
PUBLIC NOTICE

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

Date: July 24, 2020

Phone: (209) 724-4102

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

Bloss Memorial Healthcare District will hold their next **Board of Directors** meeting on Thursday, July 30, 2020 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

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

F. Agreement for Purchase and Sale of Assets (BMHD/US Dental/ DSCA)	*	11
G. Commercial Sublease Agreement (DSCA / Parlier)	*	12
H. Exhibit "A" Commercial Sublease Agreement (DSCA/Parlier)	*	13
I. Staffing	*	

X. APPOINTMENTS / CEREMONIAL MATTERS *

XI. AGENDA FOR CLOSED SESSION

Closed Session Items Pursuant the Brown Act will be:
 Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services.
 Estimated date of public disclosure will be in 2020.
 Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of
 Litigation.
 Section 1461 of the Health and Safety Code – Quality Management.
 Section 54957 Personnel Actions.

XII. NEXT MEETING DATE

XIII. ADJOURNMENT

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

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

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

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, May 25, 2020
2:00 pm**

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC

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

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 2:01 pm.

ROLL CALL

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

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Jenna Anderson, County Legal Counsel and Peter Mojarras, CFHC, COO @ 2:09 pm

Absent: None

APPROVAL OF AGENDA

A motion was made / seconded, (Bob Boesch / Vivian Passwaters) to accept and approve the June 25, 2020 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

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

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

FINANCIAL REPORT

A. May 28, 2020 Finance Committee Meeting Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept and approve the May 28, 2020 Finance Committee Meeting minutes as presented, Exhibit 2. Motion carried.

B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle, CFO, reported that for May 2020, BMHD did have a net gain before depreciation of \$61,309 and after depreciation a net income of \$2,824. Total expenses include \$10,580 of SKDSC costs.

During May the Operating Cash Balance did increase to 935 days and ended with a Cash Balance of \$2,708,555. The increase in days on hand cash was due to the property tax payment from Merced County in the amount of \$157,824 and is recorded in a separate GL account.

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

Dawnita Castle, CFO, has instructed her staff not to include the LAIF transfers as the \$500,000 is from one bank account to another to earn some interest. This amount can be decreased from the total. Kory Billings stated that the disbursement is actually \$149,847.23.

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approve and accept the May 2020 Payroll in the amount of \$9,158.42, Accounts Payable in the amount of \$640,688.81 for a Grant Total Disbursement of \$649,847.23, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

Edward Lujano reported that all of BMHD's current tenant are now open for business.

Last month we talked about the Bloss Site and the whole back area has been cleaned up, everything was thrown out. A new doorway was installed between the two sections and all exit signs were removed, there is no identification that it is an exit entry.

We have moved forward with the alarm system and will be a 2-3 week process. The cost ran over \$7,000 as we wanted to ensure that if there were tenants in other areas then we could subdivide. At this point it is one monitoring system.

OLD BUSINESS / REPORTS

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

Peter Mojarras reported that CFHC continues to see the surge of testing along with the spike of those that are being tested positive throughout Merced County and local. Most recent data he has confirms 741 tested positive in Merced County. CFHC has tested over 620 patients; 377 are negative; 156 are still pending. Positives for our area are 84. More people are being tested and the turnaround time is taking longer.

Yosemite Pathology, LabCorp and Quest are offering services with about a 5 day turnaround time. He is also in early discussions with UCSF for testing as they have a 24-hour turnaround time.

We continue to stress to the community to adhere to the precautions and guidelines that are recommended by the CDC and the Merced Public Health Department.

A campaign was done and CFHC signed on that letter that went through PSA's throughout the community. We need to put a stronger emphasis on the safety and precaution. Not everyone wants to adhere to the mask and it is difficult for people to understand the social distancing aspect.

An incident occurred today and law enforcement was called in. They asked him in a call he had, if this is something we're going to take action against this individual that would name the organization. If that was the case, if we took action with CFHC or BMHD as BMHD is the owners in the sense of the building. He is in the early steps of investigating to what occurred and if we're going to name.

We're seeing increases of exposure and infection rates. Per the CDC, if you're exposed to someone at work for 15 minutes, it is an accumulation of 15 minutes. If you find out someone was positive on Wednesday, you have to go back and see how much exposure you had with the person on Sunday, Monday and Tuesday. It could have been 5 minutes one day, 7 minutes another day and 5 minutes another day, this now becomes a 14 day quarantine even if your test comes back negative 5 days later.

Peter Mojarras commented that we're CFHC is working with the local community and the school systems when they do open up. CFHC is involving with doing sports physicals and some days have seen 150 students per day. Many providers do not want to do sports physicals and are turning kids down, they don't want to offer that service because of the risk of the pandemic issue. CFHC tries not to turn anybody away.

CFHC continues to need many supplies and he thanked BMHD for the generous support of \$50,000. There was \$15,453.85 for disinfectants and cleaning supplies; \$1,258.77 for PPE; \$30,665.12; \$688.90 for specimen supplies, transport bags and \$1,933.36 for employee luncheon.

CFHC patients are not coming in, and a campaign is being done by Merced County and CFHC. We're letting patients know that it is a safe environment to come in, in that the senior management team has looked at the lines of services optometry, dental and non-essential visits into the service lines.

In that, one of the services lines we've had for many years, and looking at patient safety in this pandemic and the safety of the community and staff, CFHC has decided to close Day Break services through the Adult Day Health Break program effective June 15, 2020. However, staff is still there working with the clients to connect them into services that are available, however there are limited services in Merced County. There is one other program in Merced, Day Out, but they are also very close to being maxed out, they're also looking at a model, where there is a percentage of patients that come in and other patients are done through a virtual model. Many of the patients, CFHC was serving were at high risk group, age and/or other health related issues. This also required many of our staff members to be directly involved with them, which the social distancing would be very difficult and the mask, etc. From assisting them to the restroom, food, physical therapy this required CFHC staff to be very directly involved with them. This was a very difficult decision to make, meetings were held with staff and currently CFHC wanted to present to BMHD the decision that had

been made. They're working with the clients now and how to connect them with services, once this transition occurs, we'll need to look at the space.

There is a tremendous need in Atwater for expansion of primary care services. CFHC is looking at the space and if there is an opportunity in the near future on how CFHC can evaluate to expand primary care services and/or they've also been looking at how they can build a stronger geriatric program. CFHC can continue to serve the geriatric community, but through more of a medical service program and primary care through that area.

Kory Billings commented that BMHD had provided some grant funding for that program and since the program is ceasing, obviously that grant funding will need to come to an end. Is it CFHC's intent to abandon their current lease or will CFHC's intent be to continue leasing even if they are not providing services there. Peter Mojarras replied that CFHC's intent is to be able to continue in that lease as they want to look at the opportunities of services that were shared. It is an early discussion to look at the physical space of how there may be some conversion of it to create a primary care space and the opportunity of a geriatric program.

Kory Billings stated that even with the gap that is probably going to happen between the completion of one program and the start of another, CFHC's intent is to continue with this. Peter Mojarras replied that, it is correct.

Dawnita Castle stated that the grant ended in March and there was another that was issued out for the next month, however that was refunded by CFHC. It's traceable and is on BMHD's Balance Sheet.

Peter Mojarras mentioned that CFHC wants to communicate with all staff and any tenants of BMHD's of what is expected of them to ensure that they are providing a safe environment for the community and the patients they serve. CFHC is doing everything they can for their patients and the patients they serve in the community. Any tenants that BMHD have, it may be something that is a discussion that BMHD have as far as what they are doing and how they are ensuring the safety of patients and the steps they are taking as a tenant.

Kory Billings commented that the young lady who is currently up front taking temperature and advising to put your mask on, she is being paid by CFHC. Is the thought that maybe she needs to be paid a percentage from each of the tenants because they are all utilizing her. Peter Mojarras said that this could be a discussion, as CFHC wants to be able to be as cooperative and work with everybody. Patients from tenants will come in, get a mask and then they will exit and go out to the tenant. Kory Billings stated that it is a great point about thinking how we can share and make sure everybody's needs are being met.

B. Bloss Board Member Report

Kory Billings addressed the exterior door entering into administration, this door has to be shut and locked and staff cannot utilize this door. All staff must be checked every time entering and exiting the facility. For health and safety this door must be shut.

C. Request for Proposals (RFP) for Cooling Tower, Exhibit 6

Edward Lujano presented the RFP for the cooling tower that was solicited through the maintenance department. We received 3 proposals, which were much higher than the initial one we had received from Air Treatment.

Air Treatment came in at \$27,091.97 to do the work during the week and \$31,377.68 to do the work on a Friday, Saturday and Sunday. Carrier came in at \$49,800 and EMCOR Services was \$45,487.

Edward Lujano recommends Air Treatment for \$31,377.68 as it would cause challenges if we closed the system down for 3 days.

Kory Billings questioned that a comment had been made that this would be a phase one of what needs to be done, that there needs to be a water treatment. Fily Cale stated that Rick Ramirez had mentioned that we would need a water treatment system, there was one and it is now corroded. Edward Lujano stated that there needs to be an annual treatment so that it does not get corroded, but he is not familiar with a phase two proposal. Kory Billings commented that he vaguely recalls this conversation with Rick Ramirez. Edward Lujano will follow up with Rick Ramirez, but he has not had a conversation with Rick Ramirez about a phase 2 process to this proposal.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept the RFP from Air Treatment in the total amount of \$31,377.68, Exhibit 6. Motion carried.

