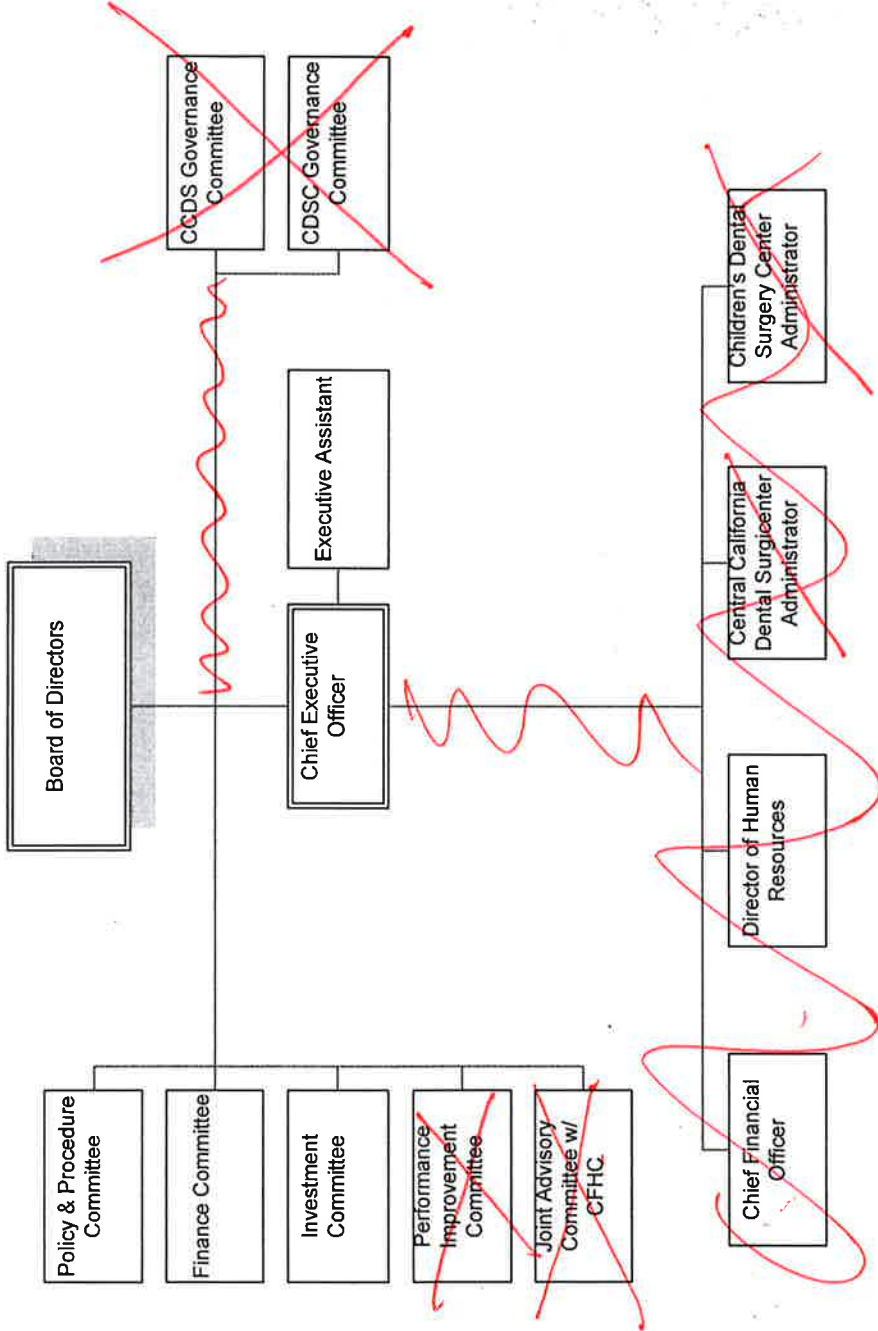
TOTAL OF FUND ACCOUNTS \$410,524

APPROVAL OF UPDATED
ORGANIZATIONAL CHART

BLOSS MEMORIAL HEALTHCARE DISTRICT



BLOSS MEMORIAL HEALTHCARE DISTRICT



~~CONFIDENTIAL~~

**RESOLUTION 18-1
CANDIDATE ELECTION STATEMENT**

Resolution # 18-1

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity

Candidate Election Statement

WHEREAS, Two of the members of the Bloss Memorial Healthcare District Lloyd R. Weaver, Zone 1; Glenn Arnold, Zone 3 and Zone 5 are scheduled for re-election by the voters of the District in the General Elections, November, 2018; and

WHEREAS, said Directors are volunteers who serve as duly elected officials of the District with the responsibility of oversight of the District's operations, consistent with the best interests of the citizens of the District; and

WHEREAS, an incumbent Director seeking re-election to the Board has an opportunity to provide a Candidate's Statement which is printed in sample ballots distributed to the voters within the District,

NOW, THEREFORE, the Board hereby resolves that a member of the Board who elects to run for re-election in 2018 and who appears on the Ballot for said General Election may include a Candidate's Statement, the cost of which will be borne by the Candidate.

Board Members

Ayes:

Noes:

Absent:

I, Alfonse Peterson, hereby certify that I am the Secretary of the Board of Directors of the Bloss Memorial Healthcare District and that the foregoing resolution #18-1 is a true and correct copy of the resolution adopted by a unanimous vote of the members of said Board of Directors of Bloss Memorial Healthcare District present at a meeting of said Board on the 28th day of June, 2018 at which a quorum was present.

Bloss Memorial Healthcare District

Alfonse Peterson, Secretary

APPROVAL OF CARPET PURCHASE / INSTALLATION FOR
DAY BREAK ADULT DAY HEALTH CARE CENTER
@ 1251 Grove Avenue, Atwater

Anderson Flooring, Inc	\$26,927.50
Better Flooring, Inc	\$32,809.52
Carpet Man, The	\$25,625.00

Anderson Flooring, Inc
 1201 Broadway Ave
 Atwater, CA 95301 US
 209358-2512
 matt@andersonandsonsflooring.com

Estimate



ADDRESS
 Bloss Health Center
 3605 Hospital rd.
 Atwater, ca 95301

ESTIMATE # **DATE**
 2000 05/08/2018

ACTIVITY	QTY	RATE	AMOUNT
Materials & Installation Moahawk/Faculty Re Mix color #575	1	17,723.00	17,723.00
Materials & Installation Level 10 color#748	1	3,710.00	3,710.00
Materials & Installation Burk 4" top set base color: t.b.d	1	3,655.00	3,655.00
Materials & Installation remove and dispose existing flooring	1	1,691.00	1,691.00
CA Carpet Stewardship Assessment CA Carpet Stewardship Assessment Fee of \$.25 per square yard	594	0.25	148.50
1251 Grove Ave Atwater,ca	TOTAL		\$26,927.50

Accepted By

Accepted Date



Better Flooring, Inc.

Detailed Proposal

Job# 180208 to 180208

Detailed Proposal

06/14/18

License #820202
 P.O. Box 6139
 Fresno, CA 93703
 Fresno, CA 93711
 Phone: 559-233-2225
 Fax: 559-233-2850

Assembly#	Part#	Description	Unit	Extended Quantity	Per Unit	Ext. Price
Job: 180208 Bliss Memorial Health Care at Atwater1						
Scope - Options 1 and 2 per request and job walk Price includes demo disposal underlayment, off hours if needed, rubber base 4", all transitions as needed						
Exclusions- Moving and Resetting Furniture and Equipment, Vapor Control, Climate Control						
Phase: 1 Option 1						
Bid Item: 1 PC Big Splash Modular						
2205	L	Castle Family Health Care Option 1	SY	1.00	\$26.76	8,027.84
	L	Big Splash Modular	SY	300.00	\$2.97	892.48
	L	Demo & Disposal - Carpet	SY	300.00	\$23.64	94.54
	L	Sd-F Feather Finish Cement-Based Gray Under	EA	4.00	\$5.51	1,653.12
	L	Carpet Labor	SY	300.00	\$167.12	1,002.70
	L	Shaw 5000	EA	6.00		
2217	L	Castle Family Health Care Option 1	LF	1.00	\$1.29	1,164.68
	L	Rubber, Carpet And Cove Wall Base, Group 1	LF	900.00	\$0.90	805.90
	L	Rubber Base Labor	LF	900.00		
Bid Item Totals:						13,641.26
Phase: 2 PC Timber Grove 20 Mil Lvt						
Bid Item: 2 PC Timber Grove 20 Mil Lvt						
2204	L	Castle Family Health Care Option 1	SF	1.00	\$2.83	7,913.31
	L	Timber Grove	SF	2,800.00	\$1.38	3,857.28
	L	LVT Labor	SF	2,800.00	\$126.42	126.42
	L	2091 Tuff Grip TPS Pressure Sensitive Vinyl &	EA	1.00	\$23.64	94.54
	L	Sd-F Feather Finish Cement-Based Gray Under	EA	4.00	\$1.86	5,206.13
	L	Hallex .25" Premium 6MM 4x5 Underlayment C	EA	2,800.00		
	L	Castle Family Health Care Option 1	LF	1.00	\$1.29	1,164.68
2217	L	Rubber, Carpet And Cove Wall Base, Group 1	LF	900.00	\$0.90	805.90
	L	Rubber Base Labor	LF	900.00		

06/14/18

Detailed Proposal

Continued...

