
PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 3605 Hospital Road, • Atwater, California 95301 •
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Date: April 1, 2020

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Bloss Memorial Healthcare District will hold their next Finance Committee meeting on Tuesday, April 7, 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 Tuesday, April 7, 2020 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

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

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
3605 Hospital Road, Atwater, CA 95301
BOARD OF DIRECTORS MEETING
BOARD ROOM
Tuesday, April 7, 2020
2:00 pm

AGENDA FOR PUBLIC SESSION

I. CALL TO ORDER

II. ROLL CALL

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

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

V. APPROVAL OF MINUTES		
A. Approval of February 27, 2020 Board of Directors Meeting	*	1

VI. FINANCIAL REPORT		
A. Approval of February 27, 2020 Finance Committee Minutes	*	2
B. Chief Financial Officer Report		3
C. February Payroll, Electronic Payments & Check Register	*	4

VII. CHIEF EXECUTIVE OFFICER REPORT

VIII. OLD BUSINESS		
A. Castle Family Health Centers, Inc Report		5
B. Bloss Board Member Report		

IX. NEW BUSINESS		
A. Replacement of District Legal Counsel	*	
B. Approval of Castle Pharmacy Lease	*	6
C. CFHC Grant Request for Assistance with COVID-19	*	7
D. Conduct of Public Meetings during COVID 19 and/or Canceling Meetings	*	

X. APPOINTMENTS / CEREMONIAL MATTERS	*	
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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 2019.

Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of Litigation.

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

Section 54957 Personnel Actions.

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.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, February 27, 2020
2:00 pm**

CALL TO ORDER

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

ROLL CALL

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

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Vivian Passwaters, Public Member and Peter Mojarras, CFHC, COO @ 2:08 pm

Absent: None

APPROVAL OF AGENDA

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

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. January 30, 2020 Board of Directors Meeting, Exhibit 1

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to accept and approve the January 30, 2020 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.

FINANCIAL REPORT

A. January 30, 2020 Finance Committee Meeting Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept and approve the January 30, 2020 Finance Committee Meeting minutes as presented, Exhibit 2. Motion carried.

B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle, CFO, stated that Wells Fargo Bank sent out a new updated report for the past 4 quarters.

She reported that for January 31, 2020, BMHD had a net gain before depreciation of \$74,005 compared to a new gain of \$59,406 this time last year. Net income after depreciation was a gain of \$15,569. Expenses included \$10,659 for Sierra Kings.

She spoke to the Finance Committee and explained that the Operating Cash Balance was at \$2,056,094 and the Days Cash On Hand did decrease to 597 days. The decreases were due to 2 large payments, \$35,000 to Carrier (for chillers) and \$16,000 to MD Venture for Sierra Kings, which will be reimbursed by David Thompson of DSCA.

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

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the January 2020 Payroll in the amount of \$9,117.42, Accounts payable in the amount of \$307,629.59 for a Grant Total Disbursement of \$316,947.01, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

Edward Lujano reported that he attended the Open House for the Parlier Surgery Center yesterday. A brochure was distributed to the Board of Directors.

Carrier has completed the chillers service. He is still waiting on their quote for the control mechanisms for the air handler controls.

The Bloss Site roof repairs are done and they have been paid. Although we're still taking it up with the insurance company as they are asking if it's the aging of the roof or did something happen to coincide with a liability claim.

Belfor has completed the removal of the asbestos due to the water damage and he will check to see if we should open up the area more or build the walls back up. This is the back half, hallway to the old OR's and x-rays suites.

Some of the parking lot lighting has gone out and some have been replaced. It's not very bright and he is looking at what else can be done.

The van that was parked at the former kitchen is no longer there.

We have contracted with a flooring company and they have been waxing the floors in the clinic area and will be doing the front lobby and other areas at the Castle Site. We try to do this twice per year.

OLD BUSINESS / REPORTS

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

Peter Mojarras thanked the Board of Directors for their contribution to CFHC's expansion of their infectious disease program.

CFHC will be purchasing 10 medical sanitizing stands, which will hold hand sanitizer, masks and tissues. The 10 stands will cost \$1,600. CDC posters are also posted throughout the facilities.

With the coronavirus, CDC has all of the community health centers on weekly updates. There is a shortage of masks and the most recent order was cancelled. Kory Billings stated that there is a health code that can be used and they will ship the masks, perhaps some research will need to be done.

Kory Billings asked that this be placed on the March agenda for approval of funds and then reimburse CFHC for the cost of the stands. Edward Lujano stated that they are being paid by BMHD because they are being provided by BMHD for their facilities.

Peter Mojarras reported that CFHC's numbers were under 14,000 for January 2020. They are busy with ongoing recruitment of physicians and negotiating with a pediatrician, family practice physicians and about 10 Midlevels who want to join CFHC. The pain management physician has started and had 22 patients on his first day.

They are also strengthening their relationship with Mercy Hospital. A meeting has been held and they have extended some new opportunities to CFHC.

B. Bloss Board Member Report

Kory Billings did say that our attorney Ralph Sterling Temple had passed away on January 31, 2020, the day after the Board of Directors meeting.

There will be a Memorial / Appreciation of Life this Saturday at the Merced Gold and Country Club from 5pm to 8pm. This is a shock for our board and a great loss because of his history and knowledge of what this board has done, where they have been and who we are becoming. Ralph Temple served BMHD for 40 years.

Kory Billings spoke to Merced County Counsel as to legalities and where does BMHD go from here. He was informed that by law, there is nothing that says we have to have an attorney present, but suggested that we have one present. We can go out and select our own attorney and the County does not need to be notified as to whom we want. They did say it needs to be someone who understands parliamentary procedure and more specifically the Brown Act. There are a few attorneys locally that can meet that need.

Kory Billings stated that his brother-in-law is a partner in one of the firms that BMHD could use, although we could not use him specifically as that would be a conflict of interest, using one of his partners would not be a conflict of interest, but BMHD does not wish to appear that there is a conflict. This would eliminate one of the two firms available in Merced. In order to use this firm, Kory Billings would need to abstain from any votes taken.

There is another firm in Merced that has 2 partners and this can be discussed, another option is that Merced County can provide County Counsel at cost to the county. They do recommend that at the next board meeting, this be an agenda item. The county did put an attorney on call for this meeting if we felt that we needed an attorney.

BMDH received a "thank you note" from Rosalie Heppner who served on this board for a number of years. Her husband passed away and the Heppner family thanked us for our contribution. The contribution did not out of public funds, it came from the non-public funds account.

NEW BUSINESS

A. Ralph Sterling Temple, Jr. – Recognition of Services to BMHD, Exhibit 6

Kory Billings commented that the family of Ralph Temple had stated that in lieu of flowers they would much rather a contribution be made to the non-profit, Youth On Course Charitable Golf Program of the NCGA. This organization teaches young individuals how to play golf and they are not from families that can necessarily afford that.

Ralph Temple served on the Board from 1980 to 2020. It was recommended that \$100 for each year of service be donated to Youth On Course Charitable Golf Program of the NCGA.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to contribute \$100 per year of service to the Youth On Course Charitable Golf Program of the NCGA in Memory of Ralph Sterling Temple, Jr. Motion carried.

A recess was taken at 2:33 pm and will reconvene.

The meeting reconvened into open session at 3:03 pm.

APPOINTMENTS / CEREMONIAL MATTERS

The Board of Directors has found a candidate who represents Zone 1. The candidate has been interviewed and was found to be a great fit for this board.

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to appoint Vivian Passwaters as a Board Member to represent Zone 1.