NEW BUSINESS

A. CFHC Grant Request for Sports Physicals, Exhibit 7

Peter Mojarras reported that over the years, BMHD has strengthen and built a relationship with the community in assisting with sports physicals. Less providers are providing sports physicals, its time involved, reimbursement is quite low and those providers that are doing the sports physicals are charging over \$100.

CFHC has been offering this service for several years and has also taken their mobile medical unit to the school sites for sports physicals. This year many kids have walked in for sports physicals and CFHC had difficulty coordinating this year with school officials and administrators. CFHC is absorbing a tremendous amount of the staff and provider costs.

CFHC is requesting \$10,000 for support and to offset revenue loses that they are experiencing when doing the sports physicals. Kory Billings asked how many were seen last year for sports physicals. Peter Mojarras estimated that they saw 500-600. CFHC is currently seeing the students who are participating in summer sports physicals and will get a second wave later in the school year. CFHC has also reduced the cost to \$25 for one week as so many parents are not working. Parents are notified of the promotional week.

Kory Billings stated that there were two big projects that BMHD always donated to and one of those programs has ended and this was the second one. This is the way that BMHD wants to give back to the community, it is through this opportunity and when you looked at the Bloss Family and the tradition they left, with making sure that our kids have scholarships available and you can see that

the family wanted funds to go to healthcare and to the students of our community. His recommendation to the Board of Directors is to give \$15,000 based on the history of Atwater.

A motion was made / seconded, (Bob Boesch / Vivian Passwaters) to donate \$15,000 to Castle Family Health Centers to be utilized specifically for sports physicals, out of Bloss Trust Fund money, Exhibit 7. Motion carried.

Petr Mojarras thanked the Board of Directors.

B. Approval of FYE 2020 Independent Audit RFP's, Exhibit 8.

Dawnita Castle reported that she has worked with each of the auditors, except for David Farnsworth.

Alfonse Peterson, Finance Committee, Chair reported that the committee reviewed the proposals and recommends awarding JWT & Associates for the FYE 2020 Independent Audit at \$7,500.

A motion was made / seconded (Bob Boesch / Vivian Passwaters) to accept the bid from JWT & Associates for the FE 2020, 2021 and 2022 at \$7,500 each year, Exhibit 8. Motion carried.

C. Approval of FYE 2021 Budget, Exhibit 9

Dawnita Castle presented the 2021 Budget, it is conservative and she did decrease a couple of major items. The Bloss Trust revenue was reduced by \$100,000 and property tax revenue was actual as to what was received this year 2020. She also included, knowing the depreciation expense for building repairs, she increased it by \$200,000 and also has transfers going to capital expenditure of \$100,000 that will hit expense and will be for repairs and maintenance under a fixed capital asset.

This shows a net income of \$67,217 with a total operating expense of \$2,220,790 and operating expense of \$238,333 and non-operating revenues of \$2,626,343.

Alfonse Peterson reported that the Finance Committee recommends approval of the FYE 2021 Budget.

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to accept the recommendation to approve the FYE 2021 Budget, Exhibit 9. Motion carried.

APPOINTMENTS / CEREMONIAL MATTERS

No report.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE

The next Board of Directors Meeting will be held on Thursday, July 30, 2020 at 2:00 p.m. in the Board Room.

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

ADJOURNMENT

As there was no further business, the meeting adjourned at 2:44 pm.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, June 25, 2020
1:30 p.m.**

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC

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

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

Others Present: None

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, (Kory Billings / Edward Lujano) to approve the June 25, 2020 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. May 28, 2020 Finance Committee Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept the May 28, 2020 Finance Committee Minutes as presented, Exhibit 1. Motion carried.

REVIEW OF DISTRICT FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle, CFO, reported that for May 2020, BMHD did have a net gain before depreciation of \$61,309 and after depreciation a net income of \$2,824. Total expenses include \$10,580 of SKDSC costs.

During May the Operating Cash Balance did increase to 935 days and ended with a Cash Balance of \$2,708,555. The increase for days on hand cash was due to the property tax payment from Merced County in the amount of \$157,824 and is recorded in a separate GL account.

A. Recommendation of FYE 2020 Independent Audit RFPs, Exhibit 2a

Dawnita Castle, CFO, reported that Blomberg & Griffin had completed their 3 year contract last year. It has gone out to bid for the 2020 audit and went out to the same individuals' who requested.

Proposers are David Bruner, CPA who did not respond. She has worked with each auditor except for David Farnworth, CPA. Blomberg & Griffin at \$7,500 per year for 3 years; David Farnsworth, CPA, not to exceed \$11,427 for 2020; JWT & Associates \$7,500 per year for 3 years and WIPFLI at \$18,000 per year for 3 years.

WIPFLI has prepared BMHD's cost report in the past.

A motion was made / seconded, (Kory Billings / Edward Lujano) to recommend JWT & Associates for the 3 FYEs 2020, 2021 and 2022 at \$7,500 per year to the Board of Directors for approval, Exhibit 2a. Motion carried.

B. Recommendation of FYE 2021 Budget, Exhibit 2b

Dawnita Castle, CFO, presented the FYE 2021 Budget. She used actual costs and revenues. Some of the major reductions in revenues is that with the Bloss Trust, BMHD received \$500,000 prior year and she reduced that by \$100,000 to be safe. Property Tax Revenue was done based on how much BMHD receives during the year (currently for 2020 has received \$393,253). She also put \$200,000 into depreciation expenses for buildings and improvements. She also added \$100,000 to ongoing capital expenses. Most capital expenses will be under fixed assets.

It is a conservative budget with a net income of \$67,217.

The rental income was left as it, as we don't know what will happen in the future. Some lessees' have had some difficulty.

A motion was made / seconded, (Kory Billings / Edward Lujano) to recommend the FYE 2021 Budget to the Board of Directors for approval, Exhibit 2b. Motion carried.

SKDSC FINANCIAL REPORT, EXHIBIT 3

Dawnita Castle reported that for May 2020, SKDSC had expenses in the amount of \$10,580. She had mentioned last month that they were in arrears and usually rent space would have been reduced and moved into a receivable account. However, that was missed by staff, instead the rent expense was reduced in May because BMHD did receive the rent in arrears in May.

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

WARRANTS AND PAYROLL

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

Dawnita Castle, CFO, stated that she has requested from her staff not to put on the \$500,000 transfer to LAIF as it was a transfer. It went from BMHD's regular account to the LAIF account to earn interest. In reviewing it she did not see it, but it will not appear in the future.

The interest it is earning on the LAIF account is \$0.07%, but it is better than nothing until the Investment Committee meets again.

Kory Billings asked if \$302.01 for Card Member Services was for late fees. Dawnita Castle stated that it is the BMHD credit card, and may have been for supplies. He is confirming that it is not interest. Edward Lujano stated that this charge was for the BMHD sponsored lunch and the credit card was used at the restaurant. Dawnita Castle confirmed it is not for late fees.

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the May 2020 Total Payroll in the amount \$9,158.42 and Total Accounts Payable in the amount of \$640,688.81 for a total Grand Total Disbursement of \$649,847.23, Exhibit 4. Motion carried.

DISCUSSION

None.

AGENDA FOR CLOSED SESSION

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

NEXT MEETING DATE/ADJOURNMENT

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

As there was no further business, the meeting adjourned at 1:47 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 \$17,213 for the month compared to a net gain of \$147,410 last year. Net income after depreciation was a loss of \$41,492. Included in Non-Operating Expense is \$50,000 of the Bloss Grant to Castle Family Health Centers.

Expenses include \$15,380 of SKDSC costs.

The June 30, Operating Cash Balance was \$2,688,490 and Days Cash On Hand Decreased to 773 Days*. In May the DCH was 935 Days.

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

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

	Jun-20	Jun-19	VARIANCE *	%	Y-T-D Jun-20	Y-T-D Jun-19	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	(44,688)	44,688	-100.00%
Other Operating Revenue	0	13,685	(13,685)	-100.00%	111,739	67,895	43,844	64.58%
Total Net Operating Revenue	0	13,685	(13,685)	-100.00%	111,739	23,207	88,532	381.49%
Operating Expenses Excluding Depreciation	104,353	72,546	(31,807)	-43.84%	1,233,744	1,588,878	355,134	22.35%
Net Operating Income (Loss) Before Depreciation	(104,353)	(58,861)	(45,492)	-77.29%	(1,122,005)	(1,565,671)	443,666	28.34%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	17,584	31,564	(13,980)	-44.29%	37,111	24,242	12,869	53.09%
Grant Donation Expense	50,000	0			150,000	500		
All Other Non-Operating Gains/Losses	53,982	174,707	120,725	69.10%	2,204,414	2,466,047	(261,633)	-10.61%
Total Net Non-Operating Income: Losses/Gains	121,566	206,271	84,705	41.06%	2,391,525	2,490,789	(99,264)	-3.99%
Total Net Income (Loss) Before Depreciation	17,213	147,410	(130,197)	-88.32%	1,269,520	925,118	344,402	37.23%
Depreciation Expense	58,705	58,457	248	0.42%	696,339	660,170	36,169	5.48%
Net Income (Loss) After Depreciation	(41,492)	88,953	(130,445)	-146.64%	573,181	264,948	308,233	116.34%

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Twelve Months Ending June 30, 2020

BMHD FULL TIME EQUIVALENTS SUMMARY :

