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# 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:** January 23, 2019

**Phone:** (209) 724-4102

**Fax:** (209) 722-9020

Bloss Memorial Healthcare District will hold their Finance Committee meeting on Tuesday, January 29, 2019 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

Bloss Memorial Healthcare District will hold their **Board of Directors** meeting on Tuesday, January 29, 2019 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

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

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
 BOARD OF DIRECTORS MEETING  
 BOARD ROOM  
 Tuesday, January 29, 2019  
 2:00 pm**

**AGENDA FOR PUBLIC SESSION**

**I. CALL TO ORDER**

**II. ROLL CALL**

**ACTION**

**EXHIBIT**

**III. APPROVAL OF AGENDA**

\*

**IV. PUBLIC COMMENTS**

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

**V. APPROVAL OF MINUTES**

A. January 3, 2019 (December 2018) Board of Directors Meeting \* 1

**VI. FINANCIAL REPORT**

A. January 3, 2019 (November 2018) Finance Committee Minutes\* 2  
 B. Chief Financial Officer Report 3  
 C. December Payroll, Electronic Payments & Check Register \* 4

**VII. CHIEF EXECUTIVE OFFICER REPORT**

**VIII. OLD BUSINESS / REPORTS**

A. Castle Family Health Centers, Inc Report 5  
 B. Bloss Board Member Report  
 C. Roof Update  
 D. Parlier Sublease with Dental Surgery Centers of America \* 6

**IX. NEW BUSINESS**

A. Review / Approval of Ung Goodwin Trust Funds Policy \* 7

**X. AGENDA FOR CLOSED SESSION**

Closed Session Items Pursuant the Brown Act will be:  
 Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services.  
 Estimated date of public disclosure will be in 2018.  
 Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of  
 Litigation.  
 Section 1461 of the Health and Safety Code – Quality Management.  
 Section 54957 Personnel Actions.

## **XI. NEXT MEETING DATE**

## **XII. ADJOURNMENT**

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

Any written materials relating to an agenda item to be discussed in open session of a regular meeting that is distributed within the 72 hours prior to the meeting is available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. These documents are available from the Executive Assistant in administration at 3605 Hospital Road, Suite F, Atwater, California 95301.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)  
BOARD OF DIRECTORS MEETING  
BOARD ROOM  
Thursday, January 3, 2019 (December 2018)  
2:00 pm**

**CALL TO ORDER**

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

**ROLL CALL**

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

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Ralph Temple, Jr., Legal Counsel; Justi Smith, Notary and Peter Mojarras, CFHC COO @ 2:12 pm

Absent: None

**APPROVAL OF AGENDA**

Kory Billings, Board Chair asked that item B under Old Business be moved to the end of after New Business and make it a separate item.

**A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve the January 3, 2019 (December 2018) agenda with change. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF MINUTES**

A. November 28, 2018 Board of Directors Meeting, Exhibit 1

**A motion was made / seconded, (Lloyd Weaver / Glenn Arnold) to approve and accept the November 28, 2018 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.**

## FINANCIAL REPORT

### A. November 28, 2018 Finance Committee Meeting Minutes, Exhibit 2

**A motion was made / seconded, (Glenn Arnold / Alfonse Peterson) to accept the November 28, 2018 Finance Committee Meeting minutes as presented. Exhibit 2. Motion carried.**

### B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle, CFO, reported that for November 2018, Days on Cash On Hand were at 748 days which was a slight increase October 2018. Operating Cash Balance was \$3,215,282.

BMHD recorded total revenues of \$173,854 and total expenses of \$181,386, these expenses did include \$21,484 of SKDSC and depreciation expense of \$52,428. BMHD recorded a net gain of \$44,896 before depreciation and a loss of \$7,532 after depreciation.

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

**A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the November 2018 Payroll in the amount \$9,780.24 and Accounts Payable in the amount of \$407,128.38 for a total Disbursement of \$416,908.62, Exhibit 4. Motion carried.**

## CHIEF EXECUTIVE OFFICER REPORT

Edward Lujano, CEO, reported he spent most of December 2018 working on the Parlier facility. The facility was cleaned out and a broken pipe on the roof repair. A couple of faucets were replaced but the interior is holding true to the plumbing.

Southern Gas came out and turned the gas back on and the water heater system kicked up right away and is working. The company that serviced the heating and cooling systems ran into some problems. Edward Lujano contacted Wes Isaac and informed him that he is responsible for heating and cooling systems, which have been off for 5 years. This is being worked on.