Kory Billings, Board Chair, administered the Oath of Office to Vivian Passwaters.

AGENDA FOR CLOSED SESSION

Edward Lujano, COE, reported that he has updates under Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of Litigation. No action will be taken.

NEXT MEETING DATE

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

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

ADJOURNMENT

Kory Billings adjourned the meeting in honor and memory Ralph Sterling Temple, Jr.

As there was no further business, the meeting adjourned into Closed Session at 3:07 pm.

The meeting reconvened into public session and adjourned at 3:35 pm. No action taken.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, February 27, 2020
1:30 p.m.**

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

Others Present: None

Absent: None

CALL TO ORDER

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

APPROVAL OF AGENDA

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve the February 27, 2020 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. January 30, 2019 Finance Committee Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept the January 30, 2020 Finance Committee Minutes as presented, Exhibit 1. Motion carried.

REVIEW OF DISTRICT FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle, CFO, reported that for January 31, 2020, BMHD had a net gain before depreciation in the amount of \$74,005 and a net income gain after depreciation of \$15,569. YTD BMHD has a net income after depreciation of \$119,508 compared to last year's loss of \$309,227.

The January 31, 2020 Operation Cash Balance was \$2,056,094 and Days Cash On Hand decreased to 597 Days. The reason for the decrease is Carrier Corporation was paid \$35,000 for the chiller and MD Ventures was paid for the property taxes. This was billed to David Thompson, DSCA and he will be reimbursing BMHD.

Purchased Services was higher due to CFHC maintenance patching repairs for certain leaks in January.

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

SKDSC FINANCIAL REPORT, EXHIBIT 3

Dawnita Castle reported that for January 2020, SKDSC expenses remained the same as the prior month at \$10,659.

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

WARRANTS AND PAYROLL

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

Dawnita Castle, CFO, mentioned that in regards to the DSCA, there are still some payments bringing deposited into the old bank account. This will take a while for insurances to make that switch to a new account.

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the January 2020 Total Payroll in the amount \$9,317.42 and Total Accounts Payable in the amount of \$307,629.59 for a total Grand Total Disbursement of \$316,947.01, 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, March 26, 2020 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:35 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 \$40,138 for the month compared to a net gain of \$7,375 last year. Net income after depreciation was a loss of \$18,297.

Expenses include \$10,659 of SKDSC costs.

The February 29, Operating Cash Balance was \$1,994,040 and Days Cash On Hand increased to 623 Days*. In January the DCH was 597 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 :

	Feb-20	Feb-19	VARIANCE *	%	Y-T-D Feb-20	Y-T-D Feb-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	559	(559)	-100.00%	110,918	(15,640)	126,558	-809.19%
Total Net Operating Revenue	0	559	(559)	-100.00%	110,918	(60,328)	171,246	-283.86%
Operating Expenses Excluding Depreciation	92,804	162,189	69,385	42.78%	826,113	1,127,906	301,793	26.76%
Net Operating Income (Loss) Before Depreciation	(92,804)	(161,630)	68,826	42.58%	(715,195)	(1,188,234)	473,039	39.81%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	(34,557)	6,005	(40,562)	-675.47%	17,332	2,911	14,421	485.40%
All Other Non-Operating Gains/Losses	167,499	163,000	(4,499)	-2.76%	1,260,976	1,259,990	986	0.08%
Total Net Non-Operating Income: Losses/Gains	132,942	169,005	36,063	21.34%	1,278,308	1,262,901	15,407	1.22%
Total Net Income (Loss) Before Depreciation	40,138	7,375	32,763	444.24%	563,113	74,667	488,446	654.17%
Depreciation Expense	58,435	55,104	3,331	6.04%	461,902	431,622	30,280	7.02%
Net Income (Loss) After Depreciation	(18,297)	(47,729)	29,432	-61.66%	101,211	(356,955)	458,166	-128.35%

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Eight Months Ending February 29, 2020

BMHD FULL TIME EQUIVALENTS SUMMARY :

(See FTE report included in Financial Reports for detail)

	Feb-20	Feb-19	VARIANCE	%	Y-T-D Feb-20	Y-T-D Feb-19	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	0.87	0.26	(0.61)	-234.62%	1.05	0.44	(0.61)	-138.64%
CONTRACT FTE'S	3.05	3.44	0.39	11.34%	4.32	4.24	(0.08)	-1.89%
TOTAL FTE'S	3.92	3.70	(0.22)	-5.95%	5.37	4.68	(0.69)	-14.74%

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

Full Time Equivalent - Employees for the month are 234.62% more than the prior year with 0.61 more FTE'S

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

Department	Cur. Mo. Increase (DECREASE)	YTD Increase (DECREASE)	Reason
Administration	(0.61)	(0.61)	
All other departments < 1 fte var	0.00	0.00	Various departments less than 1 fte variance.
	(0.61)	(0.61)	Brackets () indicate a decrease (favorable) variance

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

	CURRENT MO. FEB 2020	PRIOR MONTH JAN 2020	\$ CHANGE	% CHANGE	PRIOR YEAR FEB 2019
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ASSETS

CURRENT ASSETS

CASH AND EQUIVALENTS

CASH - GENERAL CHECKING	1,473,116	1,534,997	(61,882)	(4.03)%	1,479,337
CDSC CASH - NEW GENERAL CHK	1,784	1,841	(57)	(3.09)%	1,556
CDSC CASH - GENERAL CHECKING	5,869	3,020	2,849	94.32%	115,737
CCDS-GENERAL CHECKING	5,135	1,484	3,651	246.05%	1,037
CCDSC-GENERAL CHECKING	43,770	22,794	20,976	92.02%	37,625
CASH - PAYROLL ACCOUNT	1,500	1,000	500	50.00%	10,000
CASH - LAIF SAVINGS ACCOUNT	271,300	271,273	27	0.01%	826,058
LAIF - FUNDED DEPRECIATION	229,405	229,405	0	0.00%	174,296
CASH-BBVA MONEY MARKET ACCOUNT	507,614	506,890	724	0.14%	0
MARKETABLE SECURITIES CAP IMP	581,087	602,645	(21,558)	(3.58)%	254,126
MARKETABLE SECURITIES GRANTS	318,037	331,036	(12,999)	(3.93)%	106,336
TOTAL CASH AND EQUIVALENTS	3,438,617	3,506,386	(67,768)	(1.93)%	3,006,107

PATIENT ACCOUNTS RECEIVABLE

ALLOWANCES

TOTAL ALLOWANCES	0	0	0	0.00%	0
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OTHER RECEIVABLES

DSCA RECEIVABLE	26,137	15,387	10,750	69.87%	832
RENT RECEIVABLE	9,517	0	9,517		2,678
GRANTS RECEIVABLE	40,000	0	40,000		0
PROPERTY TAX RECEIVABLE	32,045	0	32,045		40,010
CFHC INC RECEIVABLE	0	0	0	0.00%	1,541
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	2,257,699	2,165,387	92,312	4.26%	2,195,061
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INVENTORY