(See FTE report included in Financial Reports for detail)

	Jun-20	Jun-19	VARIANCE	%	Y-T-D Jun-20	Y-T-D Jun-19	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.57	0.30	(1.27)	-423.33%	1.00	0.36	(0.64)	-177.78%
CONTRACT FTE'S	3.74	4.26	0.52	12.21%	3.75	3.77	0.02	0.53%
TOTAL FTE'S	5.31	4.56	(0.75)	-16.45%	4.75	4.13	(0.62)	-15.01%

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

Full Time Equivalent - Employees for the month are 423.33% more than the prior year with 1.27 more FTE'S

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

Department	Cur. Mo. (Increase) DECREASE	YTD (Increase) DECREASE	Reason
Administration	(1.27)	(0.64)	Vacation Hours Paid
All other departments < 1 fte var	0.00	0.00	Various departments less than 1 fte variance.
	(1.27)	(0.64)	Brackets () indicate a decrease (favorable) variance

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY,
 DETAIL BALANCE SHEET
 PRIOR MONTH COMPARISON
 JUN 2020

	CURRENT MO. JUN 2020	PRIOR MONTH MAY 2020	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2019
ASSETS					
CURRENT ASSETS					
CASH AND EQUIVALENTS					
CASH - GENERAL CHECKING	1,275,961	1,291,534	(15,573)	(1.21)%	1,341,840
CDSC CASH - NEW GENERAL CHK	1,556	1,613	(57)	(3.53)%	235
CDSC CASH - GENERAL CHECKING	5,304	5,304	0	0.00%	52,552
CCDS-GENERAL CHECKING	2,679	2,155	524	24.31%	460
CCDC-GENERAL CHECKING	19,903	17,163	2,740	15.96%	129,090
CASH - PAYROLL ACCOUNT	8,699	13,279	(4,579)	(34.49)%	10,000
CASH - LAIF SAVINGS ACCOUNT	1,098,377	1,098,290	87	0.01%	310,175
LAIF - FUNDED DEPRECIATION	302,590	302,590	0	0.00%	190,319
CASH-BBVA MONEY MARKET ACCOUNT	509,532	509,246	286	0.06%	501,049
MARKETABLE SECURITIES CAP IMP	591,703	580,955	10,748	1.85%	568,744
MARKETABLE SECURITIES GRANTS	327,200	320,364	6,836	2.13%	313,048
TOTAL CASH AND EQUIVALENTS	4,143,503	4,142,491	1,012	0.02%	3,417,513
PATIENT ACCOUNTS RECEIVABLE					
ALLOWANCES					
TOTAL ALLOWANCES	0	0	0	0.00%	0
OTHER RECEIVABLES					
DSCA RECEIVABLE	37,050	31,099	5,951	19.13%	0
RENT RECEIVABLE	7,104	17,189	(10,086)	(58.67)%	600
PROPERTY TAX RECEIVABLE	32,045	0	32,045		50,580
CFHC INC RECEIVABLE	0	0	0	0.00%	2,517
DSCA CAPTIAL NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
DSCA ATWATER NOTE RECEIVABLE	1,750,000	1,750,000	0	0.00%	1,750,000
DSCA STOCKTON NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
ALLOWANCES FOR OTHER RECEIVABLES					
NET OTHER ACCOUNTS RECEIVABLE	2,226,198	2,198,288	27,910	1.27%	2,203,697
INVENTORY					
PREPAID EXPENSES AND DEPOSITS					
PREPAID INSURANCE	27,049	2,649	24,400	920.97%	6,375

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY,
 DETAIL BALANCE SHEET
 PRIOR MONTH COMPARISON
 JUN 2020

	CURRENT MO. JUN 2020	PRIOR MONTH MAY 2020	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2019
PREPAID EXPENSE - SYSTEM	0	1,897	(1,897)	(100.00)%	0
PREPAID EXPENSE - MANUAL	0	684	(684)	(100.00)%	4,955
TOTAL PREPAID EXPENSES AND DEPOSITS	27,049	5,231	21,819	417.15%	11,330
TOTAL CURRENT ASSETS	6,396,750	6,346,010	50,740	0.80%	5,632,540
NON-CURRENT ASSETS					
PROPERTY, PLANT, AND EQUIPMENT					
LAND	2,205,996	2,205,996	0	0.00%	2,205,996
LAND IMPROVEMENTS	51,615	51,615	0	0.00%	51,615
BUILDING AND IMPROVEMENTS	21,823,951	21,823,951	0	0.00%	21,770,098
CASTLE BUILDING AND IMPROVEMEN	1,353,689	1,353,689	0	0.00%	1,353,689
SKDSC BUILDING AND IMPROVEMENT	20,705	20,705	0	0.00%	0
BLOSS REMODEL	832,986	832,986	0	0.00%	832,986
CASTLE REMODEL-EAST WING FY 03	126,551	126,551	0	0.00%	126,551
PRKNG LOT & IMPROVEMENTS	138,713	138,713	0	0.00%	48,034
EQUIPMENT - FIXED	1,236,869	1,236,869	0	0.00%	1,236,869
COMMUNICATION LINES FY 03	452,829	452,829	0	0.00%	452,829
SKDSC EQUIPMENT-FIXED	66,746	66,746	0	0.00%	66,746
LEASEHOLD IMPROVEMENTS	17,063	17,063	0	0.00%	17,063
SKDSC LEASEHOLD IMPROVEMENTS	90,895	90,895	0	0.00%	81,980
EQUIPMENT - MAJOR MOVABLE	4,638,963	4,638,963	0	0.00%	4,609,198
MEDITECH HARDWARE	223,353	223,353	0	0.00%	223,353
MEDITECH IMPLEMENTATION COSTS	222,216	222,216	0	0.00%	222,216
EQUIPMENT - MINOR	456,194	456,194	0	0.00%	456,194
MEDITECH SOFTWARE	277,372	277,372	0	0.00%	277,372
TOTAL PROPERTY PLANT AND EQUIPMENT	34,236,707	34,236,707	0	0.00%	34,032,789
ACCUMULATED DEPRECIATION					
ACCUM DEPREC - LAND IMPROVMNTS	(128,382)	(127,256)	(1,127)	0.89%	(118,640)
ACCUM DEPREC - BLDGS & IMPROV	(9,928,524)	(9,877,045)	(51,479)	0.52%	(9,308,599)
SKDSC DEPREC-BLDGS & IMPROV	(5,751)	(5,176)	(575)	11.11%	0
ACCUM DEPREC - FIXED EQUIP	(2,023,272)	(2,021,544)	(1,728)	0.09%	(1,998,413)
SKDSC ACCUM DEPREC-FIXED EQUIP	(1,934)	(1,833)	(101)	5.48%	(728)
ACCUM DEPREC - LEASEHOLD IMPRV	(58,084)	(56,695)	(1,389)	2.45%	(44,908)
SKDSCACCUM DEPREC-LEASH IMPROV	(36,033)	(35,727)	(306)	0.86%	(31,573)
ACCUM DEPREC - MAJOR MOVE EQPT	(4,482,542)	(4,480,542)	(2,001)	0.04%	(4,499,546)
ACCUM DEPREC - MINOR EQUIPMENT	(575,455)	(575,455)	0	0.00%	(575,455)
TOTAL ACCUMULATED DEPRECIATION	(17,239,977)	(17,181,272)	(58,705)	0.34%	(16,577,861)
NET PROPERTY, PLANT, AND EQUIPMENT	16,996,730	17,055,435	(58,705)	(0.34)%	17,454,929

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.
 DETAIL BALANCE SHEET
 PRIOR MONTH COMPARISON
 JUN 2020

	CURRENT MO. JUN 2020	PRIOR MONTH MAY 2020	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2019
ASSETS LIMITED AS TO USE					
CASH - UNG GOODWIN TRUST	141,439	141,439	0	0.00%	169,927
TOTAL RESTRICTED ASSETS	141,439	141,439	0	0.00%	169,927
OTHER ASSETS					
TOTAL ASSETS LIMITED AS TO USE	17,138,170	17,196,874	(58,705)	(0.34)%	17,624,855
TOTAL ASSETS	23,534,920	23,542,884	(7,965)	(0.03)%	23,257,395
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE - VENDORS	55,043	20,407	(34,636)	169.72%	28,626
ACCOUNTS PAYABLE - ACCRUALS	22,443	23,332	889	(3.81)%	24,384
ACCOUNTS PAYABLE - OTHER	17,132	18,409	1,278	(6.94)%	57,382
CASTLE INC PAYABLE	22,022	18,176	(3,846)	21.16%	26,591
DSCA PAYABLE	26,578	23,371	(3,207)	13.72%	252,371
TOTAL ACCOUNTS PAYABLE	143,217	103,695	(39,522)	38.11%	389,353
ACCRUED PAYROLL					
ACCRUED SALARY AND WAGES	4,167	4,167	0	0.00%	4,542
ACCRUED VACATION	14,849	21,493	6,644	(30.91)%	42,087
FICA PAYABLE	319	319	0	0.00%	347
PENSION PLAN ACCRUAL	5,049	4,400	(649)	14.74%	5,531
OTHER PAYROLL PAYABLES	94	94	0	0.00%	9,361
TOTAL ACCRUED PAYROLL	24,477	30,472	5,995	(19.67)%	61,868
OTHER CURRENT LIABILITIES					
INTERCORPORATE TRANSFERS					