Tri-Signal who handle all of our fire securities systems went out and the security system will be re-serviced next week and the fire system is up for 5 year renewal for licensures. Wes Isaac called Edward Lujano and informed him that the alarm system had been going off all weekend long and the neighbors complained. He called Tri-Signal and they were able to come out and take the alarm system down and a complete maintenance will be done next week for both fire and security alarm systems. We will bring the alarm system up to operational and have the new tenant take over from there with what they want.

A gardening service came out and the grass is nice and green and sprinklers have been fixed. It will need to be mulched and we have a quote of \$3,500 and he has approached Wes Isaacs and we will split the cost.

Edward Lujano hired someone who had done the patch connection for the generator which is why we have full power in the facility. We are paying \$400 per month to keep the connection going.

## OLD BUSINESS / REPORTS

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

Peter Mojarras, CFHC, COO, reported that he had met with the Alliance to discuss CFHC continuing expanding on the Telemedicine program. When counties have limited access to specialist the solution is telemedicine. We have had a pilot program with the Alliance for the past 2 years. The reimbursement is the transmittal fee and this is challenging.

He thanked the Board for the roof and the future repairs.

Peter Mojarras provided a breakdown of the \$6,835 Goodwin Trust funds for the tax year ending 2017; \$4,645.50 was used to pay off the balance for 117 self-paying patients who didn't have the financial means; \$2,037.58 were for optometry visits or glasses and \$152 for flu shots. CFHC did not outreach campaigns for flu shots and there are more hospitals, CVS pharmacies that are into the flu shots.

CFHC has actively been using the mobile medical unit and they have partnered with and Endowment that is part of Emanuel Hospital. They provide CFHC some funding to support the mobile unit, they have gone out to a church ministry and 3 homeless shelters. He will be finalizing a 6 month campaign for the mobile medical unit today. CFHC is also looking at developing a relationship with a school based model for the mobile unit.

CFHC also has an Acupuncturist, family practice, LCSW and endocrinologist joining CFHC in January. They are also expanding in Outreach and Health Education department. There isn't much done at the state and national level when it comes to prevention and we will focus on that. CFHC also has a Registered Dietician, Arissa Lujano who has been doing a great job in taking tours to go to the market and learn how to read food labels and creating a newsletter.

Peter Mojarras reported that CFHC is also creating a Call Center which should improve management of phone calls coming in and going out. Alfonse Peterson asked what the extent of the acupuncturist practice is. Peter Mojarras stated that he is an acupuncturist only. Kory Billings asked if it is pain management rather than preventative acupuncture. Pete Mojarras stated that his strength is pain management and he has met with the providers and clinicians and he also does it for disease management treatment.

CFHC will hold their Grand Opening of the Winton Clinic on Wednesday, March 13, 2019 from 11am to 3pm. We will also be offering traditional dental services starting in March.

Ralph Temple, Legal Counsel commented that he had heard that a homeless court will probably be coming to the county and its to try to avoid the revolving door of people not being able to afford a minimal fine for petty crimes and then they mount up with repeated. These things can be excused if people show substantially improvement in their life style and CFHC may get contacted for the health part of that. Many of these people need either mental health services or physical health services and they will only be eligible for relief if they show progress.

## B. Bloss Board Member Report

Kory Billings, Board Chair reported that we had a wonderful dinner in honor of Mr. Weaver.

Also, once again we did not get anything from Wells Fargo Bank regarding our investment accounts.

Ralph Temple asked if there was a report on changing the Goodwin Trust from Wells Fargo to LPL Financial. Dawnita Castle will ask Wells Fargo if they have any objection to moving the Ung Goodwin Trust.

Edward Lujano asked if Dawnita Castle would first get a confirmation from LPL Financial on the parameters of how they can monitor the fund, if what is being done at Wells Fargo can be copied over to LPL Financial. LPL Financial will also need to know about getting BMHD a timely report about our mandatory income expenditures. This will be placed on the January agenda as a discussion and action item.

The County has notified BMHD that they have Certified the Election, Mr. Arnold and Mr. Boesch had no opposition and they were not on the ballot. We have Certificates of Appointments in Lieu of Election and Oath of Office under Seal from the County for each.