PREPAID EXPENSES AND DEPOSITS

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

	CURRENT MO. FEB 2020	PRIOR MONTH JAN 2020	\$ CHANGE	% CHANGE	PRIOR YEAR FEB 2019
PREPAID INSURANCE	10,598	13,247	(2,649)	(20.00)%	33,365
PREPAID EXPENSE - SYSTEM	1,897	1,897	0	0.00%	0
PREPAID EXPENSE - MANUAL	2,735	3,419	(684)	(20.00)%	5,149
TOTAL PREPAID EXPENSES AND DEPOSITS	15,230	18,563	(3,333)	(17.96)%	38,514
TOTAL CURRENT ASSETS	5,711,546	5,690,335	21,211	0.37%	5,239,681
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	21,788,050	21,770,098	17,952	0.08%	21,731,416
CASTLE BUILDING AND IMPROVEMEN	1,353,689	1,353,689	0	0.00%	1,011,202
SKDSC BUILDING AND IMPROVEMENT	20,705	20,705	0	0.00%	0
BLOSS REMODLE	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%	0
LEASEHOLD IMPROVEMENTS	17,063	17,063	0	0.00%	17,063
SKDSC LEASEHOLD IMPROVEMENTS	81,980	81,980	0	0.00%	42,015
EQUIPMENT - MAJOR MOVABLE	4,638,963	4,625,910	13,053	0.28%	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
SKDSC EQUIPMENT-MAJOR MOVABLE	0	0	0	0.00%	694,187
EQUIPMENT - MINOR	456,194	456,194	0	0.00%	456,194
MEDITECH SOFTWARE	277,372	277,372	0	0.00%	277,372
SKDSC EQUIPMENT - MINOR	0	0	0	0.00%	64,795
TOTAL PROPERTY PLANT AND EQUIPMENT	34,191,891	34,160,886	31,005	0.09%	34,303,891
ACCUMULATED DEPRECIATION					
ACCUM DEPREC - LAND IMPROVMNTS	(123,875)	(122,749)	(1,127)	0.92%	(117,155)
ACCUM DEPREC - BLDGS & IMPROV	(9,723,206)	(9,671,907)	(51,299)	0.53%	(9,098,745)
SKDSC DEPREC-BLDGS & IMPROV	(3,451)	(2,876)	(575)	20.00%	0
ACCUM DEPREC - FIXED EQUIP	(2,015,915)	(2,013,743)	(2,172)	0.11%	(1,989,469)
SKDSC ACCUM DEPREC-FIXED EQUIP	(1,532)	(1,431)	(101)	7.02%	0
ACCUM DEPREC - LEASEHOLD IMPRV	(52,916)	(51,915)	(1,001)	1.93%	(42,687)
SKDSCACCUM DEPREC-LEASH IMPROV	(34,652)	(34,267)	(385)	1.12%	(30,692)
ACCUM DEPREC - MAJOR MOVE EQPT	(4,474,539)	(4,472,764)	(1,776)	0.04%	(4,473,487)
SKDSC ACCUM DEPREC-MAJORMV EQU	0	0	0	0.00%	(712,298)
ACCUM DEPREC - MINOR EQUIPMENT	(575,455)	(575,455)	0	0.00%	(575,455)
SKDSC ACCUM DEPREC-MINOR EQUIP	0	0	0	0.00%	(64,007)

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

	CURRENT MO. FEB 2020	PRIOR MONTH JAN 2020	\$ CHANGE	% CHANGE	PRIOR YEAR FEB 2019
TOTAL ACCUMULATED DEPRECIATION	(17,005,540)	(16,947,105)	(58,435)	0.34%	(17,103,994)
NET PROPERTY, PLANT, AND EQUIPMENT	17,186,350	17,213,781	(27,430)	(0.16)%	17,199,897
ASSETS LIMITED AS TO USE					
CASH - UNG GOODWIN TRUST	177,377	177,377	0	0.00%	149,989
TOTAL RESTRICTED ASSETS	177,377	177,377	0	0.00%	149,989
OTHER ASSETS					
TOTAL ASSETS LIMITED AS TO USE	17,363,727	17,391,158	(27,430)	(0.16)%	17,349,886
TOTAL ASSETS	23,075,273	23,081,493	(6,220)	(0.03)%	22,589,568
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE - VENDORS	28,639	30,796	2,157	(7.00)%	22,087
ACCOUNTS PAYABLE - ACCRUALS	17,033	16,775	(258)	1.54%	14,351
ACCOUNTS PAYABLE - OTHER	23,173	24,673	1,500	(6.08)%	100,274
CASTLE INC PAYABLE	18,974	30,179	11,206	(37.13)%	43,359
DSCA PAYABLE	37,839	9,721	(28,118)	289.25%	200,020
TOTAL ACCOUNTS PAYABLE	125,658	112,144	(13,514)	12.05%	380,091
ACCRUED PAYROLL					
ACCRUED SALARY AND WAGES	4,167	4,167	0	0.00%	4,542
ACCRUED VACATION	27,001	28,837	1,836	(6.37)%	36,036
FICA PAYABLE	319	319	0	0.00%	347
PENSION PLAN ACCRUAL	3,200	2,800	(400)	14.29%	4,123
OTHER PAYROLL PAYABLES	94	94	0	0.00%	94
TOTAL ACCRUED PAYROLL	34,780	36,216	1,436	(3.97)%	45,142

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

	CURRENT MO. FEB 2020	PRIOR MONTH JAN 2020	\$ CHANGE	% CHANGE	PRIOR YEAR FEB 2019
OTHER CURRENT LIABILITIES					
INTERCORPORATE TRANSFERS					
TOTAL CURRENT LIABILITIES	160,438	148,360	(12,077)	8.14%	425,234
LONG TERM LIABILITIES					
TOTAL LIABILITIES	160,438	148,360	(12,077)	8.14%	425,234
FUND BALANCES					
UNG GOODWIN TRUST	177,377	177,377	0	0.00%	149,989
TOTAL RESTRICTED FUND BALANCE	177,377	177,377	0	0.00%	149,989
UNRESTRICTED FUND BALANCE					
CAPITAL - BMHCD	2,317,403	2,317,403	0	0.00%	2,052,456
DONATED CAPITAL	20,318,844	20,318,844	0	0.00%	20,318,844
CURRENT YR NET INCOME (LOSS)	101,211	119,508	18,297	(15.31)%	(356,955)
TOTAL FUND BALANCE	22,914,835	22,933,132	18,297	(0.08)%	22,164,334
TOTAL LIABILITIES AND FUND BALANCES	23,075,273	23,081,493	6,220	(0.03)%	22,589,568

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

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

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

Accounts Payable:

A/P Checks	Bloss	<u>\$176,875.74</u>	<u>\$176,875.74</u>
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BLOSS

Auto Debits		\$66.95	
Electronic Transfer to Payroll		\$514.20	
Electronic Payments to DSCA		<u>\$0.00</u>	
Total Auto Debits and Electronic Transfers		<u>\$581.15</u>	<u>\$581.15</u>

Electronic Payments - ACH		<u>\$0.00</u>	<u>\$0.00</u>
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Total Accounts Payable			<u><u>\$177,456.89</u></u>
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Grand Total Disbursements			<u><u>\$186,615.31</u></u>
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BLOSS	Payroll Disbursements for		February-20
	Payroll dated		
Earnings	02/05/20	02/20/20	Total
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	4,166.67	4,166.67	8,333.34
			-
Deductions			-
FICA (+)	318.75	318.75	637.50
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	93.79	93.79	187.58
			-
Total	412.54	412.54	825.08
			-
			-
Net Payroll	\$ 4,579.21	\$ 4,579.21	9,158.42