RUN DATE: 07/22/20
 RUN TIME: 0914
 RUN USER: DAMEDA

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY,
 DETAIL BALANCE SHEET
 PRIOR MONTH COMPARISON
 JUN 2020

	CURRENT MO. JUN 2020	PRIOR MONTH MAY 2020	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2019
TOTAL CURRENT LIABILITIES	167,694	134,167	(33,527)	24.99%	451,221
LONG TERM LIABILITIES					
TOTAL LIABILITIES	167,694	134,167	(33,527)	24.99%	451,221
FUND BALANCES					
UNG GOODWIN TRUST	141,439	141,439	0	0.00%	169,927
SBA PPE FUND	16,358	16,358	0	0.00%	0
TOTAL RESTRICTED FUND BALANCE	157,797	157,797	0	0.00%	169,927
UNRESTRICTED FUND BALANCE					
CAPITAL - BMHCD	2,317,403	2,317,403	0	0.00%	2,317,403
DONATED CAPITAL	20,318,844	20,318,844	0	0.00%	20,318,844
CURRENT YR NET INCOME (LOSS)	573,181	614,673	41,492	(6.75)%	0
TOTAL FUND BALANCE	23,367,226	23,408,718	41,492	(0.18)%	22,806,174
TOTAL LIABILITIES AND FUND BALANCES	23,534,920	23,542,884	7,965	(0.03)%	23,257,395

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

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

Payroll			\$14,334.23
Total Payroll			<u><u>\$14,334.23</u></u>
Accounts Payable:			
A/P Checks	Bloss	\$136,571.81	\$136,571.81
BLOSS			
Auto Debits		\$71.55	
Electronic Payments to DSCA		\$0.00	
Total Auto Debits and Electronic Transfers		<u>\$71.55</u>	<u>\$71.55</u>
Electronic Payments - ACH		<u>\$0.00</u>	<u>\$0.00</u>
Total Accounts Payable			<u><u>\$136,643.36</u></u>
Grand Total Disbursements			<u><u>\$150,977.59</u></u>

BLOSS	Payroll Disbursements for		June-20
	Payroll dated		
Earnings	06/05/20	06/20/20	Total
Regular			-
Overtime			-
Vacation		4,808.00	4,808.00
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	4,166.67	8,974.67	13,141.34
			-
Deductions			-
FICA (+)	318.75	686.56	1,005.31
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	93.79	93.79	187.58
			-
Total	412.54	780.35	1,192.89
			-
			-
Net Payroll	\$ 4,579.21	\$ 9,755.02	14,334.23

RUN DATE: 06/30/20
 RUN TIME: 1421
 RUN USER: COOKS

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

C
 FROM 06/01/20 TO 06/30/20

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
06/03/20	038773	B0109	KORY BILLINGS	ISSUED	06/03/20	200.00	
06/03/20	038774	B0225	HOFFMAN SECURITY	ISSUED	06/03/20	577.90	
06/03/20	038775	K0003	M-D VENTURES	ISSUED	06/03/20	19197.65	
06/03/20	038776	B0283	MERCED COUNTY COUNSEL	ISSUED	06/03/20	1027.50	
06/03/20	038777	B0064	PETERSON, ALFONSE	ISSUED	06/03/20	200.00	
06/03/20	038778	B0260	ROBERT F. BOESCH	ISSUED	06/03/20	100.00	
06/03/20	038779	B0185	SJVAPCD	ISSUED	06/03/20	501.00	
06/03/20	038780	B0282	VIVIAN M PASSWATERS	ISSUED	06/03/20	100.00	
06/04/20	038781	B0208	TAX TRUST ACCOUNT	ISSUED	06/04/20	104.00	
06/09/20	038782	B0225	HOFFMAN SECURITY	ISSUED	06/09/20	192.50	
06/09/20	038783	B0218	JOHN P. NIEMOTKA	ISSUED	06/09/20	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
06/09/20	038784	B0014	PG&E (4705482162-5)	ISSUED	06/09/20	4404.92	
06/09/20	038785	B0013	WEST COAST GAS CO, INC.	ISSUED	06/09/20	627.77	
06/10/20	038786	B0243	GOLDEN VALLEY DOOR & MILLWORK	ISSUED	06/10/20	241.71	
06/16/20	038787	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	06/16/20	50000.00	
06/16/20	038788	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	06/16/20	18175.71	
06/16/20	038789	B0132	CLARK PEST CONTROL	ISSUED	06/16/20	779.00	
06/16/20	038790	B0284	NOVA HEATING AND AIR CONDITIONING	ISSUED	06/16/20	270.00	
06/16/20	038791	B0016	GUARDCO SECURITY SERVICES	ISSUED	06/16/20	11969.80	
06/16/20	038792	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	06/16/20	323.62	
06/16/20	038793	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	06/16/20	3994.90	
06/23/20	038794	B0005	A-1-A/PRESTON'S LOCK SHOP	ISSUED	06/23/20	1624.35	
			REMITTED TO: A-1-A PRESTON'S LOCK SHOP				
06/23/20	038795	B0027	CITY OF ATWATER PAYMENT CENTER	ISSUED	06/23/20	801.28	
06/23/20	038796	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	06/23/20	654.34	
06/23/20	038797	B0025	MERCED IRRIGATION DISTRICT	ISSUED	06/23/20	304.50	
06/23/20	038798	B0026	MERCED IRRIGATION DISTRICT	ISSUED	06/23/20	19799.36	
TOTAL \$						136571.81	

Bloss Memorial Healthcare District
June-20

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss	71.55
Total	<u>71.55</u>

Electronic Payment to DSCA	0.00
Total	<u>0.00</u>

Grand Total	<u>71.55</u>
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CASTLE FAMILY HEALTH CENTERS, INC REPORT

Castle Family Health Centers Inc
 Operations Summary Report
 Twelve Months Ending June 30, 2020

Total encounters for the month are 12,223 compared to 11,250 last year 8.65% increase.

Department	Jun-20	Jun-19	VARIANCE	%	Y-T-D Jun-20	Y-T-D Jun-19	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	4,830	4,579	251	5.48%	54,238	57,049	(2,811)	-4.93%
Specialty Clinic	1,198	988	210	21.26%	12,495	8,342	4,153	49.78%
Bloss Clinic	812	723	89	12.31%	9,579	10,646	(1,067)	-10.02%
Winton Clinic	1,163	847	316	37.31%	13,121	7,917	5,204	65.73%
Urgent Care	434	331	103	31.12%	3,999	3,927	72	1.83%
Lab	2,155	1,947	208	10.68%	22,931	23,172	(241)	-1.04%
Radiology	478	670	(192)	-28.66%	7,317	7,990	(673)	-8.42%
Behavioral Health	423	154	269	174.68%	2,473	2,070	403	19.47%
Adult Day Health Care	0	445	(445)	-100.00%	4,638	5,209	(571)	-10.96%
Optometry	479	383	96	25.07%	3,887	4,054	(167)	-4.12%
Ophthalmology	0	0	0	N/A	0	1,505	(1,505)	-100.00%
Winton Dental	251	183	68	37.16%	4,560	330	4,230	1281.82%
TOTAL ENCOUNTERS	12,223	11,250	973	8.65%	139,238	132,211	7,027	5.31%


Jun-20 Working Days 22
 Jun-19 Working Days 20

NEW PATIENTS	Jun-20	Jun-19	VARIANCE *	%	Y-T-D Jun-20	Y-T-D Jun-19	Y-T-D VARIANCE *	Y-T-D %
	752	494	258	52.23%	5,797	5,256	541	10.29%

REQUEST FROM CASTLE DENTAL GROUP FOR
INSTALLATION OF AMALGAM SEPARATOR ON THE
EVACUATION LINE



BLOSS MEMORIAL HEALTHCARE DISTRICT

To: Dr. Bachour
From: Edward Lujano, CEO 
Date: July 7, 2020

Bloss Memorial Healthcare District is in receipt of your work request dated July 6, 2020 for installation of the Amalgam Separator on the evacuation line. In accordance with the terms of the lease between Bloss Memorial Healthcare District and Castle Dental Group, this minor alteration to the premises is approved. Given that this alteration falls outside of Bloss Memorial Healthcare District's obligations in the lease, Castle Dental Group will be responsible for supplying the Amalgam Separator and all necessary equipment for its installation. Castle Dental Group will be responsible for all installation costs and will be billed for the maintenance time for installation. Castle Dental Group accepts all responsibility and liability for the installation and use of the Amalgam Separator and agrees to hold Bloss Memorial Healthcare District harmless from any and all liabilities and claims for damages and/or suits for or by reason resulting from the installation and use of the Amalgam Separator.

Castle Dental Group's agrees to the above terms and understands the maintenance request will be processed upon signature.

Dr. Mounzer Bachour, DDS

Date



Castle Family Health Centers
3605 Hospital Rd. Suite H
Atwater, CA 95301

"The Bless Tradition of Caring"

209-381-2041

A. Henton
Mr. Luano

Work Request

Department: Castle Dental Group Date: 7/6/2020

Requester: Castle Dental Group Phone: 209 381 2005 Room #:

Work Requested: Installation of Amalgam separator on the Evacuation line required by July, 14/2020.