*Justi Smith, Notary swore in Glenn Arnold, Zone 3 and Bob Boesch, Zone 5 in accordance with State and County Law and Statute.*

Kory Billings thanked Mr. Weaver as this concludes his business as a board member for 45 years. He has done an amazing and outstanding job.

Mr. Weaver presented a binder to the District that had been presented to him by the Administrator when he first came on the Board in 1973. It includes a point in history, with a lot of laughs on the volume that was at that point in time.

## C. Roof Update

Edward Lujano reported that they are working on the roof and it has been going very smoothly here at the Castle site, they are about 65% done on section A, which is the whole east wing of the building .

Three weeks ago they were drilling over the clinic and they drilled into a water pipe and we had to clean up everything. Cool Roofing Systems was able to repair everything and the tiles will be replaced after the project is completed. We try to get them to do most of the drilling late at night as sometimes they are running 24/7 or early in the mornings. The drilling during the day is loud and the providers are unable to hear patient vitals.

The Bloss site is 10% done, all of the materials are there on the roof and the skylights came in yesterday.

## NEW BUSINESS

### A. Parlier Sublease with Dental Surgery Centers of America, Exhibit 6

Ralph Temple, Legal Counsel reported that he has been working on a sublease and part of the lease is that we have to put the facility in proper condition so that David Thompson can take over. There will be an attachment to the lease that sets forth what BMHD has done.

The sublease will be on the agenda at the end of the month.

**A motion was made / seconded, (Glenn Arnold / Bob Boesch) to Table the Parlier Sublease with Dental Surgery Centers of America to the next board meeting. Motion carried.**

### B. Generator for Parlier Dental Surgery Center Facility, Exhibit 7

Edward Lujano presented proposals from Energy Systems (\$68,947.00); Impact Electric (\$64,850.00) and Tri Power Systems (\$62,525.00) for a generator for the Parlier facility. The proposals are all comparable.

A Medvac is also needed and it's about \$1,500, along with a couple of sinks and a dishwasher.

The lease is for 5 years and if David Thompson is doing successfully well he will have to renegotiate with Wes Isaacs and then Wes Isaacs will need to decide if he wishes to buy our generator. The compressor is also BMHD's.

Next week maintenance will go to Parlier and reinstall the surgical lights. The small lights will also need to be purchased.

Edward Lujano is recommending that BMHD go with Tri Power Systems for the purchase and installation of the generator.

**A motion was made / seconded (Lloyd Weaver / Alfonse Peterson) to award the contract to Tri Power Systems for the generator in Parlier, Exhibit 7. Motion carried.**

## AGENDA FOR CLOSED SESSION

Ralph Temple, Legal Counsel, stated that he will have a brief summary of litigation Palomino versus CFHC under Secion 54954.5(c); 54956.9 Conference with Legal Counsel for Initiation of Litigation.

## NEXT MEETING DATE

The next Board of Directors Meeting will be held on Tuesday, January 29, 2019 at 2:00 p.m. in the Board Room.

The Finance Committee will also meet on Tuesday, January 29, 2019 at 1:30 p.m. in the Board Room.



**ADJOURNMENT**

As there was no further business, the meeting adjourned into Closed Session at 2:51 pm.  
The meeting reconvened into public session at 3:06 pm and adjourned. No action taken.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Alfonse Peterson  
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
FINANCE COMMITTEE MEETING  
BOARD ROOM**

**Thursday, January 3, 2019 (December 2018)  
1:30 p.m.**

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

Others Present: Kory Billings, Board Chair

Absent: None

**CALL TO ORDER**

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

**APPROVAL OF AGENDA**

**A motion was made/seconded, (Edward Lujano / Glenn Arnold) to approve the January 3, 2019 (December 2018) agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF FINANCE COMMITTEE MINUTES**

A. November 28, 2018 Finance Committee Minutes, Exhibit 1

**A motion was made / seconded, (Glenn Arnold / Edward Lujano) to approve and accept the November 28, 2018 Finance Committee Minutes as presented, Exhibit 1. Motion carried.**

**REVIEW OF DISTRICT FINANCIAL STATEMENTS, EXHIBIT 2**

Dawnita Castle, CFO, report that BMHD investment looks good and BMHD had some gains this month. For November 2018 the operating cash balance was at \$3, 215, 282 and Days Cash On Hand was at 748 days. This excludes, \$157,402 for CDSC patient payments. This was a slight increase in the Days Cash On Hand and that was due to a \$26,000 decrease in expenses and increase in deposits of \$74,000, excluding the investment gains.