RUN DATE: 02/28/20
 RUN TIME: 1434
 RUN USER: COOKS

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

C
 FROM 02/01/20 TO 02/28/20

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
02/06/20	038667	B0109	KORY BILLINGS	ISSUED	02/06/20	300.00	
02/06/20	038668	B0016	GUARDCO SECURITY SERVICES	ISSUED	02/06/20	12944.66	
02/06/20	038669	B0241	HIGGS, FLETCHER & MACK LLP	ISSUED	02/06/20	30.00	
02/06/20	038670	B0225	HOFFMAN SECURITY	ISSUED	02/06/20	192.50	
02/06/20	038671	K0003	M-D VENTURES	ISSUED	02/06/20	19197.65	
02/06/20	038672	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	02/06/20	2308.24	
02/06/20	038673	B0064	PETERSON, ALFONSE	ISSUED	02/06/20	300.00	
02/06/20	038674	B0014	PG&E (4705482162-5)	ISSUED	02/06/20	5150.39	
02/06/20	038675	B0042	RALPH TEMPLE	ISSUED	02/06/20	1721.25	
02/06/20	038676	B0260	ROBERT F. BOESCH	ISSUED	02/06/20	200.00	
02/06/20	038677	B0013	WEST COAST GAS CO, INC.	ISSUED	02/06/20	5792.37	
02/06/20	038678	B0056	CARDMEMBER SERVICE-XXXXXXXXXX9140	ISSUED	02/06/20	149.36	
02/18/20	038679	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	02/18/20	40000.00	
02/18/20	038680	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	02/18/20	30179.43	
02/18/20	038681	B0072	BETA HEALTHCARE GROUP	ISSUED	02/18/20	1897.25	
02/18/20	038682	B0132	CLARK PEST CONTROL	ISSUED	02/18/20	779.00	
02/18/20	038683	B0099	EMPLOYMENT DEVELOPMENT DEPT	ISSUED	02/18/20	1737.00	
02/18/20	038684	B0058	ENERGY SYSTEMS	ISSUED	02/18/20	3890.76	
02/18/20	038685	B0218	JOHN P. NIEMOTKA	ISSUED	02/18/20	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
02/27/20	038686	B0001	CARRIER CORPORATION	ISSUED	02/27/20	13053.00	
02/27/20	038687	B0027	CITY OF ATWATER PAYMENT CENTER	ISSUED	02/27/20	1032.01	
02/27/20	038688	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	02/27/20	654.34	
02/27/20	038689	B0280	JOAQUIN ROOFING CO.	ISSUED	02/27/20	17952.00	
02/27/20	038690	B0133	MERCED COMMERCIAL SWEEPING	ISSUED	02/27/20	240.00	
02/27/20	038691	B0025	MERCED IRRIGATION DISTRICT	ISSUED	02/27/20	387.68	
02/27/20	038692	B0026	MERCED IRRIGATION DISTRICT	ISSUED	02/27/20	16386.85	
TOTAL \$						176875.74	

Bloss Memorial Healthcare District
February-20

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss	66.95
Total	<u>66.95</u>

Electronic Payment to DSCA	0.00
Electronic Transfer to Payroll	514.20
Electronic Transfer to Wells Fargo	0.00
Electronic Transfer to LAIF	0.00
Total	<u>514.20</u>

Grand Total	<u>581.15</u>
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CASTLE FAMILY HEALTH CENTERS, INC REPORT

Castle Family Health Centers Inc
 Operations Summary Report
 Eight Months Ending February 29, 2020

Total encounters for the month are 12,080 compared to 10,220 last year 18.20% increase.

Department	Feb-20	Feb-19	VARIANCE	%	Y-T-D Feb-20	Y-T-D Feb-19	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	4,524	4,647	(123)	-2.65%	37,621	35,896	1,725	4.81%
Specialty Clinic	1,010	533	477	89.49%	8,508	4,553	3,955	86.87%
Bloss Clinic	831	787	44	5.59%	6,386	7,363	(977)	-13.27%
Winton Clinic	1,296	668	628	94.01%	8,891	4,869	4,022	82.60%
Urgent Care	446	312	134	42.95%	2,841	2,526	315	12.47%
Lab	1,866	1,810	56	3.09%	16,073	14,904	1,169	7.84%
Radiology	731	612	119	19.44%	5,673	5,052	621	12.29%
Behavioral Health	134	156	(22)	-14.10%	1,294	1,402	(108)	-7.70%
Adult Day Health Care	498	389	109	28.02%	4,402	3,340	1,062	31.80%
Optometry	365	306	59	19.28%	2,772	2,589	183	7.07%
Ophthalmology	0	0	0	N/A	0	1,505	(1,505)	-100.00%
Winton Dental	379	0	379	N/A	3,411	0	3,411	N/A
TOTAL ENCOUNTERS	12,080	10,220	1,860	18.20%	97,872	83,999	13,873	16.52%

February-20 Working Days 19 and 1 Holiday
 February-19 Working Days 19 and 1 Holiday

NEW PATIENTS	Feb-20	Feb-19	VARIANCE *	%	Y-T-D Feb-20	Y-T-D Feb-19	Y-T-D VARIANCE *	Y-T-D %
	551	471	80	16.99%	4,041	3,166	875	27.64%

APPROVAL OF CASTLE PHARMACY LEASE

CASTLE PHARMACY LEASE

This Castle Pharmacy Lease (this “Lease”), dated as of the last date on which this Lease is signed by all of the parties hereto (the “Reference Date”), is entered into by and between BLOSS MEMORIAL HEALTHCARE DISTRICT, a public entity, hereinafter called “LESSOR”, hereby leases to OJAS MARG, INC., a California corporation, doing business as CASTLE PHARMACY, hereinafter called, “LESSEE”, the Premises (as defined in Paragraph 1, below), on the following terms and conditions:

1. **Premises:** LESSOR leases to LESSEE certain real property and improvements consisting of approximately 700 square feet, located at 3605 Hospital Road, Suite D, Atwater, California 95301 (the “Premises”), and more particularly identified in a diagram of the Premises attached hereto and incorporated herein as Exhibit 1.

2. **Term; Option to Renew:**

(a) **Term:** The effectiveness of this Lease shall be contingent upon, and the term of this Lease shall commence (the “Commencement Date”) concurrently with, the date of the closing and consummation by LESSEE of the purchase of the business being operated in the Premises as of the Reference Date (the “Closing Date”). As of the Reference Date, the Closing Date is scheduled for May 1, 2020. LESSEE shall notify LESSOR of the actual Closing Date. The term of this Lease (the “Term”) shall commence on the Commencement Date, and shall continue for a period of five (5) years, on which date the Term of this Lease shall expire (the “Expiration Date”). LESSOR may require that LESSEE execute an amendment to this Lease to document the Commencement Date and the Expiration Date of this Lease.

(b) **Option to Renew:** LESSOR hereby grants to LESSEE two (2) options to extend (each, an “Extension Option”) the Term of this Lease for a period of five (5) years each (each such additional period, an “Extension Term”). LESSEE shall exercise each such Extension Option, if at all, by timely delivering to LESSOR a written “Extension Notice” no less than ninety (90) days prior to the Expiration Date of the initial Term of this Lease, and, in the case of the second Extension Option, no less than ninety (90) days prior to the expiration date of the first Extension Term. LESSEE’s right to exercise each of the Extension Options shall be conditioned upon LESSEE not being in default in the payment or performance of any of LESSEE’s obligations under this Lease both on the date on which LESSEE exercises the Extension Option(s), and on the first day of each Extension Term.

3. **Rent:** LESSEE shall pay to LESSOR monthly rent at the rates and in the amounts per the following schedule, commencing on the Commencement Date, and payable on or before the first day of each month, in advance. In the event any installment of rent is not paid by the 5th day of each month, LESSEE shall pay a late fee of Fifty (\$50.00) as additional rent.