Assembly#	Part# Description	Unit	Extended Quantity	Per Unit	Ext. Price
			Bid Item Totals:		
					19,168.26
			Phase Totals: 1 Option 1		
					32,809.52

Grand Totals:

32,809.52



www.carpetmanproflooring.com
RED & ELLEN ST. CLAIR
OWNERS

Lic: #913447
1326 Lander Ave
Turlock, CA 95380
(209) 667-4422 Fax: (209) 667-4448

CUSTOMER

Name: _____
Installation Address: _____
Street _____
City: _____ Zip: _____
Phone: ramirezr@cfcinc.org

Name: Bloss Memorial Health District
Address: 3605 Hospital Rd
City: Atwater
Phone: 209-617-0346
95301

DESCRIPTION OF WORK

Date Ordered	Approx Start Date	Approx Finish Date	To be Installed In	STYLE	COLOR	CUT SIZE	YARDS	PRICE
06/06/18			Entry, Back Entry, Kitchen	Centrato	Nutmeg	264		\$ 4,132.00
			Entry hall, Meeting rm, Main rm, 4 side office's Thruout both area's of new floor's	Faculty Remix Burke	Renewed Blue #527 Clay			\$ 18,743.00 \$ - \$ 2,750.00 \$ - \$ - \$ - \$ - \$ -
			Prep and Float tear out and haul off					\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
			10 Year limited Wear Guarantee 1 Year Labor Guarantee					\$ - \$ - \$ - \$ -

No refunds on cut merchandise. Title to goods on this order remains with seller until paid for, and the said merchandise remains and shall be considered personal property if amount is not made when due. The seller shall have the right to repossess property, and in case the seller is obliged to retain an attorney to collect the same, the buyer agrees to pay all costs and a reasonable attorney's fee pertaining to same. This order is valid only when approved by a duly authorized executive of the company.

I HAVE READ AND UNDERSTAND THE DISCLAIMERS OF THIS CONTRACT.

No deposit will be returned and no refund will be made on cut merchandise. There will be a finance charge of a 1.7% on all unpaid balances over 30 days.

INSTALLATION INFO:
Name: Carpet Man
Type of Floors: wood
Special Instructions: Tear out old carpet, old vct stay's down. New base thru-out

Job is Completed To My Satisfaction X
CLOSETS Yes No
PAD DESCRIPTION: Glue down

CA Lic. #: 913447

List of Additional Documents

<input checked="" type="checkbox"/> 3 Day Right to Cancel
<input type="checkbox"/> Application for Credit
<input type="checkbox"/> Change Order

Sub Total \$
Tax \$
CA Carp Stewardship Assessment AB2386 (5 Cents Per SQ YD) \$

Total Cost \$
Deposit \$
Balance Due \$
Terms: \$

Please Pay From This Invoice Checks Payable Only To:
Carpet Man

IMPORTANT - PLEASE READ

Customer is responsible for the following: moving all furniture, trimming any doors, installation and removal of base board, and disposal of old carpet, unless otherwise stated in this contract. Furniture to be moved by customer
If "No" customer is still responsible for moving small pieces, stereos, lamps, ntk-mats, etc. If this is not done, there will be an additional charge up to \$100 per room.

PURCHASER X _____ (Signature)
SALESMAN X _____ (Signature)

The Above Conditions Accepted

CONSULTING SERVICES BY
THE NEENAN COMPANY, LLLP
FOR ROOF REPAIRS AT
3605 HOSPITAL ROAD AND
1251 GROVE AVE, ATWATER

SERVICES AGREEMENT

THIS AGREEMENT FOR SERVICES (“Agreement”), made as of this 19th day of June, 2018, (“Effective Date”) by and between **BLOSS MEMORIAL HEALTHCARE DISTRICT**, a Healthcare District organized and existing under the laws of the State of California with offices at 3605 Hospital Road, Suite H, Atwater, California 95301 (“Client”) and **THE NEENAN COMPANY LLLP**, a limited liability limited partnership organized and existing under the laws of the State of Colorado with offices at 3325 South Timberline Road, Suite 100, Fort Collins, Colorado 80525 (“NEENAN”).

AGREEMENT

1. SCOPE OF SERVICES.

NEENAN will perform the work described on **Exhibit A** attached hereto (“Services”). Performance by NEENAN shall be required only to the extent consistent with and reasonably inferable from the description of the Services as being necessary to produce the intended results. Services will be performed as expeditiously as is possible under the circumstances. Changes in the Services may be accomplished after the Effective Date only by a change order executed by both parties.

2. CONTRACT PRICE AND PAYMENT.

The Contract Price for the Services will consist of NEENAN’s burdened wages (“Billing Rates”) as described on **Exhibit B** attached hereto; plus the actual cost of materials, transportation, lodging, subcontracted work, taxes, permits, insurance, and other reasonable and necessary costs for completion of the Services; with a not-to-exceed total amount of \$8,000.00. Within twenty (20) days of Client’s receipt of a properly submitted and correct application for payment, Client shall make payment to NEENAN. Any payment due NEENAN under this Agreement which is not paid when due will accrue interest from the date due at the rate of one percent (1.0%) per month until paid.

3. CONSEQUENTIAL DAMAGES.

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, CLIENT OR NEENAN SHALL NOT BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, LIQUIDATED, SPECIAL, INCIDENTAL, OR INDIRECT LOSSES OR DAMAGES OF ANY KIND (INCLUDING BUT NOT LIMITED TO LOSS OF USE AND LOSS OF PROFITS OR OPPORTUNITY), WHETHER ARISING IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE AS A RESULT OF THE SERVICES PERFORMED HEREUNDER.

4. STANDARD OF PERFORMANCE.

The standard of performance for any design services performed pursuant to this Agreement by NEENAN will be the standard of performance, care and skill ordinarily used by members of the architectural and engineering professions practicing under similar circumstances in the same location and at the same time as the performance of the Services hereunder.

5. TERMINATION.

Client may terminate this Agreement at any time upon written notice to NEENAN. In the event of termination, NEENAN shall be compensated for Services performed prior to termination and, subject to Paragraph 3, any expenses incurred as a result of the termination.

6. INSURANCE.

NEENAN shall obtain and maintain during the term of the Agreement the insurance described on **Exhibit C** attached hereto.

7. EXCUSABLE DELAY.

"Excusable Delay" means any delay which is beyond the control of a party hereto. Whenever a deadline or period of time is not met because of Excusable Delay conditions, then any such deadline or period of time shall be extended as necessary to compensate for the Excusable Delay conditions.

8. DISPUTE RESOLUTION.

Any and all claims, disputes or controversies between Client and NEENAN arising out of, or relating to, the Agreement or the breach thereof (hereinafter "Dispute") shall be resolved by binding arbitration conducted in Los Angeles, California in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (Expedited) then in effect, but administered by an arbitrator mutually agreeable to both parties. The date and time of the arbitration, shall be by mutual agreement of the parties. Any award rendered by the arbitrator will be binding and final judgment may be entered upon it in accordance with applicable laws in any court having jurisdiction. The prevailing party in any Dispute resolution shall be entitled to recover all reasonable attorney and expert fees, costs and expenses incurred by such prevailing party in connection therewith.