For November 2018, BMHD recorded total revenues of \$173,854 and total expenses of \$181,386. The total BMHD expenses does include \$21,484 of SKDSC expense and depreciation of \$52,428.

BMHD had a total net gain before depreciation in the amount of \$44,896 and a net loss in the amount of \$7,532 after depreciation.

### **SKDSC FINANCIAL REPORT, EXHIBIT 3**

Dawnita Castle reported that SKDSC had expenses in the amount of \$21,484 for November 2018.

**A motion was made / seconded, (Edward Lujano / Glenn Arnold) to approve and accept Review of District Financial Statements, Exhibit 2 and the SKDSC Financial Report, Exhibit 3. Motion carried.**

### **WARRANTS AND PAYROLL**

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

**A motion was made/seconded, (Glenn Arnold / Edward Lujano) to approve and accept the November 2018 Total Payroll in the amount \$9,780.24 and Total Accounts Payable in the amount of \$407,128.38 for a total Grand Total Disbursement of \$416,908.62, Exhibit 4. Motion carried.**

### **DISCUSSION**

Alfonse Peterson stated that BMHD had good diversification on the LPL accounts. Technology stock took a pretty good hit. We had a good mix.

### **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 Tuesday, January 29, 2019 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:40 p.m.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Alfonse Peterson  
Committee Chair

CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$32,413 for the month compared to a net loss of \$25,676 last year. Expenses include \$24,575 of SKDSC costs.

The December 31, Operating Cash Balance was \$2,613,408 and Days Cash On Hand was 714 Days\*. In November the DCH was 748 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 :

	Dec-18	Dec-17	VARIANCE *	%	Y-T-D Dec-18	Y-T-D Dec-17	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	178,872	(178,872)	-100.00%	(44,688)	1,234,147	(1,278,836)	-103.62%
Other Operating Revenue	2,824	1,204	1,620	134.55%	(16,789)	11,992	(28,782)	-240.00%
Total Net Operating Revenue	2,824	180,076	(177,252)	-98.43%	(61,478)	1,246,140	(1,307,618)	-104.93%
Operating Expenses Excluding Depreciation	113,425	281,748	168,323	59.74%	842,168	1,957,272	1,115,104	56.97%
Net Operating Income (Loss) Before Depreciation	(110,601)	(101,672)	(8,929)	-8.78%	(903,646)	(711,132)	(192,514)	-27.07%
Net Non Operating-Gains/Losses	(17,673)	3,027	(20,700)	-683.85%	(24,729)	17,945	(42,674)	-237.80%
Gain/Loss on Investments	0	(55,949)	(55,949)	100.00%	0	(294,923)	294,923	100.00%
CDSC Gain/Losses	160,687	128,918	(31,769)	-24.64%	936,261	770,092	166,169	21.58%
All Other Non-Operating Gains/Losses	143,014	75,996	(67,018)	-88.19%	911,532	493,114	418,418	84.85%
Total Net Non-Operating Income: Losses/Gains	32,413	(25,676)	58,089	-226.24%	7,886	(218,018)	225,904	-103.62%
Total Net Income (Loss) Before Depreciation	52,461	59,039	(6,578)	-11.14%	321,362	357,334	(35,972)	-10.07%
Depreciation Expense	(20,048)	(94,715)	64,667	-76.33%	(313,476)	(575,352)	261,876	-45.52%
Net Income (Loss) After Depreciation								

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

Bloss Memorial HealthCare District  
 Operations Summary Report  
 Six Months Ending December 31, 2018

**BMHD FULL TIME EQUIVALENTS SUMMARY :**  
 (See FTE report included in Financial Reports for detail)

	Dec-18	Dec-17	VARIANCE	%	Y-T-D Dec-18	Y-T-D Dec-17	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	0.30	11.39	11.09	97.37%	0.42	13.06	12.64	96.78%
CONTRACT FTE'S	3.16	3.94	0.78	19.80%	3.74	4.06	0.32	7.88%
<b>TOTAL FTE'S</b>	<b>3.46</b>	<b>15.33</b>	<b>11.87</b>	<b>77.43%</b>	<b>4.16</b>	<b>17.12</b>	<b>12.96</b>	<b>75.70%</b>

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

Full Time Equivalent - Employees for the month are 97.37% less than the prior year with 11.09 less FTE'S