<u>Period</u>	<u>Monthly Rate per Square Foot</u>	<u>Monthly Rent for 700 Square Feet</u>
Year 1	\$2.45	\$1,715.00
Year 2	\$2.50	\$1,750.00
Year 3	\$2.55	\$1,785.00
Year 4	\$2.60	\$1,820.00
Year 5	\$2.70	\$1,855.00

In the event that LESSEE exercises the Extension Options, the rent for the Premises for each year of each Extension Term shall increase by \$0.05. For example, if LESSEE timely exercises the first Extension Option, the monthly rent for Year 6 shall be the sum of \$1,925.00, based on a monthly rate per square foot of \$2.75.

The obligation of LESSEE to pay the rent and all other amounts payable by LESSEE to LESSOR hereunder when due shall be without abatement, deduction, or set off and, except as otherwise provided herein, LESSEE hereby waives all rights now and hereafter conferred by law to quit, terminate or surrender this Lease or the Premises, or any part thereof, and to receive any abatement, suspension, deferment, or reduction of or relief from, the rent under Section 1932 and subsection 1933(4) of the California Civil Code, any amendment thereof or any law of similar import which may hereafter be enacted.

LESSOR agrees not to lease space at this facility to any other person or entity for purpose of establishing and operating a pharmacy during the term of this lease.

4. **Use of Premises:** The primary use of the Premises shall be a pharmacy, which shall be open to the public, and for no other purpose. LESSEE covenants and agrees to operate the pharmacy in compliance with all applicable laws, regulations, and any covenants, conditions, or restrictions covering the property on which the Premises is located.

5. **Utilities; Communication Lines and Equipment:**

(a) **Utilities:** LESSOR shall provide utilities to LESSEE for the pharmacy space, including gas, electric (heating and air conditioning), water, sewer, and garbage disposal.

(b) **Communication lines and equipment:** LESSEE shall be solely responsible for the acquisition, installation, management, and maintenance of all telephone and other communication lines and equipment.

The parties understand and agree that the Premises comprise of a portion of the building and utility services are furnished to the entire facility without separate metering. The normal hours of operation are 8:00 am to 8:00 pm, Monday through Friday, when normal heating and air conditioning is furnished. LESSOR will not provide heating and air conditioning on weekends or holidays.

Garbage and waste disposal services furnished by LESSOR does not include disposal of Bio-Hazardous waste or Hazardous Chemical waste. It is mutually agreed by and between the parties hereto that the parties may separately contract, apart from the terms and conditions of this Lease, for LESSOR to provide to LESSEE services for the removal and disposal of such hazardous waste, upon such terms and conditions as the parties may agree.

6. **Early Termination of Lease:** LESSOR and LESSEE shall each have the right to early termination of this Lease upon six (6) months prior written notice to the other party.

7. **Janitorial Services:** LESSEE shall be responsible for all janitorial services within the Premises. LESSOR will provide general housekeeping services for the area immediately surrounding the Premises.

8. **Parking:** LESSEE shall have the right of use of the common parking lot adjacent to the Premises for the use of LESSEE's employees and clients.

9. **Signs:** LESSEE shall be solely responsible to furnish any necessary signs for the pharmacy that is to be operated at the Premises. All signage must be pre-approved by LESSOR with respect to quantity, quality, size, content, and placement.

10. **Payment of Taxes:** LESSEE shall be responsible for any and pay all personal property taxes and/or assessments levied against the LESSEE associated with the leased space and its contents. LESSEE shall pay, before they become delinquent, all taxes and assessments imposed on any personal property, space, inventory, or trade fixtures and/or equipment belonging to LESSEE and located on the Premises.

11. **Insurance:** LESSEE shall, prior to the Commencement Date, secure from a good and responsible company or companies licensed in the State of California, shall maintain during the Term of this Lease, and each Extension Term (as applicable) comprehensive general liability with coverage for bodily injury (including death) and property damage with a minimum of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate.

(a) **Subrogation Waiver:** LESSOR and LESSEE agree that, in the event of loss due to any of the perils which shall be provided by insurance, each party shall look first to its insurance for recovery. LESSOR and LESSEE hereby grant to each other, on behalf of any insurer providing insurance to either of them with respect to the Premises, a waiver of any right of subrogation, which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.

(b) **Proof of Coverage:** On securing insurance coverage as hereinabove set forth, LESSEE shall give LESSOR written notice thereof and LESSOR shall be provided not less than thirty (30) days prior notice of any cancellation of LESSEE's insurance policy on the Premises or its contents. LESSEE shall name LESSOR as an additional insured, and shall provide to LESSOR a certificate of insurance evidencing LESSEE's compliance with all of its insurance obligations under this Lease. LESSEE shall deliver to LESSOR a certificate of insurance prior to the Commencement Date, and the delivery of the same shall be a condition precedent to the effectiveness of this Lease. In addition, LESSEE shall deliver a certificate of

insurance upon the renewal of LESSEE's policy(ies) of insurance, and within ten (10) days following the reasonable request of LESSOR.

(c) **Destruction:** In the event the Premises is destroyed or so severely damaged by fire or other disaster as to render the Premises unusable, neither LESSOR nor LESSEE shall have any obligation to rebuild the Premises. LESSOR may elect either to (i) cancel this Lease, or (ii) repair or rebuild the Premises within three (3) months; in the latter event, this Lease shall continue, but the rent shall abate during the time the Premises are unusable by the LESSEE by reason of the damage (unless the damage is due to any reckless or intentional conduct by LESSEE).

12. **Alterations and Repairs:**

(a) **Condition and Premises:** LESSEE accepts the Premises, as well as the improvements and the appurtenant facilities, in their present condition and acknowledges and agrees that the Premises, as well as the improvements and appurtenant facilities, are in good, clean, safe, and tenantable condition. LESSEE further agrees with and represents to LESSOR that said Premises have been inspected by LESSEE and that it has been assured by means independent of LESSOR or any agent of LESSOR of the truth of all facts material to this Lease and that said Premises are being leased by LESSEE as a result of its inspection and investigation and not as a result of any representation made by LESSOR or any agent of LESSOR.

(b) **Maintenance by LESSOR:** LESSOR shall, at its own cost and expense, keep in good condition and repair the exterior roof, exterior walls (excluding window glass), structural supports, foundation of Premises, drainage and interior wall, unless prevented by causes not the fault of LESSOR, to make the needed repairs. LESSOR shall promptly be reimbursed by LESSEE for the full cost of any repairs made pursuant to this section required because of the negligence or other fault, other than normal and proper use, of LESSEE or its employees or agents or sublessees, if any. Maintenance by LESSOR, as set forth in this paragraph 12(b) does not include maintenance of medical or computer equipment. The parties mutually understand and agree that, should LESSEE request additional maintenance services from LESSOR, the parties will execute a separate agreement for said services on such terms and conditions as the parties may agree.

(c) **Maintenance by LESSEE:** Except as otherwise expressly provided in Paragraph 12(b), LESSEE shall, at its own cost and expense keep and maintain all portions of the Premises, as well as all improvements on the Premises and all facilities appurtenant to the Premises, in good order and repair and in as safe and clean a condition as they were when received by LESSEE from LESSOR, reasonable wear and tear excepted.

(d) **Alterations and Liens:** LESSEE shall not make nor permit any other person to make any alterations on the Premises nor any improvement thereon or facility appurtenant thereto without the prior written consent of LESSOR. LESSEE shall keep the Premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on the Premises as the instance or request of LESSEE. Furthermore, any and all alterations, additions, improvements, and fixtures, except furniture and trade fixtures, made or place, in or on the Premises by LESSEE or any other

personal shall, on expiration or sooner termination of this Lease, become the property of LESSOR and remain on the Premises.