9. OWNERSHIP AND USE OF DOCUMENTS.

In consideration of the fees paid by Client to NEENAN, all drawings, specifications and other documents prepared pursuant to this Agreement by NEENAN or its agents, subcontractors, or consultants (collectively known as "NEENAN Documents"), become the property of Client when this Agreement is fully performed or sooner terminated, and full payment for the NEENAN Documents has been received by NEENAN. However, if for any reason, Client chooses to go forward with additional design for the Project using other consultants or designers; or if Client elects to proceed with construction of the Project utilizing a contractor other than NEENAN; then Client will (1) have the NEENAN Documents completed and reviewed by other design professionals; and, (2) indemnify, defend and hold harmless NEENAN, its subcontractors and consultants, from any claims, losses, or expenses of any kind arising out of the use of the NEENAN Documents. Client hereby grants NEENAN an exclusive license to use the NEENAN Documents without limitation or restriction.

10. ALLOWANCES.

"Allowances" shall mean dollar amounts allocated to certain categories of the Services for which the actual cost is not ascertainable at the time of this Agreement. The dollar amounts for all Allowance items, if any, shall be identified at **Exhibit B**. Allowance items shall be adjusted by change order as the actual costs become known.

11. MISCELLANEOUS PROVISIONS.

11.1 Choice of Law.

The Agreement shall be governed by the laws of the State of California.

11.2 Severability.

The terms of this Agreement are severable. If any term of this Agreement is found to be unlawful, the remaining terms shall remain in full force and effect, and the parties agree to negotiate a substitute term of equivalent value or effect.

11.3 Exhibits.

All Exhibits attached to this Agreement are incorporated herein by this reference.

11.4 Entire Agreement.

The Agreement represents the entire and integrated agreement between Client and NEENAN and supersedes all prior negotiations, representations or agreements, whether written or oral, between Client and NEENAN related to the Services.

11.5 Signatures.

The exchange of copies of this Agreement and of signature pages by facsimile or e-mail transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or e-mail shall be deemed to be their original signatures for all purposes.

THIS AGREEMENT is entered into as of the Effective Date first written above.

CLIENT:

Bloss Memorial Healthcare District

By: _____

Name: _____

Title: _____

Date: _____

NEENAN:

The Neenan Company LLLP
A Colorado limited liability limited partnership
By: Neenan Management Company
A Colorado corporation
Its: General Partner

By: _____

Name: Ryan C. Dellos

Its: Treasurer

Date: _____

EXHIBIT A
SERVICES

NEENAN will, in an interactive process with the Client, engage personnel to perform consulting services specific to re-roofing the Client's existing facilities (the "Services").

The Services are more specifically identified as follows:

- Visually examine roof conditions of two (2) existing facilities
 - Time is estimated at sixteen (16) hours and one (1) trip
- Review roofing proposals that are solicited and obtained by the Client. After review, provide recommendations via electronic correspondence.
 - Time is estimated at four (4) hours
- Review and provide comments for the roofing submittals that are solicited and obtained by the Client.
 - Time is estimated at four (4) hours
- Visually examine the new roof of the two (2) existing facilities after completion. NEENAN shall provide a list of deficient work items via electronic correspondence.
 - Time is estimated at sixteen (16) hours and one (1) trip
- Prior to commencement of any of the Services, Client shall provide adequate notification.
- Estimated costs for travel is approximately \$1,500 per trip.

Schedule:

- Services are expected to occur during the summer of 2018

EXHIBIT B

FEE

The following billing rates do not include the cost of any vehicles used for NEENAN personnel.

Principal Architect	\$195.00	Director of Operations	\$200.00
Senior Architect	\$170.00	Project Executive	\$140.00
Sr. Healthcare Designer	\$135.00	Risk Manager	\$135.00
Design Manager	\$125.00	Sr. Project Manager	\$130.00
Job Captain	\$100.00	Project Manager	\$105.00
Drafter	\$ 80.00	Asst. Project Manager	\$ 90.00
Animation Manager	\$140.00	Project Engineer	\$ 75.00
Animation Drafter	\$100.00	Field Engineer	\$ 75.00
Sr. Interior Designer	\$110.00	Project Coordinator	\$ 65.00
Interior Designer	\$ 90.00	Sr. Pre-Construction Mgr.	\$135.00
Landscape Architect	\$110.00	Pre-Construction Manager	\$105.00
Accounting Manager	\$125.00	Assistant Pre-Con Manager	\$ 80.00
Accountant	\$ 75.00	Safety Manager	\$105.00
IT Manager	\$120.00	Quality Control Manager	\$105.00
IT Technician	\$110.00	General Superintendent	\$135.00
Structural Coordinator	\$ 95.00	Sr. Superintendent	\$125.00
LEED Coordinator	\$ 95.00	Superintendent	\$105.00
Finishes Coordinator	\$ 95.00	Asst. Superintendent	\$ 95.00
Site Coordinator	\$ 95.00	Carpenter Foreman	\$ 90.00
MEP Coordinator	\$ 95.00	Carpenter	\$ 75.00
Vehicle	\$ 8.50	Laborer	\$ 60.00
Client Services	\$100.00		

EXHIBIT C
INSURANCE

NEENAN shall maintain during the term of the Agreement the insurance described below, which insurance shall be placed with a company or companies authorized to transact business in the State of California. Insurance policies obtained by NEENAN for Commercial General Liability shall, to the fullest extent permitted by law, name Client as an "additional insured." Certificates of Insurance evidencing such insurance coverage shall be delivered to Client immediately after execution of this Agreement.

1. Workers' Compensation and Employers Liability

Coverage A: Statutory
Coverage B: \$1,000,000/\$1,000,000/\$1,000,000

2. Commercial General Liability

\$2,000,000 per occurrence bodily injury and property damage (CSL)
\$2,000,000 per occurrence bodily injury and property damage (CSL-Completed Operations)
\$4,000,000 general aggregate

3. Umbrella

\$8,000,000 each occurrence and annual aggregate

4. Business Automobile Liability

\$1,000,000 per accident bodily injury and property damage

5. Insurance for Design Services

Professional Liability Errors and Omissions Insurance with limits of \$1,000,000 per claim and in the aggregate.

ROOFING PROPOSALS FOR
3605 HOSPITAL ROAD
ATWATER CA

Econo Roofing	\$534,025.00
Barth Roofing Co	\$658,799.00

Long



16721 Letteau Ave.
Delhi, CA 95315
Tel 209.668.8222
Fax 209.260.1918
Contractors Lic.# 749551

ROOFING AGREEMENT

Form with fields for Name (Bloss Memorial Health), Job Location (3605 Hospital Rd.), Street (C/O Rick Ramirez), City (Atwater), State (Ca.), Phone (Home) (209-381-2000 Ext-7061), Phone (Work) (209-617-0341), Approx. Start Date (8-10 weeks), and Approx. Completion Date (3-5-6 weeks).

It is mutually agreed as follows:

1. Construction - ECONO-ROOFING will furnish the necessary labor, materials and equipment to perform in a workmanship like manner the work as detailed under the following specifications.

2. Specifications -

Specifications -

- Roof with IB 50mil PVC
Color
Furnish & install all required jacks, flashings and/or valleys
Seal and paint all jacks, flashings and/or valleys
Includes clean-up of roof and surrounding grounds
Includes 25 year manufacturer's warranty
Includes 10 year workmanship warranty

- Tear off layer(s) of
Furnish & install sheeting
Furnish & install metal nosing - Color
Furnish & install dimensional ridge-caps
Furnish turbine, dormer, powered (vents) ridge vent
Remove & reinstall existing antenna(s)
Remove & reinstall existing solar panels
Re-roofing of flat section(s) with
Re-roofing of other structures (specify)
Furnish & install lineal feet of seamless aluminum galvanized gutters including downspouts
gutter color down spout color

- Furnish & install felt 15lb. 30lb. synthetic
Removal and replacement of lineal feet of fascia
Removal and replacement of lineal feet of tongue and groove or shiplap.

Special Remarks:

- 1. Remove all Gravel From Roof, Prep Roof Per Manufacturers Specs
2. Install 42 EPS FoamKold (underlayment)
3. Install a IB 50mil PVC White Single Ply Mechanically Fastened
+ Heat weld all Seams. 4. Install 1600 Ft of PVC Walk Pad, New Pipe Boots & Drains.

- ECONO-ROOFING is not responsible for dry rot or termite damage in the existing roof structure unless otherwise noted above.
ECONO-ROOFING cannot guarantee that existing gutters will function when tile roof is installed.