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

Department	Cur. Mo. Increase (DECREASE)	YTD Increase (DECREASE)	Reason
CCDSC	11.08	12.76	Less Department
All other departments < 1 fte var	0.00	(0.12)	Various departments less than 1 fte variance.
	11.08	12.64	Brackets () indicate a decrease (favorable) variance

DECEMBER PAYROLL, ELECTRONIC PAYMENTS  
& CHECK REGISTER

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

Payroll		\$9,767.24
<b>Total Payroll</b>		<b><u><u>\$9,767.24</u></u></b>

Accounts Payable:

A/P Checks	Bloss	<u><u>\$699,513.88</u></u>	<u>\$699,513.88</u>
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**BLOSS**

Auto Debits	\$105.35
Electronic Payments to Castle on Payable	\$33,486.59
Electronic Payments to DSCA	<u>\$348,877.67</u>
Total Auto Debits and Electronic Transfers	<u><u>\$382,469.61</u></u>

**Dental Surgery Center**

**Auto Debits - Old Account**

Bank Fees CCDSC Old Acct	21.63
Bank Fees CDSC New Acct	<u>41.52</u>
Total Auto Debits and Electronic Transfers	<u><u>63.15</u></u>

\$382,532.76

Electronic Payments - ACH	<u><u>\$0.00</u></u>
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\$0.00

**Total Accounts Payable**

**\$1,082,046.64**

**Grand Total Disbursements**

**\$1,091,813.88**



<b>BLOSS</b>	<b>Payroll Disbursements for</b>		<b>December-18</b>
	<b>Payroll dated</b>		
<b>Earnings</b>	12/05/18	12/20/18	Total
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,333.33	4,333.33	8,666.66
Double Time			-
Call In			-
On Call			-
Other			-
			-
<b>Total</b>	<b>4,333.33</b>	<b>4,333.33</b>	<b>8,666.66</b>
			-
<b>Deductions</b>			-
FICA (+)	331.50	331.50	663.00
Insurance (-)	-	-	-
Emp Deduction(-)/Reimb(+)	-	-	-
Christmas Fund (-)			-
Process Fee (+)	343.79	93.79	437.58
			-
<b>Total</b>	<b>675.29</b>	<b>425.29</b>	<b>1,100.58</b>
			-
			-
<b>Net Payroll</b>	<b>\$ 5,008.62</b>	<b>\$ 4,758.62</b>	<b>9,767.24</b>