(e) **Inspection by LESSOR:** See the First Addendum to Castle Pharmacy Lease, attached hereto as Exhibit 2 and incorporated herein by this reference.

(f) **Surrender of Premises:** On expiration or sooner termination of this Lease, or any extension of renewals of this Lease, LESSEE shall promptly surrender and deliver the Premises to LESSOR in as good condition as they are now at the date of this Lease, reasonable wear and tear and repairs herein required to be made by LESSOR excepted.

13. **Assignment and Subletting:** LESSEE may not assign this Lease nor sublease any part of the Premises without prior written consent of LESSOR, which consent shall not be unreasonably withheld.

14. **LESSOR's Remedies:** If LESSEE fails to timely pay rent or any other monetary obligation required to be paid under this Lease, abandons the Premises, is insolvent, if a petition is filed by or against LESSEE for an order for relief under the Bankruptcy Code (11 U.S.C. Section 101 *et seq.*), and/or if LESSEE fails to timely observe or perform any of the provisions of this Lease, then LESSEE shall be in default of this Lease (each of the foregoing, an "Event of Default"). Upon the occurrence of an Event of Default, LESSOR shall have the right to pursue any remedy against LESSEE allowed at law or equity, including, but not limited to, terminating LESSEE's this Lease and LESSEE's right to possession of the Premises, and seeking damages against LESSEE. In any action to recover damages, may recover from LESSEE, in addition to reasonable attorneys' fees, costs, and any other amount to which LESSOR may be entitled under applicable law:

(a) The worth at the time of award of the unpaid rent which has been earned at the time of termination;

(b) The worth at the time of award of the amount of which the unpaid rent which has been earned after termination until the time of award exceeds the amount of such rental loss that LESSEE proves could have been reasonably avoided;

(c) 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 for such period that LESSEE proves could be reasonably avoided; and

(d) Any other amount necessary to compensate LESSOR for all the detriment proximately caused by LESSEE's failure to perform its obligation under this lease or which, in the ordinary course of things, would be likely to result therefrom. Alternatively, LESSOR may sue to recover rent as it may become due.

15. **Notices:** All notices to be given to the LESSEE may be given in writing personally or by depositing the same in the United States mail, postage prepaid, and addressed to the LESSEE at the leased Premises, whether or not the LESSEE had departed from, abandoned or vacated the leased Premises. All notices to be given to the LESSOR may be given in writing

personally, or by depositing the same in the United States mail, postage prepaid, and addressed to the parties to this Lease as follows:

LESSOR: 3605 Hospital Road, Suite F
Atwater, CA 95301

LESSEE: 3605 Hospital Road, Suite D
Atwater, CA 95301

Notices shall be deemed to be given when delivered personally or, when mailed, two days following the date of mailing.

16. **Attorney's Fees:** If either party employs an attorney to commence any action in any court to enforce a material provision of this Lease, or any part thereof, the prevailing party shall recover its reasonable attorney's fees, except witness fees, and costs incurred.

17. **Venue:** Venue of any court action herein shall be in the County of Merced, State of California.

18. **Liens, Nuisances:** LESSEE agrees to keep the Premises free and clear of and from any and all liens and encumbrances. LESSEE shall not create nor maintain a public or private nuisance or disturb the quiet enjoyment of other LESSEEs of LESSOR, nor violate any state or local law nor ordinance with respect to the use of the Premises, nor put the Premises to any use, which shall cause an increase in fire insurance rates.

19. **Holding Over:** Any holding over after the expiration of said term, with the consent of LESSOR, shall be construed to be a tenancy from month to month, at the rental equal to the amount paid for the last month of the term, and shall otherwise be on the same terms and conditions of this Lease. No holding over shall be construed as a renewal or extension of this Lease.

20. **Miscellaneous:** All of the terms, covenants, and conditions of this Lease shall extend to and be binding upon the heirs, successors, assigns, and personal representatives of all of the parties hereto. Time shall be of the essence in this Lease, and the waiver by LESSOR of any performance of a condition or covenant by LESSEE shall not be construed as a subsequent waiver of performance of the same or any other covenant or condition. No modification or change in the provisions of this Lease shall be effective unless the agreement for such modification or change shall be in writing and signed by the parties hereto. This Lease and the Exhibits and Addendum hereto constitute the sole and only agreement between LESSOR and LESSEE with respect to the Premises, the leasing of the Premises to LESSEE, and to lease term created under this lease, and correctly sets forth the obligations of LESSOR and LESSEE to each other as of its date. Any agreements or representations respecting the Premises or their leasing by LESSOR to LESSEE not expressly set forth in this instrument are null and void.

21. **Release; Indemnity:** Except in the event of any reckless or intentional misconduct on the part of LESSOR, LESSEE shall release, indemnify, defend, and hold harmless LESSOR and LESSOR's directors, officers, employees, agents, and representatives from and against all claims, liabilities, damages, losses, and expenses (including reasonable

attorneys' fees) arising out of or related to LESSEE's failure to observe and satisfy any term of this Lease, and/or any injury to or death of persons or damage to property on the Premises. Except in the event of any reckless or intentional misconduct on the part of LESSOR, LESSOR shall not be liable for any lost profits, consequential, special, exemplary, punitive, indirect, or similar damages in connection with this Lease.

22. **Guaranty:** The effectiveness of this Lease is contingent upon the execution of the Guaranty attached hereto as Exhibit 3 by Neelima and Madhu Vanga.

IN WITNESS WHEREOF, the parties have executed this Lease as of the Reference Date.

LESSOR:

BLOSS MEMORIAL HEALTH CARE
DISTRICT

Dated: _____

By: _____
Name: Edward H. Lujano
Title: Chief Executive Officer

LESSEE:

OJAS MARG, INC.,
a California corporation,
doing business as CASTLE PHARMACY

Dated: _____

By: _____
Name: Neelima Vanga
Title: President

Dated: _____

By: _____
Name: Madhu Vanga
Title: Secretary

Exhibit 1
Diagram of Premises
[attached]