3. Owner promises to pay or cause to be paid to Econo-Roofing in consideration therefore, the sum of: Five thousand Three Hundred Twenty Five Dollars (\$5,325.00)

50% Due upon delivery of materials: \$ 267,012.50
50% Due upon completion: \$ 267,012.50

Note: This proposal may be withdrawn by Econo-Roofing if not accepted within 15 days.

ACCEPTANCE - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will also be outlined above. Buyer has the right to rescind this agreement within three days of acceptance.

ECONO-ROOFING

HOMEOWNER

By [Signature]

Buyer's Signature Acceptance Date

Date 4-20-2018

Econo-Roofing Buyer's Signature Acceptance Date

ECONO-ROOFING HAS THE RIGHT TO RESCIND THIS CONTRACT WITHIN FIFTEEN WORKING DAYS OF ACCEPTANCE

PROPOSAL

Contractor: Barth Roofing Company, Inc.

Address of Project: 3605 Hospital Rd, Atwater



Scope of Work:

1. Remove and dispose of existing roof system down to roof deck.
2. Provide and install a mechanically fastened 50-mil PVC roof system over 2 layers FR10 Slip sheet for class A fire rating over existing roof deck.
3. Seal all pipes, penetrations and curbs per manufacturer's specifications.
4. Reuse existing coping metal if any.
5. Barth Roofing 5-year workmanship warranty.
6. Manufacturer's 20-year NDL (No Dollar Limit) warranty covering labor and material included in price.

Base Bid

Initial
\$658,799.00 _____

Exclusions:

- Existing Dry Rot will be replaced at a rate of 95\$ per man hour plus material- no dry rot work will be fixed until owner approval and change order.
- Ponding water
- Prevailing wage

All materials are guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written change orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance.

Authorized
 Signature: _____

Note: This Proposal may be withdrawn by Barth Roofing if not accepted within 30 days

"Interest at 1.5% will be charged on all unpaid accounts after 30 days from date of completion of work or delivery of material." "In the event it is necessary to take any legal action to collect on any balance owing for labor or materials furnished in accordance with this agreement, Owner agrees to pay all costs thereof, including reasonable attorney fees." "Owner may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the Notice of Cancellation form on the back of this form for an explanation of this right."

Acceptance of Proposal

The above specification and conditions are satisfactory and are hereby accepted.
 Barth Roofing is authorized to do the work, as specified. Payment will be made as outlined above.

Owner Signature: _____ Date of Acceptance: _____

I have received and read The Notice of Owner on reverse.

Owner Signature: _____

I have received and read The Notice of Cancellation on reverse. Owner Signature: _____

This Estimate/Proposal is based on Barth Roofing's inspection and does not cover damages or extra work (i.e., termites, or roof rot) uncovered after work has begun. These items will be brought to Owner's attention as they arise and be completed at a rate of \$85 per man hour.

Owner releases Barth Roofing from all claims related to, and Barth Roofing shall not be liable for, any interior damages due to weather uncertainties or acts of God that may occur during the progress of the work completion.

Notice of Cancellation

Owner may cancel this Agreement in writing, without any penalty or obligation, within three business days of the acceptance date. If Owner cancels this Agreement, any property traded in, any payments made by Owner under the Agreement, and any negotiable instrument executed by Owner will be returned within 10 days following receipt by Barth Roofing of Owner's written cancellation notice, and any security interest arising out of the transaction will be cancelled.

If Owner cancels this Agreement, Owner must make available to Barth Roofing at Owner's residence, in substantially the same condition as when received, any goods delivered to Owner under this Agreement, or Owner may, if Owner wishes, comply with the instructions of Barth Roofing regarding the return shipment of the goods at Barth Roofing's expense and risk.

If Owner does make the goods available to Barth Roofing and Barth Roofing does not pick them up within 20 days of the date of Owner's notice of cancellation, Owner may retain or dispose of the goods without any further obligation. If Owner fails to make the goods available to Barth Roofing, or if Owner agrees to return the goods to Barth Roofing and fails to do so, then Owner remains liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice to: Barth Roofing Company, Inc., at 4384 W Pine Haven Drive Tracy CA 95304 or fax to (209) 833-8096 not later than midnight of the third business day after signing the Proposal.

I hereby cancel this transaction. Date: _____ Owner's Signature: _____

Notice to Owner

Under the California Lien Law any contractor, sub-contractor, laborer, supplier or other person who helps to improve Owner's property, but is not paid for his/her work or supplies, has a right to enforce a claim against Owner's property. This means that after a court hearing, Owner's property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if Owner has paid Owner's contractor in full if the subcontractors, laborers or suppliers remain unpaid.

To preserve their right to file a claim or lien against Owner's property, certain claimants such as subcontractors or material suppliers are required to provide Owner with a document entitled "Preliminary Notice," Original (or prime) contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not lien against Owner's property. Its purpose is to notify Owner of persons who may have a right to file a lien against Owner's property if they are not paid. (Generally, the maximum time allowed for filing a claim or lien against Owner's property is ninety (90) days after completion of Owner's project.)

TO ENSURE EXTRA PROTECTION FOR OWNER AND OWNER'S PROPERTY, OWNER MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

- (1) Require that Owner's contractor supply Owner with a payment and performance bond (not license bond), which provides that the bonding company will either complete the project or pay damages up to the amount of the bond. This payment and performance bond as well as a copy of the construction contract should be filed with the county recorder for Owner's further protection.
(2) Require that payments be made directly to subcontractors and material suppliers through a joint control. Any joint control agreement should include the addendum approved by the Registrar of Contractors.
(3) Issue joint checks for payment, made out to both Owner's contractor and the subcontractor or material suppliers involved in the project. This will help to insure that all persons due payment are actually paid.
(4) After making payment on any completed phase of the project, and before making any further payments, require Owner's contractor to provide Owner with unconditional lien releases signed by each material supplier, subcontractor and laborer involved in that portion of the work for which payment was made. On projects involving improvements to a single family residence or a duplex owned by individuals, the persons signing these releases lose the right to file a claim against Owner's property. In other types of construction this protection may still be important, but may not be as complete. TO PROTECT OWNERRSELF UNDER THIS OPTION, OWNER MUST BE CERTAIN THAT ALL MATERIAL SUPPLIERS, SUBCONTRACTORS AND LABORERS HAVE SIGNED.
(5) Contracting firm shall not be liable for any interior damages due to weather uncertainties or act of God that may occur during the progress of work completion.

Barth Roofing retains all excess material. Owner will be responsible for any interior building code upgrades, such as smoke detectors. All agreements are contingent upon strikes, accidents, or delays, beyond the control of Barth Roofing. Owner is to carry fire, tornado or other necessary insurance covering the above work. Workers Compensation and General Liability Insurance on the above work will be provided by Barth Roofing.

Guarantee:

Barth Roofing guarantees that the roof will be free from defects in materials and/or workmanship for two (2) years from the date of substantial completion of the work, unless specified different on proposal page. An extended warranty is available at a cost per square foot in addition to the above listed contract price.

Change Orders:

Should Owner and/or Owner's representative and/or the City and/or County require any modifications to the work covered under this Agreement, any cost incurred by Contractor shall be added to the contract price as extra work and Owner and/or Owner's representative agrees to pay Barth Roofing for such extra work. All extra work as well as any other modification to the Agreement shall be specified in a change order. All change orders shall become a part of this contract and shall be incorporated herein.

Leaks must be reported within 12 hours of occurrence, to prevent excessive damage.

Contractors are required by law to be licensed and regulated by the Contractors State Licensing Board. Any questions concerning a contractor may be referred to the Registrar Contractors State Licensing Board, 9835 Goethe Road, Sacramento, CA mailing address: PO Box 26000 Sacramento, California 95827.

Disputes:

If a dispute between the parties hereto arises out of this Agreement, the parties shall first attempt to resolve the dispute by mediation, wherein each party will agree to select a Mediator JAMS to hear both sides of the dispute, and attempt to reach a meaningful and complete resolution. The parties shall share the mediator's fees and any associated costs equally. If mediation fails the dispute shall be resolved by way of filing a legal action in the Superior Court of the State of California, County of San Joaquin. The prevailing party shall be entitled to expenses and costs including but not limited to their reasonable attorney fees.

Assignment:

Barth Roofing and Owner shall not assign or transfer their respective rights or obligations under this Agreement without the prior written consent of the other.

Complete Agreement:

The parties hereto agree that all other discussions, promises, and agreements are incorporated into this Agreement, and that there are no other promises, conditions or agreements not set forth herein, and that they have entered into this agreement freely and voluntarily.