(F)
7/7/2020

Asset Tag/Control Number:
Supervisor Signature: [Signature]

For Maintenance Use Only	
Date Work Completed:	
Material Used:	
Purchase Order Number:	
Total Cost of Materials:	
Work Time:	
Signature:	Date Completed:
Work Performed	

APPROVAL OF POLICIES & PROCEDURE

“GUIDANCE FOR THE USE OF FACE COVERINGS DURING
THE COVID-19 PANDEMIC” and

“NOVEL CORONAVIRUS (COVID-19) GUIDANCE FOR
TEMPERATURE SCREENING AT ITS FACILITIES”

Bloss Memorial Healthcare District, a Public Entity

Policy No.: 400 Subject: <u>Guidance for the Use of Face Coverings during the COVID-19 Pandemic</u>	Effective Date: July 30, 2020 Reviewed Date: Revised Date: Approved Date: July 30, 2020
Manual: <u>Administration</u>	Page: <u>1 of 3</u>
Department Approval: N/A Date:	Administrative Approval: Date: July 30, 2020
Medical Approval: N/A Date:	Committee / Board Approval: Date: July 30, 2020

POLICY

Over the last few months, Bloss Memorial Healthcare District has learned a lot about the COVID -19 transmission, most notably that people who are infected but are asymptomatic or pre-symptomatic play an important part in community spread. The use of face coverings by everyone can limit the release of infected droplets when talking, coughing, and/or sneezing, as well as reinforce physical distancing.

This policy provides guidance for the use of face coverings by the general public when outside the home. It mandates that face coverings be worn within the Bloss Memorial Healthcare District facilities, public space areas and includes the exceptions to this policy outlined below.

PROCEDURE

I. Per the Center for Disease Control and Prevention (CDC) guidelines and the California Governor, people in California must wear face coverings when they are in the high-risk situations as listed below:

1. Inside of, or in line to enter, any indoor public space;
2. Obtaining services from the healthcare sector in settings including, but not limited to, a hospital, pharmacy, medical clinic, laboratory, physician or dental office;

Subject: <u>Guidance for the Use of Face Coverings during the COVID-19 Pandemic</u>	Effective Date: <u>July 30, 2020</u>
Manual: <u>Administration</u>	Page <u>2</u> of <u>3</u>

3. Waiting for or riding on public transportation or paratransit or while in a taxi, private car service, or ride-sharing vehicle;
4. Engage in work, whether at the workplace or performing work off-site, when:
 - a. Interacting in-person with any member of the public;
 - b. Working in any space visited by members of the public, regardless of whether anyone from the public is present at the time;
 - c. Working in or walking through common areas, such as hallways, stairways, elevators, and parking facilities;
 - d. In a room or enclosed area where other people are present when unable to physically distance.
5. While outdoors in public spaces when maintaining a physical distance of six (6) feet from persons who are not members of the same household or residence is not feasible.

II. The following individuals are exempt from wearing a face covering:

1. Persons younger than two (2) years old. These very young children must not wear a face covering because of the risk of suffocation.
2. Persons with a medical condition, mental health condition, or disability that prevents wearing a face covering. This includes persons with a medical condition for whom wearing a face covering could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a face covering without assistance.
3. Persons who are hearing impaired, or communication with a person who is hearing impaired, where the ability to see the mouth is essential for communication.

Subject: <u>Guidance for the Use of Face Coverings during the COVID-19 Pandemic</u>	Effective Date: <u>July 30, 2020</u>
Manual: <u>Administration</u>	Page <u>3</u> of <u>3</u>

4. Persons for whom wearing a face covering would create a risk to the person related to their work as determined by local, state, or federal regulators or workplace safety guidelines.
5. Persons who are obtaining a service involving the nose or face for which temporary removal of the face covering is necessary to perform the service.

Although Bloss Memorial Healthcare District cannot mandate the use of face coverings by its tenants within their rental space, it is the expectation that all Bloss Memorial Healthcare District tenants along with their patients, employees and guests follow the recommended Centers for Disease Control and Prevention (CDC) guidelines for the use of face coverings while within the public spaces of the facilities.

Bloss Memorial Healthcare District, a Public Entity

Policy No.: 500 Subject: <u>Novel Coronavirus (COVID-19)</u> <u>Guidance for Temperature</u> <u>Screening at its Facilities</u>	Effective Date: July 30, 2020 Reviewed Date: Revised Date: Approved Date: July 30, 2020
Manual: <u>Administration</u>	Page: <u>1 of 2</u>
Department Approval: N/A Date:	Administrative Approval: Date: July 30, 2020
Medical Approval: N/A Date:	Committee / Board Approval: Date: July 30, 2020

POLICY

Bloss Memorial Healthcare District has developed guidance to assist its tenants in response to the 2019 novel coronavirus disease (COVID-19) outbreak. While operating in compliance with other applicable law, Bloss Memorial Healthcare District will modify processes to stay in compliance with CDC guidelines. Additionally, tenants should actively temperature screen employees to prevent resident and staff exposure to COVID-19.

PROCEDURE

I. Temperature Screening

1. Bloss Memorial Healthcare District will conduct active screening of all individuals entering the common space of its facilities to prevent the exposure to COVID-19.
2. Bloss Memorial Healthcare District will operate under the Centers for Disease Control and Prevention (CDC) guidelines.
3. Signs will be posted at building entrances alerting guests to the active screening protocols, including:
 - a. Temperature check.

Subject: <u>Novel Coronavirus (COVID-19)</u> <u>Guidance for Temperature</u> <u>Screening at its Facilities</u>	Effective Date: <u>July 30, 2020</u>
Manual: <u>Administration</u>	Page <u>2</u> of <u>2</u>

- b. Standard questions about symptoms consistent with COVID-19.
4. Additionally, visible signage will educate guests about COVID-19 and the importance of practicing infection prevention and control measures, including:
- a. Frequent handwashing or, use of alcohol-based hand sanitizer.
 - b. Appropriate use of personal protective equipment (PPE).
 - c. Sneezing/coughing into a tissue or elbow.
 - d. Putting used tissues in a plastic-lined waste receptacle and washing hands immediately after.

II. Active Screening of Tenant Employees and Guests

- 1. Active screening must take place each time anyone enters the common areas of the Bloss Memorial Healthcare District facilities.
- 2. Individuals should be directed to specified checkpoints for active screening.
- 3. Screening will be performed by staff who have been trained on the screening protocol.
- 4. Active screening consists of temperature information and a standardized questionnaire.
- 5. When temperature checks are performed, a device that has been approved for use will be used.
 - a. Staff should refer to the instructions on the packaging or the manufacturer's website for guidance on how to properly take a temperature, as steps vary by brand and model.

**CFHC REQUEST FOR COVID TEMPERATURE SCREENING,
FTE'S, KIOSK AND SUPPLIES**



Castle Family
Health Centers, Inc.

Should the Bloss Memorial Healthcare District decide to utilize Castle to support its new policy regarding temperature check screenings at its entry points in the common space of its facilities, Castle is prepared to offer its assistance.

To support this process, Castle is requesting \$50,000 in order to cover the cost for a six month period. The request will fund the following.

* 2 FTE's

1 FTE at the main entrance at Castle site.

1 FTE at the entrance of the Bloss site.

* Purchase of 3 Thermal Kiosk & Fever Checking Devices.

* PPE Supplies

Should Bloss continue with the temperature screenings after the six month proposal, Castle would be requesting an additional \$40,000 for an additional 6 months of service.

DISPOSAL OF DAY BREAK ADULT DAY HEALTH CARE
CENTER EQUIPMENT

**APPROVAL OF COMMERCIAL SUBLEASE AGREEMENT
WITH AUGUST CHAI ENTERPRISES, LLC BY
CASTLE FAMILY HEALTH CENTERS, INC**

COMMERCIAL SUBLEASE AGREEMENT

Castle Family Health Centers, Inc., a Non-Profit 501(c) (3), herein called "Lessor" and August Chai Enterprises, LLC, a California Corporation, herein called "Lessee", agree as follows:

1. **PROPERTY:** LANDLORD RENTS TO Tenant and Tenant rents from Landlord the real property and improvements, described as premises at 1251 Grove Avenue, Suite E, Atwater, California, 3,950 square feet ("Premises").
2. **TERM:** The term begins on August 1, 2020 ("Commencement Date") and shall terminate on July 31, 2021 at 12:00 pm. See attached Addendum Exhibit A.
3. **BASE RENT:** Tenant agrees to pay Base Rent at the rate of, see attached Exhibit A.
4. **RENT:** Definition ("Rent") shall mean all monetary obligations of Tenant to Landlord under terms of this agreement. Rent shall be paid to Castle Family Health Centers, Inc at 3605 Hospital Road, Atwater, California, 95301, or at any other location specified by Landlord in writing to Tenant. Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.
5. **PAYMENTS:** See attached Exhibit A.
6. **PARKING:** Tenant is entitled to per Master Lease unreserved and reserved vehicle parking. The right to parking is included in the Base Rent charged pursuant to paragraph 3. Parking space(s) are to be used for parking operable motor vehicles except for trailer, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in marked space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicles fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.
7. **ADDITIONAL STORAGE:** Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.
8. **LATE CHARGE; INTERST; NSF CHECKS:** Tenant acknowledges that either late payments of Rent, or, issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount or which are extremely difficult and impractical to determine. These costs may include, but are not limited to,

processing, enforcement and accounting expense, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within 5 calendar days after due date, or if a check is returned NSF, Tenant shall pay to Landlord, respectively \$50.00 as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

9. **CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition.
10. **ZONING AND LAND USE:** Tenant accepts the Premises subject to all local, state, and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.
11. **TENANT OPERATING EXPENSES:** Tenant agrees to pay for all utilities and services directly billed to Tenant. See attached Exhibit A.
12. **PROPERTY OPERATING EXPENSES:** Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including, but no limited to common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ration of the square footage of the Premises to the total footage of the rentable space in the entire property. See attached Exhibit A.
13. **USE:** The Premises are for the sole use as an Adult Day Health Care Center facility. No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance. Tenant shall pay for the increased cost. Tenant will comply will all Laws affecting its use of the Premise.
14. **RULES / REGULATIONS:** Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purpose, including, but not limited to, using, manufacturing, selling,

storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premise.