RUN DATE: 12/31/18  
 RUN TIME: 1501  
 RUN USER: COOKS

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

C  
 FROM 12/01/18 TO 12/31/18

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
12/03/18	038150	B0060	GLENN ARNOLD	ISSUED	12/03/18	300.00	
			REMITTED TO: ARNOLD, GLENN				
12/03/18	038151	B0109	KORY BILLINGS	ISSUED	12/03/18	200.00	
12/03/18	038152	B0225	HOFFMAN SECURITY	ISSUED	12/03/18	577.90	
12/03/18	038153	B0059	LLOYD WEAVER	ISSUED	12/03/18	200.00	
12/03/18	038154	K0003	M-D VENTURES	ISSUED	12/03/18	19102.14	
12/03/18	038155	B0212	JAVIER L MENDOZA	ISSUED	12/03/18	2775.00	
			REMITTED TO: NATURAL GARDENS				
12/03/18	038156	B0064	PETERSON, ALFONSE	ISSUED	12/03/18	300.00	
12/03/18	038157	B0018	PG&E (0665563335-9)	ISSUED	12/03/18	85.79	
12/03/18	038158	B0021	PG&E (1384254881-3)	ISSUED	12/03/18	271.47	
12/03/18	038159	B0020	PG&E (1873896591-4)	ISSUED	12/03/18	208.90	
12/03/18	038160	K0044	PG&E (8300477674-2)	ISSUED	12/03/18	161.68	
12/03/18	038161	B0260	ROBERT F. BOESCH	ISSUED	12/03/18	100.00	
12/03/18	038162	B0015	WINTON, WATER & SANITARY DISTRICT	ISSUED	12/03/18	72.80	
12/10/18	038163	B0072	BETA HEALTHCARE GROUP	ISSUED	12/10/18	44.00	
12/10/18	038164	B0187	CAPITOL DOOR SERVICE	ISSUED	12/10/18	1094.03	
12/10/18	038165	B0037	CARDMEMBER SERVICE-XXXXXXXXXX1793	ISSUED	12/10/18	170.43	
12/10/18	038166	B0132	CLARK PEST CONTROL	ISSUED	12/10/18	480.00	
12/10/18	038167	B0016	GUARDCO SECURITY SERVICES	ISSUED	12/10/18	12173.00	
12/10/18	038168	K0088	J.R. WAGNER FIRE PROTECTION, INC.	ISSUED	12/10/18	375.00	
12/10/18	038169	K0034	JOE S RODRIGUEZ	ISSUED	12/10/18	375.00	
12/10/18	038170	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	12/10/18	2120.49	
12/10/18	038171	B0014	PG&E (4705482162-5)	ISSUED	12/10/18	4050.85	
12/10/18	038172	B0042	RALPH TEMPLE	ISSUED	12/10/18	1845.00	
12/10/18	038173	K0157	TRI POWER SYSTEMS	ISSUED	12/10/18	960.00	
12/10/18	038174	B0013	WEST COAST GAS CO, INC.	ISSUED	12/10/18	3491.43	
12/10/18	038175	K0158	ROLLO LATINO MARKETING	ISSUED	12/10/18	1800.00	
12/17/18	038176	B0264	COOL ROOFING SYSTEMS, INC.	ISSUED	12/17/18	323217.50	
12/17/18	038177	K0035	CITY OF PARLIER	ISSUED	12/17/18	194.52	
12/17/18	038178	B0132	CLARK PEST CONTROL	ISSUED	12/17/18	377.00	
12/17/18	038179	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	12/17/18	1048.21	
12/17/18	038180	B0218	JOHN P. NIEMOTKA	ISSUED	12/17/18	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
12/17/18	038181	K0057	SOCAL GAS (090 828 6930 7)	ISSUED	12/17/18	15.29	
12/21/18	038182	B0027	CITY OF ATWATER (010448-000)	ISSUED	12/21/18	671.28	
12/21/18	038183	B0134	CITY OF ATWATER (020161-000)	ISSUED	12/21/18	654.34	
12/21/18	038184	B0253	JOHNSON CONTROLS FIRE PROTECTION LP	ISSUED	12/21/18	1610.24	
12/21/18	038185	B0025	MERCED IRRIGATION DISTRICT	ISSUED	12/21/18	259.33	
12/21/18	038186	B0026	MERCED IRRIGATION DISTRICT	ISSUED	12/21/18	15407.25	
12/28/18	038187	B0264	COOL ROOFING SYSTEMS, INC.	ISSUED	12/28/18	297360.10	
12/28/18	038188	B0132	CLARK PEST CONTROL	ISSUED	12/28/18	480.00	
12/28/18	038189	B0133	MERCED/MODESTO COMMERCIAL SWEEPERS	ISSUED	12/28/18	240.00	
12/28/18	038190	B0212	JAVIER L MENDOZA	ISSUED	12/28/18	2775.00	
			REMITTED TO: NATURAL GARDENS				
12/28/18	038191	B0091	OFFICE DEPOT	ISSUED	12/28/18	344.17	
			REMITTED TO: OFFICE DEPOT (32544746)				

RUN DATE: 12/31/18  
RUN TIME: 1501  
RUN USER: COOKS

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

C  
FROM 12/01/18 TO 12/31/18

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
12/28/18	038192	B0018	PG&E (0665563335-9)	ISSUED	12/28/18	177.26	
12/28/18	038193	B0021	PG&E (1384254881-3)	ISSUED	12/28/18	245.49	
12/28/18	038194	B0019	PG&E (1832229927-4)	ISSUED	12/28/18	29.67	
12/28/18	038195	B0020	PG&E (1873896591-4)	ISSUED	12/28/18	162.44	
12/28/18	038196	K0044	PG&E (8300477674-2)	ISSUED	12/28/18	509.88	
<b>TOTAL \$</b>						699513.88	

Bloss Memorial Healthcare District  
December-18

**Bloss Electronic Transfers**

**Bloss Auto Debits**

Bank Fees - CCDSC Old Acct	21.63
Bank Fees - CDSC New Acct	41.52
Bank Fees - Bloss	105.35
<b>Total</b>	<b><u>168.50</u></b>

Electronic Payments to Castle on Payable	33,486.59
Electronic Payment to DSCA	348,877.67
Electronic Transfer to LAIF	0.00
<b>Total</b>	<b><u>382,364.26</u></b>

<b>Grand Total</b>	<b><u>382,532.76</u></b>
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CASTLE FAMILY HEALTH CENTERS, INC REPORT

Castle Family Health Centers Inc  
 Operations Summary Report  
 Six Months Ending December 31, 2018

Total encounters for the month are 8,977 compared to 9,872 last year 9.07% decrease.