Payment Schedule:

Deposit due at time of acceptance. Amount due is 10% of project or \$1000 whichever is less.

Progress Payment #1 is due at the time of material delivery. The amount due for Progress Payment #1 is 50% of entire project.

Final Payment is due at completion of the work. The amount due for Final Payment is the remainder of the contracted amount and all change orders.

Owner Signature: _____ Date: _____

Accepted By: (Print Name) _____

Mailing Address: _____

Email Address: _____ Contact Phone Number: _____

If accepted, please sign and mail or fax a copy back to the office for prompt scheduling. Should Owner have any further questions, please feel free to contact Barth Roofing.

ROOFING PROPOSALS FOR
1251 GROVE AVENUE
ATWATER CA

Econo Roofing	\$34,850.00
Advanced Roofing	\$42,830.00

ROOFING PROPOSALS FOR
1251 GROVE AVENUE
ATWATER CA

Econo Roofing	\$34,850.00
Advanced Roofing	\$42,830.00



16721 Lettau Ave.
 Delhi, CA 95315
 Tel 209.668.6222
 Fax 209.250.1918
 Contractors Lic.# 749551

ROOFING AGREEMENT

Name <u>Bloss Memorial Health</u>	Job Location <u>1251 Grove Ave</u>
Street <u>40 Rick Ramirez</u>	City <u>Atwater</u>
City <u>209-617-0346</u>	State <u>Ca.</u> Zip Code _____
State _____ Zip Code _____	Approx. Start Date <u>8-10 Weeks</u>
Phone (Home) <u>209-381-2000</u> Ext <u>7061</u>	Approx. Completion Date <u>5-7 Days</u>
Phone (Work) _____	

It is mutually agreed as follows:

1. Construction - **ECONO-ROOFING** will furnish the necessary labor, materials and equipment to perform in a workmanship like manner the work as detailed under the following specifications.

2. Specifications - Specifications -

- Roof with EB 50mil white
 - Color _____
 - Furnish & install all required jacks, flashings and/or valleys
 - Seal and paint all jacks, flashings and/or valleys
 - Includes clean-up of roof and surrounding grounds
 - Includes 2.5 year manufacturer's warranty
 - Includes 10 year workmanship warranty
- | | | | |
|--------------------------|-------------------------------------|--|--|
| Yes | No | | |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Tear off _____ layer(s) of _____ | |
| <input type="checkbox"/> | <input type="checkbox"/> | Furnish & install _____ sheeting | |
| <input type="checkbox"/> | <input type="checkbox"/> | Furnish & install metal nosing - Color _____ | |
| <input type="checkbox"/> | <input type="checkbox"/> | Furnish & install dimensional ridge-caps | |
| <input type="checkbox"/> | <input type="checkbox"/> | Furnish turbine, dormer, powered (vents) ridge vent _____ ft. | |
| <input type="checkbox"/> | <input type="checkbox"/> | Remove & reinstall existing antennae(s) . We do not realign satellite dishes | |
| <input type="checkbox"/> | <input type="checkbox"/> | Remove & reinstall _____ existing solar panels | |
| <input type="checkbox"/> | <input type="checkbox"/> | Re-roofing of _____ flat section(s) with _____ | |
| <input type="checkbox"/> | <input type="checkbox"/> | Re-roofing of other structures (specify) _____ | |
| <input type="checkbox"/> | <input type="checkbox"/> | Furnish & install _____ lineal feet of seamless aluminum galvanized gutters including downspouts | |
| | | gutter color _____ down spout color _____ | |

Special Remarks: Overlay Flat Sections That Have Cap sheet
1. Prep Roof to Manufacturer Specs.
2. Install a 50mil white EB Roof System, Mechanically Fastened + Heat Weld all Seams. New Rope Boots Clad Metal Where Needed + New Drains.

- ECONO-ROOFING is not responsible for dry rot or termite damage in the existing roof structure unless otherwise noted above.
- ECONO-ROOFING cannot guarantee that existing gutters will function when tile roof is installed.

3. Owner promises to pay or cause to be paid to Econo-Roofing, in consideration therefore, the sum of: Thirty Four Thousand, Eight Hundred Fifty - Dollars (\$34,850.-)

50% Due upon delivery of materials: \$ 17,425.-
 50% Due upon completion: \$ 17,425.-

Note: This proposal may be withdrawn by Econo-Roofing if not accepted within 15 days

ACCEPTANCE - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will also be outlined above. Buyer has the right to rescind this agreement within three days of acceptance.

ECONO-ROOFING	HOMEOWNER
By <u>[Signature]</u>	By _____
_____	_____
<small>Econo-Roofing</small>	<small>Buyer's Signature</small>
Date <u>4-20-2018</u>	Acceptance Date _____
<small>Econo-Roofing</small>	<small>Acceptance Date</small>

ECONO-ROOFING HAS THE RIGHT TO RESCIND THIS CONTRACT WITHIN FIFTEEN WORKING DAYS OF ACCEPTANCE



7548 Crawford Ave Oakdale, CA 95361
phone: (209)681-6426 fax: (209)848-2903
CA LIC #829540

Date: 4-30-2018
TO: Bloss Medical, Mr. Rick Ramirez
RE: Bloss Medical Facility

Re Roofing of Low Slope Roof Areas as follows: (all low slope areas except 1 canopy on North side of building and 1 medium sized area re roofed with pvc membrane in center of building)

- 1-Prepare existing roofs for recover by removing existing cap metal (set aside for later reinstallation), scraping, blowing, etc.
- 2-Where low slope roofing intersects at high side with tile roofing remove 1 course of tile and put in designated spot onsite designated by Bloss Medical, Furnish and install new GSM counter flashing under Tile Roofing and Felt for new roof termination
- 3-Furnish and install 1 layer EPS fan fold underlayment board mechanically attached to Manufacturer detail
- 4-Furnish and install a 60 mil mechanically attached TPO roof system and accessories to Manufacturer detail
- 5-Furnish and install 60 mil Adhered TPO wall flashings at all parapet and mechanical platforms walls
- 6-Using TPO and TPO accessories flash all walls, mechanical platforms and roof top penetrations to Manufacturer details
- 7-At back canopy roof (NE canopy on building), cut down existing raised wood fascia to deck level and add 5" gutters to edge of roof area to allow standing water to drain off roof
- 8-Furnish and install new pressure treated wood blocking under equipment and roof top piping
- 9-Reinstall and Reseal existing cap metal
- 10-Procure and pay for re roofing permits
- 11-Clean roofs and site of all re roofing debris and dispose of properly

Proposal Price: \$42,830.00

Notes:

- 1-Proposed above is a 60 mil TPO roof system. This is essentially a 20-22 year roof system. To install a 60 mil PVC KEE roof system (30-33 year roof) in lieu of the TPO Add \$9,500.00 to above price.
- 2-Proposal and Price include everything for a "Turn Key" roof system

Thank You
Bill Carlson

APPROVAL OF AMENDMENT OF
AFFILIATION AGREEMENT
BETWEEN
CASTLE FAMILY HEALTH CENTERS, INC
AND
BLOSS MEMORIAL HEALTHCARE DISTRICT, a public entity

[FIRST] AMENDMENT OF AFFILIATION AGREEMENT

This [First] Amendment of the Affiliation Agreement (this “Amendment”) is made as of June ____, 2018, between CASTLE FAMILY HEALTH CENTERS, INC., a California nonprofit, public benefit corporation (“Castle”) and BLOSS MEMORIAL HEALTHCARE DISTRICT, a California health care district (“Bloss”).

RECITALS

A. Castle and Bloss entered into an agreement for the purpose of describing the terms and conditions under which Bloss would transfer the operation of three outpatient clinics (“Clinics”) to Castle (“Original Agreement”). Castle and Bloss agreed to collaboratively seek Federally Qualified Health Center (“FQHC”) qualification from the United States Department of Health & Human Services’ Health Resources and Services Administration (“HRSA”) for the Clinics. A copy of the Original Agreement, [as previously amended] __ __ __ [is attached to this Amendment as Exhibit A] __ _.

B. Since the date of the Original Agreement, Castle has received FQHC “Look-Alike” status from HRSA as described in 42 U.S.C. §§ 1395x(aa)(4)(B) and 1396d(l)(2)(B)(iii). Certain changes to the Original Agreement are required in order to conform to HRSA policies relating to health center governance and avoidance of conflicts of interest.