15. **MAINTENANCE:** Tenant shall professionally maintain the Premise including heating, air conditioning, electrical, plumbing, gardening and water systems if any, and keep glass, windows, and doors in operable and safe condition. If Tenant fails to maintain the Premise, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.
16. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premise shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premise. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
17. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
18. **ENTRY:** Tenant shall make Premises available to Landlord or landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that a 24 hour notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
19. **SUBLETTING / ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonable withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assigned, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.

20. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall; (i) give Landlord all copies of all keys or opening devices to Premises, including any common area; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 9; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) all improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.
21. **BREACH OF CONTRACT / EARLY TERMINATION:** In event Tenant prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of Tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 20. Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination (ii) the worth at the award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
22. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this tie, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this Agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated damage shall be the current monthly Base Rent prorated on a 30-day basis. If this Agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises. If total or partial destruction or damage occurs as a result of an act of Tenant or Tenant's guests, (i) only Landlord shall have the right, at Landlords'

sole discretion, within 30 days after such total or partial destruction or damage treat the lease as terminated by Tenant, and (ii) Landlord shall have the right to recover damages from Tenant.

23. **HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation or any clean-up of any contamination caused by Tenant.
24. **CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this Agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
25. **INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry (i) liability insurance in an amount of not less than \$1,000,000. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.
26. **SUBORDINATION:** This Agreement shall be subordinate to all existing liens and, at Landlord's option the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this Agreement. Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this Agreement, unless this Agreement is otherwise terminated pursuant to its terms. If any mortgage, trustee, or ground lessor elects to have this Agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground deed, or the date of recording in accordance with Master Lease.

27. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all state statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at the time of application and periodically during tenancy in connection with approval, modification, or enforcement of this Agreement. Landlord may cancel this agreement (i) before occupancy begins, upon disapproval of the credit report(s); or (i) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.

28. **DISPUTE RESOLUTION:**

A. **MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 27B (2) and (3) apply whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commence an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees even if they would otherwise be available to that party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION INITIALED.**

B. **ARBITRATION OF DISPUTE:**

(1) Tenant and Landlord agree that any dispute or claim in law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation shall be decided by neutral, binding arbitration, including and subject to paragraphs 28B (2) and (3) below. The arbitrator shall be a retired judge, or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California law. In all other aspects, the arbitration shall be conducted in accordance with Part II, Title 9 of the California Code of Civil Procedure. Judgement upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §12833.05.

(2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the

filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.

“NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE “ARBITRATION OF DISPUTES” PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL BY INITIALING IN THE SPACE BELOW. YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVER AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE “ARBITRATION OF DUTIES” PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.”

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

Landlord's Initials ____ / ____	Tenant's Initials ____ / ____
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29. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall individually and completely be responsible for the performance of all obligations of Tenant under this Agreement, jointly with every other Tenant, and individually, whether or not in possession.

30. **NOTICE:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location, or at any other location subsequently designated.

Landlord:

Tenant:

Castle Family Health Centers, Inc
3605 Hospital Road
Atwater, CA 95301

August Chai Enterprises, LLC
23530 Stillwater Place
Newhall, CA 91321

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

- 31. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.
- 32. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.
- 33. **OTHER TERMS AND CONDITIONS:** See attachments A and B. The following attached supplements / exhibits are incorporated in this Agreement, A and B.
- 34. **ATTORNEY FEES:** In any action or proceeding arising out of this Agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 30A.
- 35. **ENTIRE CONTRACT:** Time is of the essence. All prior Agreement's between Landlord and Tenant are incorporated into this Agreement, which constitutes the entire contract. It is intended as a final expression of the parties' Agreement, and may not be contradicted by evidence of any prior Agreement or contemporaneous oral agreement. The parties further intend that this Agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this Agreement. Any provision of this Agreement that is held to be valid shall not affect the validity or enforceability of any other provision in this Agreement. This Agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

Tenant: August Chai Enterprises, LLC

By: _____ Date: _____
Michael Chai
23530 Stillwater Place
Newhall, CA 91321

Landlord: Castle Family Health Centers, Inc

By: _____ Date: _____
Edward Lujano, CEO
3605 Hospital Road

Atwater, CA 95301

EXHIBIT A TO COMMERCIAL SUBLEASE AGREEMENT

Castle Family Health Centers, Inc, A Non-Profit 501 (c)(3) herein (hereafter Sublessor or Landlord) and August Chai Enterprises, LLC (hereinafter Sublessee or Tenant) hereby agree as follows:

1. That the parties acknowledge and agree that this Sublease is for Premises located In Atwater, California, currently leased by Castle Family Health Centers, Inc pursuant to a lease executed by Castle Family Health Centers, Inc with the owner and Lessor of said property, Bloss Memorial Healthcare District, A Public Entity, 3605 Hospital Road, Suite F, Atwater, California or about June 30, 2020 and terminating June 20, 2025.
2. Term: The parties understand and agree that the term of this sublease shall terminate on July 31, 2021 and Tenant shall have no right to remain in said area after that date.
3. Rent: This sublease shall commence on August 1, 2020 and Tenant shall have the right of occupancy as of that date. The rent shall be payable as follows:
August 2020 through July 31, 2021 Four Thousand Nine Hundred Forty (\$4,940) Dollars per month.
4. In addition to rent, commencing August 1, 2020, Tenant shall, in addition to rent, pay for, real property and personal property taxes, building maintenance, alarm, phone, biohazard disposal and technology. Landlord shall promptly forward any bills or invoices for said services in connection with its lease with Bloss Memorial Healthcare District, and Tenant agrees to pay said costs directly to Castle Family Health Centers, Inc or other suppliers.
5. Tenant has inspected the Premises and agrees that the Premises are suitable for occupancy as an Adult Day Health Care Center.
6. Landlord is not responsible for any equipment, furnishings or remodeling other than what is situated at the Premises. Tenant shall be solely responsible for whatever additional improvements or equipment may be required for licensure as an Adult Day Health Care Center.

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

Castle Family Health Centers, Inc
Edward H. Lujano, CEO

Date: _____

August Chai Enterprises, LLC
Michael Chai

Date: _____

AGREEMENT FOR PURCHASE AND SALE OF ASSETS

BMHD/US DENTAL/DSCA

AGREEMENT FOR PURCHASE AND SALE OF ASSETS

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

RECITALS

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

AGREEMENT

1. PURCHASE AND SALE OF ASSETS.

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

2. PURCHASE PRICE AND PAYMENT.

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

2.1. Down Payment.

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

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

2.2. Promissory Note.

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

2.3. Allocation of Purchase Price.

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

2.4. The Premises.

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

2.5. Personal Guaranty.

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

2.6. Costs and Expenses.

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

3. CLOSING.

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

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

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

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

5.1. **Litigation.**

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

5.2. **No Breach.**

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

5.3. **Partnership Approvals.**

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

5.4. **Taxation.**

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

5.5. **Assets Condition.**

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

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

5.6. Existing Relationships.

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

5.7. Compensation Payments.

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

5.8. Seller's Knowledge/Disclosure.

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

5.9. Seller's Covenant of Cooperation.

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

5.10. Seller's Non-Compete Covenant.

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

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

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

6. BUYER'S DUTIES, REPRESENTATIONS AND WARRANTIES.

6.1. Litigation.

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

6.2. No Breach.

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

6.3. Capacity.

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

6.4. Taxation.

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

6.5. Business Licenses and Permits.

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

7. ARBITRATION.

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

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

8. INDEMNITY BY SELLER FOR PRE-CLOSING OBLIGATIONS.

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

9. RISK OF LOSS.

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

10. GENERAL PROVISIONS.

10.1. Entire Agreement.

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

10.2. Counterparts.

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

10.3. Governing Law/Severability.

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

provisions of this Agreement shall remain in effect.