Department	Dec-18	Dec-17	VARIANCE	%	Y-T-D Dec-18	Y-T-D Dec-17	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	4,155	3,831	324	8.46%	25,889	23,034	2,855	12.39%
Specialty Clinic	451	577	(126)	-21.84%	3,337	3,734	(397)	-10.63%
Bloss Clinic	829	1,037	(208)	-20.06%	5,788	5,222	566	10.84%
Winton Clinic	454	606	(152)	-25.08%	3,579	4,347	(768)	-17.67%
Urgent Care	331	417	(86)	-20.62%	1,838	1,794	44	2.45%
Lab	1,438	1,643	(205)	-12.48%	11,088	10,776	312	2.90%
Radiology	537	486	51	10.49%	3,693	3,179	514	16.17%
Behavioral Health	150	190	(40)	-21.05%	1,062	1,249	(187)	-14.97%
Adult Day Health Care	378	404	(26)	-6.44%	2,518	3,132	(614)	-19.60%
Optometry	254	368	(114)	-30.98%	1,866	2,685	(819)	-30.50%
Ophthalmology	0	313	(313)	-100.00%	1,505	2,054	(549)	-26.73%
<b>TOTAL ENCOUNTERS</b>	<b>8,977</b>	<b>9,872</b>	<b>(895)</b>	<b>-9.07%</b>	<b>62,163</b>	<b>61,206</b>	<b>957</b>	<b>1.56%</b>

Dec-18 Working Days 20 and 1 Holiday  
 Dec-17 Working Days 20 and 1 Holiday

NEW PATIENTS	Dec-18	Dec-17	VARIANCE *	%	Y-T-D Dec-18	Y-T-D Dec-17	Y-T-D VARIANCE *	Y-T-D %
	273	344	(71)	-20.64%	2,222	2,638	(416)	-15.77%

PARLIER SUBLEASE WITH  
DENTAL SURGERY CENTERS OF AMERICA

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

Landlord's Initials (\_\_\_\_)(\_\_\_\_)

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

Landlord's Initials (\_\_\_\_) (\_\_\_\_)

Tenant's Initials (\_\_\_\_) (\_\_\_\_)

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

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

**(2)EXCLUSIONS 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 ____ / ____
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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 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 8<sup>th</sup> 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.

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Bloss Memorial Healthcare District  
Edward H. Lujano  
Chief Executive Officer

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Date

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Dental Surgery Centers of America  
David Thompson, President / CEO

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Date



REVIEW / APPROVAL OF  
UNG GOODWIN TRUST FUNDS POLICY

Bloss Memorial Healthcare District d/b/a Castle Family Health Centers

Policy No.: 1.1.4 Subject: <u>Ung Goodwin Trust Funds</u>	Effective Date: April 25, 2002 Revised Date: 4/04 Approved Date: April 22, 2004
Manual: <u>District</u>	Page: <u>1 of 2</u>
Department Approval: N/A Date:	Administrative Approval: Date: April 22, 2004
Medical Approval: N/A Date:	Committee/Board Approval: Date: April 22, 2004

PURPOSE

To utilize profits/gains from investment of the Ung Goodwin Trust funds for health care services, which will benefit seniors who, live in Merced County.

POLICY

Ensure that funds budgeted by Trustee each year be used in the appropriate period for health care services to seniors of Merced County.

For purposes of spending funds eligible persons must live in Merced County and be sixty years old or older.

Funds can be used for group type services such as health fairs and flu shots clinics without regard to a person's financial status.

Individual use of funds such as for bone density tests and mammograms will be based on a patient having no other source of funding (insurance, government, etc) being available to pay for the services. The person to receive the service must certify in writing that Ung Goodwin funds are the only source of funding that is available for them.

It is anticipated that investments made of Ung Goodwin Trust funds will generate a profit from year to year. While the exact amount will not be known at the time the district does its budget, past fund performance or other known anticipated factors will be used to establish fund use in the District's budget.

Subject: <u>Ung Goodwin Trust Fund</u>	Effective Date: April 25, 2002
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Funds actually received each year will need to be spent in the appropriate year in order to not have to pay a tax on the increase.