C. Paragraph 6.6 of the Original Agreement provides that it may be amended by the written consent of the parties.

D. The parties wish to amend the Original Agreement by deleting Paragraph 3.2, relating to a Clinic Advisory Committee, in order to ensure more clearly establish Castle’s compliance with the requirements of 42 United States Code § 254b(k)(3)(H), 42 Code of Federal Regulations §§ 51c.303(i), 56.303(i), 51c.304(d), and 56.304(d), to establish a periodic review of the terms of the agreement between the parties, and to describe the parties’ intention to comply with applicable laws relating to the avoidance of conflicting interests.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual obligations in this Amendment, and for other good consideration, the receipt and sufficiency of which are acknowledged, the parties to this Amendment agree as follows:

1. **Effectiveness.** This Amendment will be effective as of the date first stated above, subject to each party's approval and execution of this Amendment.
2. **Elimination of Paragraph 3.2.** Paragraph 3.2 of the Original Agreement is deleted and is of no further force and effect, and is replaced in full with the following:

“3.2 Biennial Review of Affiliation Agreement. The parties shall review this Agreement no less frequently than every other year in order to determine its continuing necessity or utility under applicable provisions of state and federal law.”

3. **Modification of Paragraph 4.1.** Paragraph 4.1 of the Original Agreement titled “Licensure, Certification and Approvals; Cooperation,” is modified to read in its entirety as follows:

“4.1 Licensure, Certification and Approvals. Castle shall take all actions necessary to obtain all licenses, permits, approvals and certifications that are required under applicable law to operate the Clinics as Federally Qualified Health Centers. Castle shall maintain complete and accurate records of all efforts, and shall share them with District upon its reasonable request.”

4. **Addition of Paragraph 4.7.** A new Paragraph 4.7 is added at the end of Article III, reading as follows:

“4.7. Avoidance of Conflicting Interests. It is the policy of both Bloss and Castle that no board member, officer, or employee should use his or her position or any knowledge gained as the result of his or her position, in any manner such that a conflict does or may arise between the organization’s interests and his or her personal interests. A person violating this policy may be subject to discipline. The parties shall adopt policies and procedures ensuring compliance with such principles, and agree as follows:

- (a) Bloss shall comply, and shall ensure that its directors, officers and employees, to the extent applicable, comply with all applicable requirements governing avoidance of impermissible conflicts; federal, state and local conflict of interest laws and regulations including, without limitation, California Government Code section 1090 et. seq., the California Political Reform Act (California Government Code section 87100 et. seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 et. seq.).
- (b) Castle shall comply, and shall ensure that its directors, officers and employees, to the extent applicable, comply with all applicable requirements governing avoidance of impermissible conflicts; federal, state and local conflict of interest laws and regulations including, without limitation, California Corporations Code section 5230 – 5239, relating to Standards of Conduct of directors and officers of nonprofit, public benefit corporations, and 45 CFR sections 75.112 and 75.327(c).”

5. **Continued Effect of Original Agreement.** All provisions of the Original Agreement, except as modified by this Amendment, remain in full force and effect and are reaffirmed. Each party acknowledges that it, as its respective interests appear, is liable for all damages arising from nonperformance under this Amendment if all conditions of this Amendment are not met; and that if this Amendment is performed such performance must be accepted as full performance of its obligations under the Original Agreement.

Other than as stated in this Amendment, this Amendment does not operate as a waiver of any condition or obligation imposed on the parties under the Original Agreement.

- 6. Interpretation of Amendment.** In the event of any conflict, inconsistency, or incongruity between any provision of this Amendment and any provision of the Original Agreement, the provisions of this Amendment will govern and control.

June ____, 2018

CASTLE FAMILY HEALTH CENTERS, INC.,
A California nonprofit, public benefit
Corporation

By: _____

June ____, 2018

BLOSS MEMORIAL HEALTHCARE
DISTRICT, a California health care district

By: _____

AFFILIATION AGREEMENT

ORIGINAL

THIS AFFILIATION AGREEMENT (the "Agreement") is entered into as of November 15, 2008 (the "Effective Date"), by and between CASTLE FAMILY HEALTH CENTERS, INC., a California nonprofit, public benefit corporation ("Castle"), and BLOSS MEMORIAL HEALTHCARE DISTRICT, a California health care district ("District"). This Agreement is made with reference to the following facts:

RECITALS

A. District is a California health care district formed under The Local Health Care District Law as set forth in Section 32000, et seq., of the California Health & Safety Code ("District Law"), and that has its principal place of business at 3605 Hospital Road, Suite H, Atwater, California 95301.

B. District is authorized under the District Law to, among other things, establish, maintain, and operate, or provide assistance in the operation of, free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and any other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the district.

C. District currently operates three rural health clinics as defined by sections 1395x(aa)(2) and 1396d(l) (1) of Title 42 of the United States Code, and which are located at 3605 Hospital Road, Atwater, California 95301, 1251 Grove, Atwater, California 95301, and 6590 North Winton Way, Winton, California 95388 (the "Clinics").

D. Castle is a nonprofit public benefit corporation, that was established by the District, and that has its principal place of business at 3605 Hospital Road, Suite H, Atwater, California 95301.

E. District has determined that establishing, maintaining, and providing assistance in the operation of, Castle is desirable and necessary for the provision of adequate health services to communities served by the District.

F. District wishes to transfer to Castle the operation and control of the Clinics under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

SALE AND TRANSFER OF ASSETS

1.1 Licensing Date. Castle shall obtain licenses to operate clinic sites located at 3605 Hospital Road, Atwater, California 95301, 1251 Grove, Atwater, California 95301, and 6590 North Winton Way, Winton, California 95388 ("Clinics") These sites shall be referred to as the "Clinic Sites." Castle shall utilize its best efforts to ensure that each of the Clinic Sites is licensed on the same date, and shall coordinate with District and the California Department of Public Health's Licensing & Certification Division ("L&C") regarding such date. Nonetheless, the transfer of each individual Clinic Site under this Agreement shall occur on the date on which such site is issued a community clinic license. This date shall be referred to as the "Licensing Date".

1.2 Clinic Office Space Leases. The District and Castle will enter into the Office Space Lease Agreements in the form attached hereto as Exhibits A, B and C, which shall be effective on the Licensing Date.

1.3 Clinic Furniture, Fixtures and Equipment. For consideration of the mutual covenants in this Agreement, the District will give Castle a license to use certain furniture, fixtures and equipment ("Equipment") described in Exhibit D that will be utilized in the Clinics commencing on the Licensing Date. Castle shall keep the equipment in as good condition as it was as of the date of this Agreement, reasonable wear and tear excepted. Should Castle replace any Equipment, it shall return, at District's office, the equipment being replaced. Castle shall pay all costs of repair and replacement of equipment while this license is in affect. The revocable license shall terminate upon termination of this Agreement as described in Section 6.3. Upon termination of the license, Castle shall return all such Equipment to District. Further, District shall assign and transfer any leased equipment described in Exhibit "D" to Castle on the Licensing Date and Castle shall assume all obligations and liability under said leases.

1.4 Grants. It is the parties' intention that nothing in this Agreement shall interfere with the ability of each party to obtain grants supporting health care services and other activities not provided through the Clinics. Toward that end, the parties shall confer periodically regarding their respective plans to apply for such grants, consistent with their unique expertise and strategic mission and direction, and shall use commercially reasonable efforts to resolve any conflicts. Subject to the foregoing, the District and Castle shall provide commercially reasonable assistance to each other in applying for grants supporting health care services and other activities provided at the Clinics. Each party may subcontract with the other party for provision of specified services in connection with such grants.

1.5 Excluded Assets. Notwithstanding anything to the contrary in herein, District shall retain all assets owned directly or indirectly by it (or any of District's affiliates) which are not included in Exhibit "D", including, without limitation, the following assets of District (collectively, the "Excluded Assets"):

(a) any and all assets, contracts and properties not exclusively related to District's operation of the Clinics.