10.4. Binding Effect.

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

10.5. Reasonable Assurances.

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

10.6. No Agency or Partnership.

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

10.7. Titles and Headings.

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

10.8. Amendments.

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

10.9. Time of the Essence.

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

10.10. Assignment by Buyer.

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

10.11. Attorney's Fees.

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

10.12. Notices.


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

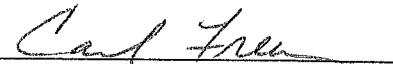
To Seller: Edward H. Lujano, Ph.D.
Bloss Memorial Healthcare District
3605 Hospital Avenue
Atwater, California 95301

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

"Buyer"

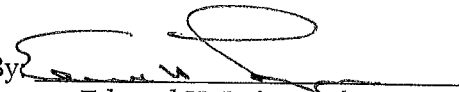
"Seller"

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

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

Dated: 5-8-2018

Dated: 5-7-18

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

Dated: 5-3-18

EXHIBIT "A"
LIST OF ASSETS

Intangible Assets

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

Tangible Assets

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

Excluded Assets

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

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

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

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

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

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

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

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

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

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

CHILDREN'S DENTAL SURC
ALL CAPITAL ASSETS

AS OF 03/31/18

ACCT DESCRIPTION	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB	VORTEX, 430SWL HP PO				666.00	666.00				
	QB-0166	WHIRLPOOL REFRIGERATOR				399.99	399.99				
	QB	LF-MCKESSON-DR6433 PHYSICAL SCALE									
	QB	LF-MCKESSON-TRASH CAN, GRAY 28 1/2 QT									
	QB	LF-MCKESSON-STETHOSCOPE, ADSCOPE PREM ADULT									
	QB	LF-MCKESSON-TUBE, QUICKATHYROMY TRACH 2.0MM									
	QB	LF-MCKESSON-VITAL SIGNS MONITOR SPO2 TEMP									
	QB	LF-MCKESSON-STAND, MOBILE W/BASKET									
	QB	LF-MCKESSON-TUBE, QUICK CRICOTHYROMY/TRACH									
	QB	LF-MCKESSON-MISC PRACTICE SUPPLIES									
	QB	LF-GCX-PASSPORT II SPECTRUM MOUNTING ADAPTOR				22,345.80	22,345.80				
	QB	LF-GCX-8"X8" M-SERIES WALL MOUNT									
	QB	LF-GCX-M-SERIES (12") PIVET ARM									
	QB	LF-GCX-M-SERIES (16") PIVET ARM									
	QB	LF-GCX-SEISMIC 19" WALL CHANNEL W/HRDW									
	QB	LF-GCX-SEISMIC 25" WALL CHANNEL W/HRDW									
	QB	LF-GCX-BHM ARM W/TRANSPORT LOCK									
	QB	LF-GCX-12" POST W/IV BAG HOOKS									
	QB	LF-GCX-ERGO MOUNTING BARCKET									
	QB	LF-GCX-ERGO KEYBOARD TRAY									
	QB	LF-GCX-VERTICAL CPU WALL MOUNT									
	QB	LF-GCX-M-SERIES 12" PIVOT ARM WALL MOUNT									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS MALE C/CHK 5'									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 5' O2									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 5' O2									
	QB	LF-CERT MED-AMVEX OXYGEN FLOWMETER 0-15 LPM									
	QB	AMVEX SUCTION CANISTER HOLDER									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' O2									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' N2O									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' VAC									
	QB	LF-CERT MED-HOSE ASSY, DISS FEMXDISS FEM 8' WAG									
	QB	LF-CERT MED-AMVES SUCTION REGULATORY 0-300 CONTINUOUS									
	QB	LF-CERT MED-AMVEX SUCTION CANISTER 1200 ML									
	QB	LF-CERT MED-AMVEX REGULATOR 25 LPM 870 YOKE-OXY				5,312.70	5,312.70				
	QB						8,637.51				
							22,345.80				
							666.00				
							666.00				
							666.00				
							666.00				
							666.00				
							666.00				
							399.99				
							8,637.51				
							5,312.70				
							22,345.80				
							666.00				
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							666.00				
							666.00				
							399.99				
							8,637.51				
							5,312.70				
							22,345.80				
							666.00				
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							666.00				
							399.99				
							8,637.51				
							5,312.70				
							22,345.80				
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							666.00				
							666.00				
							399.99				
							8,637.51				
							5,312.70				
							22,345.80				
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							399.99				
							8,637.51				
							5,312.70				
							22,345.80				
							666.00				
							666.00				
							666.00				
							666.00				
							399.99				
							8,637.51				
							5,312.70				
							22,345.80				
							666.00				
							666.00				
							666.00				
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CHILDREN'S DENTAL SURC
ALL CAPITAL ASSETS
AS OF 03/31/18

ACCT	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accum Depr	Book	Yearly Depr
		QB PIPES				301.00	301.00				
		QB CENTER WALL PLATE, 765 DC X-RAY				129.00	129.00				
		QB CENTER WALL PLATE, 765 DC X-RAY				129.00	129.00				
90.1230.0020	3457	CDSC GCX	10	Active	Jul-15	1,334.20	422.50	7.60	243.20	668.50	91.20
90.1230.0020	3458	HUFF CONSTRUCTION IMPROVEMENTS	10	Active	Jul-15	7,231.93	2,290.11	41.18	1,317.76	3,624.06	494.16
90.1230.0020	3459	CDSC KAESER COMPRESSOR	10	Active	Jul-15	36,102.62	11,432.50	205.58	6,578.67	18,091.45	2,467.01
90.1230.0020	3460	CDSC SECURITY SYSTEM	10	Active	Jul-15	2,986.94	930.03	16.72	535.14	1,471.77	200.69
90.1230.0020	3461	CDSC SIGNS	10	Active	Jul-15	2,500.00	791.67	14.24	455.67	1,252.66	170.87
90.1230.0020	3462	CDSC WIP FLOORING	10	Active	Jul-15	21,400.00	6,776.67	121.86	3,899.52	10,723.81	1,462.62
90.1230.0020	3463	CDSC SERVI-TECH CONTROLS DAMPER FOR	10	Active	Jul-15	11,593.00	1,304.21	85.74	2,743.68	7,545.11	1,028.88
90.1230.0020	3464	CDSC SMITH HEATING FIRE/SMOKE DAPTERS	10	Active	Jul-15	3,920.00	424.67	29.13	932.16	2,563.17	349.66
90.1230.0020	3465	CDSC AIR DUCT SYSTEM ADVANCE SECURIT	10	Active	Jul-15	758.65	82.19	5.64	180.48	495.98	67.68
90.1230.0020	3466	CDSC COMMERCIAL BROKERAGE LEASING	10	Active	Jul-15	5,455.00	590.96	40.53	1,297.01	3,567.03	486.58
90.1230.0020	3467	CDSC LAYMAN ELECTRIC, INC ELECTRIAN RE	10	Active	Jul-15	1,433.75	155.32	10.65	340.85	937.58	127.62
90.1231.0020	3517	CDSC NEW LOCK SYSTEM ON FRONT DOOR	5	Active	Mar-17	2,086.25	0.00	34.77	417.24	1,669.01	417.24
90.1241.0022	3468	CDSC ACUCAM CONCEPT IV	4	Active	Jul-15	4,995.00	3,163.50	38.16	1,221.03	610.48	457.86
90.1241.0022	3469	CDSC ACUCAM CONCEPT IV	4	Active	Jul-15	4,995.00	3,163.50	38.16	1,221.03	610.48	457.86
90.1241.0022	3470	CDSC AIRSTAR 50 COMPRESSOR-TWIN OILLE	4	Active	Jul-15	5,891.00	3,730.97	45.00	1,440.00	720.03	540.80
90.1241.0022	3471	CDSC DATASCOPE PASSPORT & MONITORS	4	Active	Jul-15	23,465.00	14,861.19	179.25	5,735.92	2,867.90	2,150.84
90.1241.0022	3472	CDSC ANESTHESIA PLUS DRAGER 28 REMAN	4	Active	Jul-15	16,162.50	10,236.24	123.46	3,950.82	1,975.44	1,481.67
90.1241.0022	3473	CDSC GENDEX 765 DC X-RAY MACHINES	4	Active	Jul-15	4,907.00	3,107.76	37.48	1,199.48	599.76	449.81
90.1241.0022	3474	CDSC HARLOFF SAFE FOR MEDS	4	Active	Jul-15	1,670.92	1,058.25	12.76	408.43	204.24	153.17
90.1241.0022	3475	CDSC HENRY SCHEIN MIS INV #31473147A	4	Active	Jul-15	38,413.04	24,328.26	293.43	9,389.82	4,694.96	3,521.19
90.1241.0022	3476	CDSC TWO HITL-ROM ASSISTANT TABLE ASS	4	Active	Jul-15	2,272.00	1,438.94	17.36	555.39	277.68	208.26
90.1241.0022	3477	CDSC MIDMARK ULTRACLAVE	4	Active	Jul-15	4,570.00	2,894.33	34.91	1,117.12	588.55	418.92
90.1241.0022	3478	MARKOMED ANESTHESIA MACHINE ASSET T	4	Active	Jul-15	3,000.00	1,900.00	22.92	733.37	366.64	274.98
90.1241.0022	3479	CDSC PEDIATRIC CRASH CART	4	Active	Jul-15	1,961.00	1,241.97	14.98	479.36	239.67	179.76
90.1241.0022	3480	CDSC PELSTAR SCALE	4	Active	Jul-15	1,219.00	772.03	9.31	297.93	149.04	111.73
90.1241.0022	3481	CDSC POWEREDGE DOMAIN SYSTEM FORM	4	Active	Jul-15	37,609.27	23,819.20	287.29	9,193.35	4,596.72	3,447.52
90.1241.0022	3482	CDSC RED CRASH CART	4	Active	Jul-15	1,150.00	728.33	8.79	281.12	140.55	106.45
90.1241.0022	3483	CDSC RITTER 355 OVERHEAD LAMP	4	Active	Jul-15	7,768.00	4,919.72	59.34	1,898.88	949.40	712.08
90.1241.0022	3484	CDSC TITAN-T RPM MOTOR W/O SWV TWO	4	Active	Jul-15	1,206.00	763.80	9.21	294.76	147.44	110.54
90.1241.0022	3485	CDSC TWO RACK STACKER TABLE	4	Active	Jul-15	250.00	158.33	1.91	61.12	30.55	22.92
90.1241.0022	3486	CDSC VACSTAR 60H TWIN VAC SYSTEM	4	Active	Jul-15	3,878.00	2,456.64	29.62	947.93	474.00	355.49
90.1241.0022	3487	CDSC WELS ALLYN DEFIBRILLATOR	4	Active	Jul-15	10,177.32	6,445.64	77.74	2,487.76	1,243.92	932.93
90.1241.0022	3488	CDSC XRAY MACHINE REPAIRS	5	Active	Jul-15	18,318.91	2,564.79	262.57	8,402.24	7,351.88	3,150.84