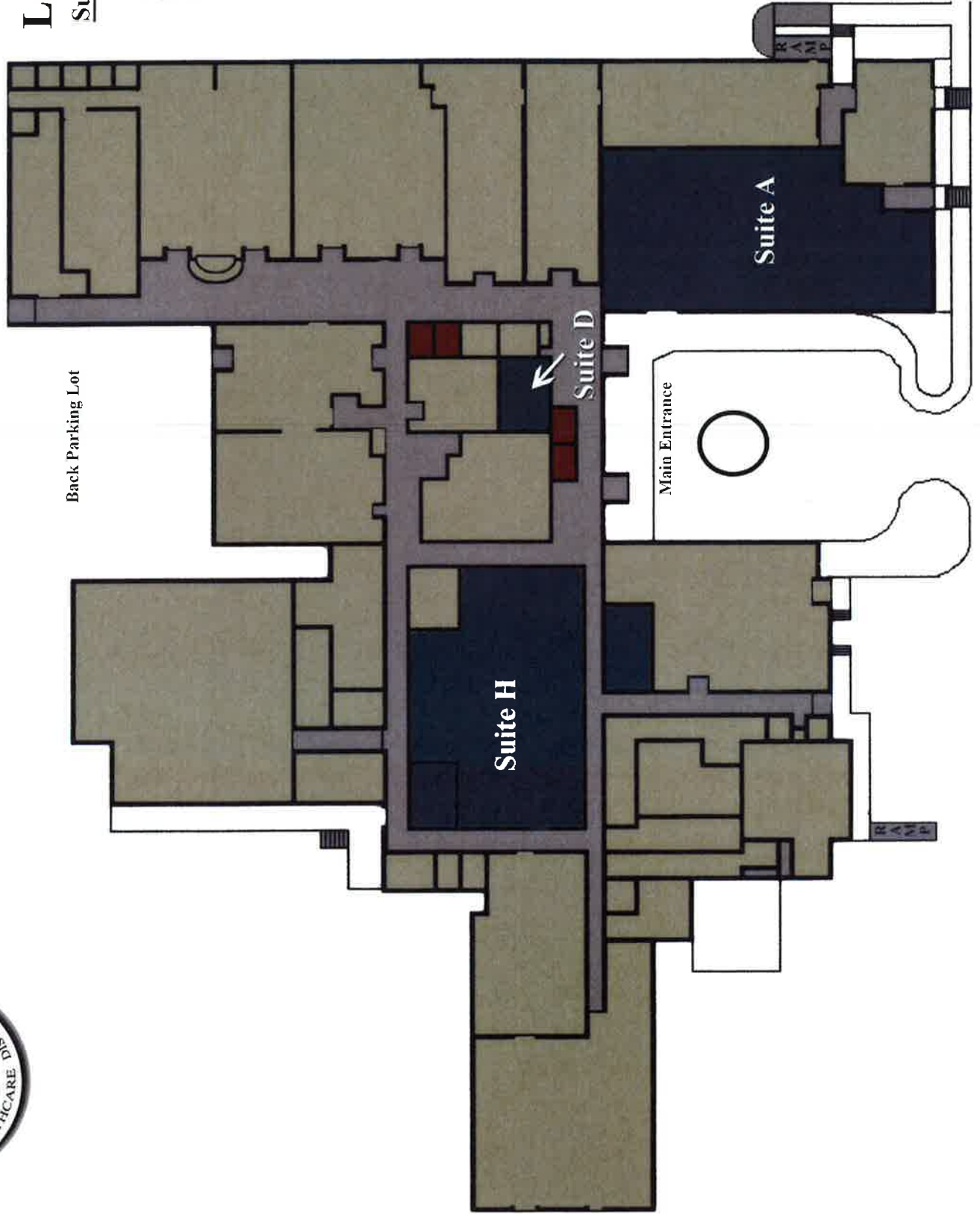
Bloss Memorial Healthcare District, A Public Entity

3605 Hospital Road, Atwater, CA 95301

Legend

Suite Tenant

- A Castle Dental
- D Reliance Castle Pharmacy
- H Central California Dental Surgery Center (CCDSC)



Public Restroom

Exhibit 2

First Addendum to Castle Pharmacy Lease

[attached]

FIRST ADDENDUM TO CASTLE PHARMACY LEASE

This First Addendum to Castle Pharmacy Lease (“Addendum”) is made to that certain Castle Pharmacy Lease, dated for reference purposes as of _____ (“the Lease”), and entered into by and between BLOSS MEMORIAL HEALTH CARE DISTRICT, a public entity, as “LESSOR”, and Ojas Marg, Inc., a California corporation, doing business as Castle Pharmacy, as “LESSEE”, with regard to the following:

RECITALS

- A. LESSOR is the owner of that certain real property located at 3605 Hospital Road, Suite D, Atwater CA 95301, California;
- B. Section 4116 of the California Business and Professions Code states that no person shall be permitted entry into a premises licensed by the Board of Pharmacy unless a registered pharmacist is present at all times;
- C. Title 16, Section 1714(d) of the California Code of Regulations provides that only a licensed pharmacist may have a key to an area where dangerous drugs and controlled substances are stored;
- D. The California State Board of Pharmacy requires that no lease for a licensed premises contain a provision inconsistent with Sections 4116 or 1714(d); and
- E. LESSOR and LESSEE desire to clarify the Lease with respect to LESSOR’s ability to access the Premises.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. LESSOR shall have the right to enter and inspect the Premises at reasonable times during normal business hours with prior reasonable notice, provided that, for purposes of complying with pharmacy access laws, the LESSOR agrees that the LESSOR or its agents will only access the Premises when accompanied by a pharmacist employed by LESSEE. Nothing contained herein shall be construed as an impediment preventing LESSOR from taking such action as may be reasonable and necessary to protect its property and the safety of its tenants, therefore, LESSOR may have access to a key to the Premises secured in a tamper-evident container, available to LESSOR if emergency entry is required.
2. Except as otherwise set forth in this Addendum, all of the terms of the Lease remain unmodified, the parties ratify the terms of the Lease, and the Lease is otherwise in full force and effect. In the event of an inconsistency between the language set forth herein and that contained in the Lease, the language of this Addendum shall control.
3. Capitalized terms used in this Addendum and not otherwise defined herein shall have the same meanings ascribed to them in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee caused this Addendum to be executed as of the last date on which all of the parties have signed below.

LESSOR:

BLOSS MEMORIAL HEALTH CARE
DISTRICT

Dated: _____

By: _____

Name: Edward H. Lujano
Title: Chief Executive Officer

LESSEE:

OJAS MARG, INC.,
a California corporation,
doing business as CASTLE PHARMACY

Dated: _____

By: _____

Name: Neelima Vanga
Title: President

Dated: _____

By: _____

Name: Madhu Vanga
Title: Secretary

Exhibit 3

Guaranty

[attached]

GUARANTY

FOR VALUE RECEIVED and in consideration of, and as an inducement to the execution and delivery of the Castle Pharmacy Lease, dated _____ (“Lease”), entered into by and between BLOSS MEMORIAL HEALTHCARE DISTRICT, a public entity (“LESSOR”) and OJAS MARG, INC., a California corporation, doing business as CASTLE PHARMACY (“LESSEE”), the undersigned, Neelima Vanga and Madhu Vanga (individually and collectively the “Guarantor”) jointly and severally guarantee to LESSOR, and its successors, the full and prompt payment of rent and all other monetary obligations under the Lease payable by LESSEE, and jointly and severally guarantee the full and timely performance and observance of all the covenants, terms, conditions and agreements therein provided to be performed and observed by LESSEE under the Lease. Guarantor hereby covenants and agrees to and with LESSOR that if default shall at any time be made by LESSEE, in the payment of the rent and/or any other such sums and charges payable by LESSEE under the Lease, or if LESSEE should default in the performance and observance of any of the terms, covenants, provisions or conditions contained in the Lease, Guarantor shall and will forthwith pay such rent and other such sums and charges to LESSOR, and any arrears thereof, and shall, and will, forthwith pay to LESSOR all damages that may arise in consequence of any default by LESSEE under the Lease, including, without limitation, all reasonable attorneys' fees and disbursements incurred by LESSOR or caused by any such default and/or by the enforcement of this Guaranty.

This Guaranty is an absolute and unconditional irrevocable Guaranty of payment and of performance. It shall be enforceable against Guarantor, without the necessity for any suit or proceedings on LESSOR's part of any kind or nature whatsoever against LESSEE, and without necessity of any notice of nonpayment, nonperformance or nonobservance or of any notice of acceptance of this Guaranty or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall not be terminated, affected, diminished or impaired by reason of the assertion, or the failure to assert, by LESSOR against LESSEE, of any of the rights or remedies reserved to LESSOR pursuant to the provisions of the Lease. This Guaranty shall be a continuing Guaranty, and the liability of Guarantor hereunder shall in no way be affected, modified, or diminished by reason of an assignment, subletting, merger, or other transfer of the Lease, or by reason of any renewal, modification or extension of the Lease, or by reason of any modification or waiver of or change in any terms, covenants, conditions or provisions of the Lease between LESSOR and LESSEE, or by reason of an extension of time that may be granted by LESSOR to LESSEE, or by reason of any dealings or transactions between LESSOR and LESSEE, whether or not notice thereof is given to Guarantor. All of LESSOR's rights and remedies under the Lease or under this Guaranty are intended to be distinct, separate and cumulative, and no such right and remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others. This Guaranty shall be construed in accordance with the laws of the State of California.