(b) cash, cash equivalents and short-term investments;

(c) computer software, programs and hardware or data processing equipment and manuals which is (i) proprietary to District and/or District's affiliates, or (ii) used in connection with the operation of one or more of District's or District's affiliates' businesses other than the Clinics;

(d) all telecommunications equipment located at the Clinics;

(e) the names "Bloss", "Bloss Memorial Healthcare District", and any other names, symbols or world-wide web addresses not used exclusively at the Clinics, all abbreviations and variations thereof, and trademarks, trade names, service marks, copyrights and any applications therefor, symbols and logos related thereto, together with any promotional material, stationery, supplies or other items of inventory bearing such names or symbols or abbreviations or variations thereof;

(f) the portions of Inventory and other Assets disposed of, expended or canceled, as the case may be, by District after the Effective Date and prior to the Effective Time in the ordinary course of business;

(g) all employee records of District, which shall be transferred to the possession of Castle for the term of this Agreement, but shall be returned to the District following its termination;

(h) assets owned and provided by vendors of services or goods to the Clinics;

(i) all accounts, notes, interest and other receivables of District, including accounts, notes or other amounts receivable from physicians, and all claims, rights, interests and proceeds related thereto, including all accounts and other receivables, cost report settlements related thereto, arising from the rendering of services to patients of District, billed and unbilled, recorded and unrecorded, for services provided by District while owner of the Assets whether payable by private pay patients, private insurance, third party payors, Medicare, Medi-Cal, TRICARE, or by any other source ("Accounts Receivable");

(j) all documents, records, correspondence, work papers and other documents relating to the Accounts Receivable or District's cost reports;

(k) all claims, rights, interests and proceeds with respect to state or local tax refunds resulting from periods prior to the Effective Time, and the right to pursue appeals of same;

- (l) all of District's corporate record books and minute books;
- (m) all unclaimed property of any third party, including, without limitation, property which is subject to applicable escheat laws;
- (n) all claims, rights, interests and proceeds (whether received in cash or by credit to amounts otherwise due to a third party) with respect to amounts overpaid by District to any third party with respect to periods prior to the Effective Time;
- (o) all bank accounts of District; and
- (p) all rights, claims and choses in action of District and its affiliates with respect to periods prior to the Effective Time, and any payments, awards or other proceeds resulting therefrom.

1.6 Assumed Obligations. On the Licensing Date, District shall assign, and Castle shall assume and agree to discharge from and after the Licensing Date, the following liabilities and obligations of District and only the following liabilities and obligations (collectively, the "Assumed Obligations"):

- (a) the equipment leases described in Exhibit "D".

1.7 Excluded Liabilities. Castle shall not assume or become responsible for any of District's duties, obligations or liabilities that are not expressly assumed by Castle pursuant to the terms of this Agreement (the "Excluded Liabilities"), and District shall remain fully and solely responsible for all of District's debts, liabilities, contract obligations, expenses, obligations and claims of any nature related to the Assets, and the Clinics unless assumed by Castle under this Agreement. The Excluded Liabilities shall include, without limitation:

- (a) all liabilities of District arising out of or relating to any act, omission, event or occurrence connected with the use, ownership or operation by District of the Clinics or any of the Assets prior to the Licensing Date, other than as specifically included in the Assumed Obligations;
- (b) all liabilities of District relating to its cost reports with respect to periods ending prior to the Licensing Date; and
- (c) all liabilities of District for violations of any law, regulation or rule to the extent arising from acts or omissions prior to the Licensing Date.

1.8 Disclaimer of Warranties. Except as expressly set forth in this Agreement, the Equipment which Castle is licensed to use hereunder and the leasehold interests being transferred to Castle are being transferred to Castle in their physical condition at the Effective Time, "AS IS, WHERE IS AND WITH ALL FAULTS AND NONCOMPLIANCE WITH LAWS" WITH NO WARRANTY OF HABITABILITY OR

FITNESS FOR HABITATION, with respect to the space occupied by the Clinics and any improvements therein, and WITH NO WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, with respect to the physical condition of the Personal Property and Inventory, any and all of which warranties (both express and implied) District hereby disclaims. All of the Equipment and the leasehold interests shall be further subject to normal wear and tear on the land, buildings, improvements and equipment and normal and customary use of the inventory and supplies in the ordinary course of business up to the Licensing Date.

1.9 Prorations and Utilities. All applicable payments, costs and expenses associated with the Assets that are required to be prorated in connection with the transactions contemplated by this Agreement shall be prorated as of the Licensing Date.

ARTICLE II

CONDITIONAL NATURE OF TRANSFERS;

NOTICE TO ATTORNEY GENERAL

2.1 Transfer of Assets to Castle. The Parties shall comply with the requirements of the District Law, including but not limited to Health & Safety Code § 32121, to the extent applicable to any transfers of assets by the District to Castle.

2.2 Notification of Attorney General. The District shall provide notice to the Attorney General of the State of California, with a courtesy copy provided simultaneously to Castle, within 30 days of the execution of this Agreement of the transfer of any district assets to Castle, and the identity of the entity to which the asserts were transferred or leased in the manner required by paragraph (12) of subdivision (p) of Health & Safety Code § 32121.

2.3 Transfer of Less Than Fifty Percent of the Assets of the District. The District represents and warrants that the transfers contemplated by this Agreement constitute less than fifty percent of the assets of the District, in sum or by increment. In the event that the transfers are reasonably anticipated by the District to aggregate to an amount that exceed fifty percent of the District's assets, the District shall notify Castle, and both parties shall take all necessary steps to comply with the applicable requirements of The Local Health Care District Law.

2.4 Conditional Transfer of Assets. Those assets that are to be transferred to Castle in the absence of adequate consideration or by gift are described in Exhibit "D" ("Gifted Assets"). These Gifted Assets and all assets accumulated by Castle during the term of the transfer agreement arising out of, or from, the operation of the Gifted Assets, shall be transferred back to the District upon termination of this Agreement, including any extension of this Agreement to the extent required by applicable law.

2.5 Operation of Clinics for the Benefit of the Communities Served by District. Castle shall operate and maintain the Clinics, and the Gifted Assets, for the benefit of the communities served by the District, and in a manner that is consistent with its obligations as a tax exempt, public benefit corporation.

2.6 Use of Gifted Assets. Any funds received from the District at the outset of the Agreement or any time thereafter during the term of this Agreement shall be used only to reduce the District's indebtedness, to acquire needed equipment for the Clinics, to operate, maintain, and make needed capital improvements to the Clinics, to provide supplemental health care services or facilities for the communities served by the District, or to conduct other activities that would further a valid public purpose if undertaken directly by the District.

ARTICLE III

AFFILIATION

3.1 Operation of Clinics. The governing board of Castle shall have full legal authority and responsibility for the operation of the Clinics, including compliance with all applicable laws and regulations. It is the intent of the parties that the Clinics be operated to ensure that, among other things, patients presenting with acute or chronic morbidity are able to receive a comprehensive scope of preventive and primary care services (including enabling and support services) regardless of ability to pay, and patients utilizing the Clinics for primary care are able to receive physician services, in an efficient, coordinated manner utilizing a team approach to the continuum of care.

3.2 Clinic Advisory Committee. In furtherance thereof, Castle and the District shall establish a joint advisory committee (the "Clinic Advisory Committee") comprised of an equal number of representatives of Castle, on the one hand, and District, on the other, which shall have the authority to make recommendations regarding the general operations of the Clinics, including, but not limited to the following:

- (a) Financial and management decisions as well as preparation of annual operating and capital budgets of the Clinics, subject to the approval of Castle;
- (b) Staffing of the Clinics;
- (c) Selection of the Clinic Chief Executive Officer and the Medical Director, subject to the approval of Castle;
- (d) Strategic planning, marketing and contracting activities; and
- (e) Development and oversight of quality assurance and utilization review programs of the Clinics.

The Clinic Advisory Committee shall operate in accordance with the

operating guidelines attached prepared by joint effort of the District and Castle (the "Operating Guidelines").

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

4.1 Licensure, Certification and Approvals; Cooperation. Castle shall take all actions necessary to obtain all necessary licenses, permits, approvals and certifications that are required under applicable law to operate the Clinic as Rural Health Clinics, and shall apply, in collaboration with the District, to the United State Health & Human Services Department's Bureau of Primary Health Care for approval of the Clinics as Federally-qualified health centers. Castle shall maintain complete and accurate records of all efforts, and shall share them with District upon its reasonable request.

4.2 Access to Physician Books and Records. To the extent required by law, District and Castle shall make available to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives, upon the request of any of them, this Agreement, and all books, document and records relating to the nature and extent of the costs of the Clinics' services hereunder for a period of four (4) years after the date of furnishing each and every service pursuant hereto. In addition, District and Castle agree that to the extent required by law, if services under this Agreement are to be provided by subcontract with a related organization in the amount of \$10,000 or more, District and/or Castle, as applicable, shall require in writing that the subcontractor make available to the Secretary and the Comptroller General, or the authorized representatives, that subcontract, and all books documents and records relating to the nature and extent of the costs of the subcontracted services there under for a period of four (4) years after the furnishing of each and every service.