CHILDREN'S DENTAL SURC
ALL CAPITAL ASSETS

AS OF 03/31/18

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

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

ACCT	Number	Description	Life	Status	Acq Date	Cost	QB Depr	Monthly Depr	Accumm Depr	Book	Yearly Depr
90.1242.0022	QB-0135	FLOW METER FOR 02 TANKS	5		Apr-09	314.90	314.90				
90.1242.0022	QB-0136	FLOW METER FOR 02 TANKS	5		Apr-09	314.90	314.90				
90.1242.0022	QB-0165	GE MICROWAVE	5		Apr-09	169.99	169.99				
90.1242.0022	QB-0022	GURNEY 1	5		Apr-09	185.00	185.00				
90.1242.0022	QB-0023	GURNEY 2	5		Apr-09	185.00	185.00				
90.1242.0022	QB-0024	GURNEY 3	5		Apr-09	185.00	185.00				
90.1242.0022	QB-0025	GURNEY 4	5		Apr-09	185.00	185.00				
90.1242.0022	QB	HDPC ILLUMINATION SYS 1HP OPTION	5		Apr-09	190.00	190.00				
90.1242.0022	QB	HDPC ILLUMINATION SYS 1HP OPTION	5		Apr-09	190.00	190.00				
90.1242.0022	QB	HIFLO SWIVEL FIBER OPTIC 4 HOLE	5		Apr-09	150.00	150.00				
90.1242.0022	QB	HIFLO SWIVEL FIBER OPTIC 4 HOLE	5		Apr-09	150.00	150.00				
90.1242.0022	QB-0131	HP1020 LASERJET PRINTER	5		Apr-09	224.99	224.99				
90.1242.0022	QB-0182	HP1020 LASERJET PRINTER	5		Apr-09	224.99	224.99				
90.1242.0022	QB-0202	HP1020 LASERJET PRINTER	5		Apr-09	224.99	224.99				
90.1242.0022	QB-0203	HP2600N LASERJET PRINTER	5		Apr-09	799.99	799.99				
90.1242.0022	QB-0207	HP4250N LASERJET PRINTER	5		Apr-09	429.99	429.99				
90.1242.0022	QB-0093	MCKESSON IV POLE	5		Apr-09	99.00	99.00				
90.1242.0022	QB-0111	MCKESSON IV POLE	5		Apr-09	99.00	99.00				
90.1242.0022	QB	NIKON 5560	5		Apr-09	193.26	193.26				
90.1242.0022	QB-0001	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0002	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0003	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0004	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0005	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB-0006	02 FLOW METER	5		Apr-09	47.95	47.95				
90.1242.0022	QB	PEDO WEDGE CUSION OPTION 1639	5		Apr-09	71.00	71.00				
90.1242.0022	QB	PEDO WEDGE CUSION OPTION 1639	5		Apr-09	71.00	71.00				
90.1242.0022	QB-0094	STAINLESS STEEL KICK BUCKET	5		Apr-09	220.00	220.00				
90.1242.0022	QB-0104	STAINLESS STEEL KICK BUCKET	5		Apr-09	220.00	220.00				
90.1242.0022	QB-0198	STAPLES PAPER SHREDDER	5		Apr-09	159.99	159.99				
90.1242.0022	QB-0248	STAPLES PAPER SHREDDER	5		Apr-09	159.99	159.99				
90.1242.0022	QB-0158	STAR X-RAY DEVELOPER/FIXER	5		Apr-09	66.55	66.55				
90.1242.0022	QB	SWITCH 3 WAY: AIRMAC1VC AIRDNTZ	5		Apr-09	197.00	197.00				
90.1242.0022	QB	TITAN-T ANGLE ADAPTOR	5		Apr-09	168.00	168.00				
90.1242.0022	QB	TITAN-T ANGLE ADAPTOR	5		Apr-09	168.00	168.00				
90.1242.0022	QB	TITAN-T STRAIGHT NOSECOONE ATTACHMENT	5		Apr-09	405.00	405.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				
90.1242.0022	QB	TITAN-T AUTO LATCH ANGLE F/L	5		Apr-09	200.00	200.00				

EXHIBIT "B"

PROMISSORY NOTE

\$200,000.00

Stockton, California
May 31, 2018

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

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

Borrower

Dated: May 31, 2018

Dental Surgery Centers of America,
a California corporation

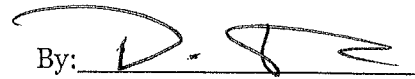
By: 
David Thompson
President/CEO

EXHIBIT "C"

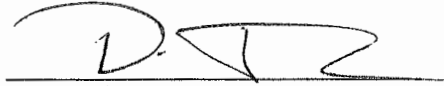
PERSONAL GUARANTY

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

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

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

“GUARANTOR”

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

David Thompson

EXHIBIT "C"

PERSONAL GUARANTY

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

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

Obligee and by Guarantor.

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

“GUARANTOR”

Christopher Chiu, D.D.S.

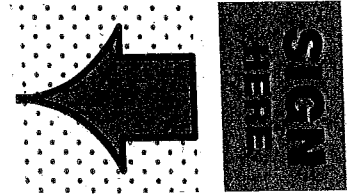


EXHIBIT "C"

PERSONAL GUARANTY

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

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

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

"GUARANTOR"


Walter Sevensen - MANAGING MEMBER
ODINSEN L.L.C.

(SEE ATTACHED)

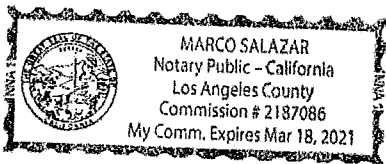
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

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

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

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

Capacity(ies) Claimed by Signer(s)

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

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

COMMERCIAL SUBLEASE AGREEMENT

(DSCA / PARLIER)

COMMERCIAL SUBLEASE AGREEMENT

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

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

Landlord's Initials (____) (____)

Tenant's Initials (____) (____)

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

Landlord's Initials (____) (____)

Tenant's Initials (____) (____)

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

Landlord's Initials (____)(____)

Tenant's Initials (____)(____)

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

Landlord's Initials (____)(____)

Tenant's Initials (____)(____)

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

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

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

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

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

“WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION TO NEUTRAL ARBITRATION.”

Landlord’s Initials ____ / ____	Tenant’s Initials ____ / ____
---------------------------------	-------------------------------

Landlord’s Initials (____)(____)

Tenant’s Initials (____)(____)

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

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

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

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

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

Tenant: Dental Surgery Centers of America (DSCA)

By: _____ Date _____

David Thompson, for Dental Surgery Centers of America

Address _____ City _____ State _____ Zip _____

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

Landlord’s Initials (____)(____)

Tenant’s Initials (____)(____)

Guarantor: David Thompson

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

Guarantor: Christopher Chiu, DDS

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

Guarantor: Walter Sorenson

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

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

Landlord: Bloss Memorial Healthcare District (BMHD)

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

Address _____ City _____ State _____ Zip _____

EXHIBIT "A" COMMERCIAL SUBLEASE AGREEMENT

(DSCA / PARLIER)

EXHIBIT A TO COMMERCIAL SUBLEASE AGREEMENT

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

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

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

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

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

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

August 2022 through July 31, 2023 Nine thousand seven hundred forty four dollars (\$9,744.00) per month.
4. In addition to rent, commencing June 1, 2019, Tenant shall, in addition to rent, pay for all utilities, real property and personal property taxes, building maintenance, alarm, phone, bio hazard disposal, technology, lawn or yard maintenance. Tenant acknowledges that it has been

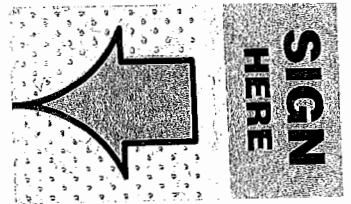
furnished with historical data regarding said costs and expenses, and Landlord shall promptly forward any bills or invoices for said services in connection with its lease with M-D Ventures, and tenant agrees to pay said costs directly to M-D Ventures or other suppliers.

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

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

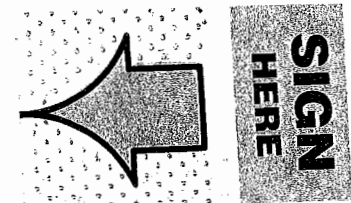
Bloss Memorial Healthcare District
Edward H. Lujano
Chief Executive Officer

Date



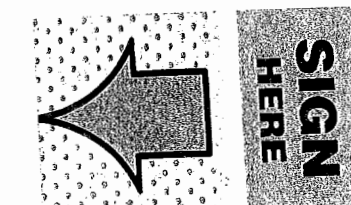
Dental Surgery Centers of America
David Thompson, President / CEO

Date



Guarantee
Christopher Chiu, DDS

Date



Guarantee
Walter Sorensen

Date