4.3 No Requirement to Make Referrals; Obligation to Accept Referrals; Required Notices. Nothing in this Agreement is intended to obligate and shall not obligate any party to this Agreement to refer clients to any other party. District shall accept all referrals of patients from Castle who clinically qualify for the services provided by District, regardless of the patient's payer status or ability to pay. Castle shall provide notification to patients of their freedom to choose any willing provider or subscriber. In addition, Castle shall disclose the existence and nature of this Agreement to any patient who inquires, and upon the initial referral of any patient by Castle to District, for the furnishing of separately billable items or services (i.e., an item or service for which the patient or a third-party payer, rather than the Castle, may be obligated to pay). Such notices and disclosures shall be provided in a timely fashion and in a manner reasonably calculated to be effective and understood by the patient.

4.4 Compliance with Laws. Each party shall observe and comply with all applicable federal, state, and local laws; ordinances; and codes which relate to the services to be provided pursuant to this Agreement. Castle shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national

origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV and AIDS) physical or mental disability or use of family care leave. Castle represents that it is in compliance with, and agrees that it will continue to comply with, the Americans with Disabilities Act of 1990 (42 U.S.C. section 12101, et seq.), the Fair Employment and Housing Act (Government Code sections 12900, et seq.), and regulations and guidelines issued pursuant thereto.

4.5 Licenses and Permits. Castle shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Merced, and all other appropriate governmental agencies. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by District.

4.6 Relationship of Parties. None of the provisions of this Agreement are intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. The parties are not, and shall not be construed to be, in a relationship of joint venturers, partners, or employer-employee.

ARTICLE V

ASSISTANCE

5.1 Assistance to Castle. The District intends to provide on-going assistance to Castle in order to permit Castle to successfully transition from an Rural Health Clinic to a nonprofit community clinic operating under a license issued by the California Department of Health Services, and subsequently to Federally-qualified health center status, to develop the infrastructure to ensure compliance with applicable regulatory requirements, to provide consistently quality health care, and to ensure the availability of health care services to indigent and uninsured members of the community served by the District. However, nothing in this Agreement shall be construed as an obligation by the District to provide such assistance and services and the intent of this Agreement is for Castle to become, over time, a self-sufficient community clinic.

ARTICLE VI

MISCELLANEOUS

6.1 Payment for Services. Castle shall have the sole responsibility for billing and collection, in accordance with all applicable laws, from third party payers for the rendering of professional, facility and other goods and services delivered by Castle at the Clinics for all dates on or after the Licensing Date.

6.2 Right to Audit; Record Retention. District shall have the right to audit the accuracy of reports that Castle is required to be submitted to District under this Agreement. Such audits shall be conducted in compliance with all applicable laws and regulations regarding the confidentiality of medical and employment records, as well as of trade secrets, and Castle shall be entitled to receive reasonable assurances from District that such requirements have been met prior to disclosing private or other confidential information to District. Castle shall maintain books, payroll records, documents, and ledgers in accordance with accounting procedures and practices that reflect all direct and overhead expenses related to this Agreement. The records shall be kept and made available to the District for three years from the date of the final grant payment to Castle under this Agreement, or longer if an audit finding is under appeal.

6.3 Insurance. Castle shall at all times during the term of this Agreement maintain the following minimum levels of insurance:

(a) Comprehensive General Liability Insurance, covering its activities hereunder, in an amount not less than \$1,000,000 per occurrence;

(b) Property Insurance, in an amount not less than the reasonable replacement value of Castle's property;

(c) Professional Liability Insurance, including deemed coverage under the Federal Tort Claims Act, covering Castle's activities hereunder, in an amount not less than \$1,000,000 per occurrence/\$3,000,000 aggregate; and

(d) All employment related insurance benefits as are required by law for Castle's employees (such as workers' compensation, state disability, and unemployment insurance).

Castle shall provide the above coverage through such reputable carriers or risk retention groups admitted to do business in California as may be selected by Castle, or by obtaining deemed coverage status under the Federal Tort Claims Act, if applicable.

Castle shall, upon written request of District, provide written proof to District of the foregoing levels of insurance and shall notify District immediately by facsimile transmission should any of the foregoing levels of insurance no longer be in effect.

6.4 Termination. Notwithstanding any other provisions contained herein, this Agreement may be terminated on the basis of any of the following:

(a) Due to License Revocation or Suspension. In the event Castle's licensure or certification is suspended or withdrawn, District may terminate this Agreement immediately upon written notice sent by facsimile transmission.

(b) Due to Changes in Law. In the event legal counsel for either party provides a well-reasoned, written opinion that this Agreement or any practices which could be or are employed in exercising rights under this Agreement may violate any existing law

or regulation, the parties in good faith shall undertake to revise this Agreement to comply with such law(s). In the event the parties are unable to agree upon the revised terms in a timely manner, this Agreement shall terminate immediately upon written notice by one party to the other sent by facsimile transmission.

(c) This Agreement shall terminate upon the dissolution, receivership, bankruptcy or cessation of business of Castle.

6.5 Ethics. In the performance of their respective obligations hereunder, the parties shall at all times conform to the ethical standards and licensure requirements relating to the practice of medicine from time to time prevailing.

6.5 Notices. Unless otherwise provided in this Agreement, all notices to be given under this Agreement shall be in writing and may be: (1) personally served upon the parties hereto, (2) served by facsimile transmission, (3) served by depositing the same in the United States mail, postage prepaid, return receipt required, or (4) served by national overnight delivery service to the last known address of the recipient.

6.6 Entire Agreement. The provisions of this Agreement (and all exhibits and schedules hereto) constitute the entire agreement between the parties concerning the subject matter hereof, and this Agreement may be amended, modified or otherwise changed only upon the written consent of the parties hereto. Unless otherwise set forth in this Agreement, this Agreement shall not be construed as conferring upon any third party any right or benefit, and any and all claims which may arise hereunder may be enforced solely by District or by Castle.

6.7 Successors. Neither party may assign its rights or obligations hereunder without the written consent of the other party. Subject to the foregoing, this Agreement shall be binding on and inure to the benefit of the respective successors and assigns of the parties, except to the extent of any contrary provision of this Agreement.

6.8 Waiver. No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition.

6.9 Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, or if the performance of any such term, provision, covenant or condition is so held to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

6.10 Notice of Claim. If any claim for damages is filed with Castle or if any lawsuit is instituted concerning Castle's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect District, Castle shall give prompt and timely notice thereof to District. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days

following the date of service of process of a lawsuit.

6.11 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

6.12 Headings. The headings of the various paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement or of any part or parts of this Agreement.

6.13 Confidentiality. Both parties shall protect the confidentiality of each other's records and information, and shall not disclose confidential information without the prior written consent of the other party.

6.14 Force Majeure. If either party is unable to perform its duties under this Agreement due to strikes, lock-outs, labor disputes, governmental restricts, fire or other casualty, emergency, or any cause beyond the reasonable control of the party, such non-performing party shall be excused from performance by the other party, and shall not be in breach of this Agreement, for a period equal to any such prevention, delay, or stoppage. Notwithstanding this provision, a party may terminate this Agreement immediately upon written notice if such events continue for 30 days.

6.15 Assignment. Neither party may assign rights or delegate duties identified in this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that upon 30 days written notice to the other party, Castle may assign this Agreement to an "affiliated corporation," as that term is defined in section 150 of the California Corporations Code.

6.16 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument.

6.17 Third-Party Beneficiaries. Unless otherwise expressly provided, this Agreement shall not create any third-party beneficiary rights for any person or entity.

6.18 Execution. By their signatures below, each of the following represent that they have authority to execute this Agreement and to bind the party on whose behalf their execution is made.

6.19 HIPAA Addendum. Attached to this Agreement, and incorporated by reference, is an addendum which constitutes a Business Associate Agreement as required by the federal Health Insurance Portability and Accountability Act.

CASTLE FAMILY HEALTH CENTERS, INC.,
a California nonprofit public
benefit corporation.

By: *Dorothy Bizzini*, its President

BLOSS MEMORIAL HEALTHCARE District

By: *Alfred J. [Signature]*, its President