Guarantor hereby waives each of the following: (a) any rights of Guarantor of subrogation, reimbursement, indemnification, and/or contribution against LESSEE or any other person or entity, and any other rights and defenses that are or may become available to Guarantor or any other person or entity by reasons of Sections 2787 - 2855, inclusive of the California Civil

Code; and (b) all rights and defenses arising out of any election of remedies by LESSOR even though that election of remedies, such as a non-judicial foreclosure with respect to the security for the obligations guaranteed hereunder, has destroyed the Guarantor's rights of subrogation and reimbursement against LESSEE by the operation of Section 580d of the California Code of Civil Procedure or any similar law of California or of any other State or of the United States).

Executed this ____ day of _____, 2020.

GUARANTOR:

Neelima Vanga

Madhu Vanga

**ORIGINAL LEASE FOR
RELIANCE CASTLE PHARMACY**

RELIANCE CASTLE PHARMACY LEASE AMMENDMENT

Bloss Memorial Healthcare District, a Public Entity "LESSOR", and Reliance Castle Pharmacy (LESSEE), herby agree to amend the "RELIANCE CASTLE PHARMACY LEASE" agreement executed by the parties on August 10, 2006, as follows:.

Section 2. Term of the original agreement is replaced with the following:

Section 2. Term. The extended term of this lease shall be for a period of five (5) years, commencing on January 1, 2017, and terminating on December 31, 2021. LESSEE shall have the option to renew this lease for one (1) additional five (5) year term upon written notice to LESSOR at least six (6) months prior to the expiration of the extended term (December 31, 2021) .

Section 3. Rent, of the original agreement is replaced with the following:

Section 3. Option to Renew. LESSEE shall pay to LESSOR monthly rent at the rates and in the amounts per the following schedule, commencing January 1, 2017, payable on or before the first day of the month, in advance. In the event any installment of rent is not paid by the 5th day of each month, LESSEE shall pay a late fee in the amount of Fifty (\$50.00) as additional rent.

PERIOD	MONTHLY RENT
January – December 2017	\$1,583
January – December 2018	\$1,623
January – December 2019	\$1,664
January – December 2020	\$1,706
January – December 2021	\$1,749

All other provisions of the original agreement remain in effect.

BLOSS MEMORIAL HEALTHCARE DISTRICT

By [Signature]
Date 12-27-16

RELIANCE CASTLE PHARMACY

By [Signature]
Date 12-27-16

CASTLE PHARMACY LEASE

BLOSS MEMORIAL HEALTHCARE DISTRICT, d/b/a CASTLE FAMILY HEALTH CENTERS, a public entity, hereinafter called "LESSOR", hereby leases to CASTLE PHARMACY, hereinafter called, "LESSEE" certain real property and improvements, herein called "Premises" on the following terms and conditions:

1. **Premises:** LESSOR leases to LESSEE certain real property and improvements consisting of approximately 700 square feet, located at 3605 Hospital Road, Atwater, California, 95301, and more particularly identified in a diagram of the premises attached hereto and incorporated herein as Exhibit "1".

2. **Term:** The term of this Lease shall be for a period of five (5) years, commencing January 1, 2007 and ending on December 31, 2012.

3. **Rent:** Lessee shall pay to Lessor monthly rent at the rates and in the amounts per the following schedule, commencing January 1, 2007, payable on or before the first day of each month, in advance. In the event any installment of rent is not paid by the 5th day of each month, Lessee shall pay a late fee of Fifty (\$50.00) as additional rent.

Period	Monthly Rate <u>700 Square Feet</u>	Monthly <u>Rent</u>
Month 1 through 6	\$0.30	\$210.00
Month 7 through 12	\$1.20	\$840.00
Year 2 (months 13 through 24)	\$1.80	\$1,260.00
Year 3	\$1.85	\$1,295.00
Year 4	\$1.90	\$1,330.00
Year 5	\$1.95	\$1,365.00

The rent schedule represents the agreement between Lessor and Lessee that the monthly rental amount be incrementally increased over the first year of the lease, and increased annually thereafter by a factor of \$0.05 per square foot.

In addition to rent, lessee agrees to reimburse Lessor for fifty percent (50%) of all costs incurred by Lessor in accomplishing certain improvements requested by Lessee as detailed on Exhibit "2". Lessee acknowledges that the costs are estimates only and that final actual costs may be higher. In the event that actual costs exceed the estimated amount, lessee agrees to pay fifty percent of all costs up to a maximum cost of twenty thousand dollars (\$20,000).

Upon completion of the improvements, Lessor will provide Lessee with an itemized statement of actual costs along with an invoice for fifty percent (50%) of all

costs up to \$10,000 (Ten Thousand Dollars). Lessee agrees to pay Lessor the invoice amount within ten (10) days of receipt of the invoice.

Lessor and Lessee mutually acknowledge and agree the above improvements are fixtures and shall remain the property of the Lessor during the term of this lease and at the termination thereof including any extensions.

It is understood and agreed by the parties hereto that "improvements" shall made and completed prior to January 1, 2007 in anticipation or Lessee's tenancy. Lessee agrees to pay the cost of said improvements when due, regardless of whether Lessee takes possession of the premises.

The obligation of Lessee to pay the rent and all other amounts payable by Lessee to Lessor hereunder when due shall be without abatement, deduction, or set off and, except as otherwise provided herein, Lessee hereby waives all rights now and hereafter conferred by law to quit, terminate or surrender this Lease or the premises, or any part thereof, and to receive any abatement, suspension, deferment, or reduction of or relief from, the rent under Section 1932 and subsection 1933(4) of the California Civil Code, any amendment thereof or nay law of similar import which may hereafter be enacted.

Lessor agrees not to lease space at this facility to any other person or entity for purpose of establishing and operating a pharmacy during the term of this lease.

4. **Use of Premises:** The primary use of the premises shall be a pharmacy, which shall be open to the public.

5. a) **Utilities:** Lessor shall provide utilities to Lessee for the pharmacy space, including gas, electric (heating and air conditioning), water, sewer, and garbage disposal.

5. b) **Communication lines and equipment:** Lessee shall be solely responsible for the acquisition, installation, management, and maintenance of all telephone and other communication lines and equipment.

The parties understand and agree that the Leased premises comprise of a portion of the building and utility services are furnished to the entire facility without separate metering. The normal hours of operation are 8:00 am to 8:00 pm, Monday through Friday, when normal heating and air conditioning is furnished. Lessor will not provide heating and air conditioning on weekends or holidays.

Garbage and waste disposal services furnished by Lessor does not include disposal of Bio-Hazardous waste or Hazardous Chemical waste. It is mutually agreed by and between the parties hereto that the parties may separately contract, apart from the terms and conditions of this Lease, for Lessor to provide to Lessee services for the removal and disposal of such hazardous waste, upon such terms and conditions as the parties may agree.

6. **Early Termination of Lease:** Lessee shall have the right to early termination of this lease upon six (6) months prior written notice to Lessor.
7. **Janitorial Services:** Lessee shall be responsible for all janitorial services within the leased space. Lessor will provide general housekeeping services for the area immediately surrounding the leased space.
8. **Parking:** Lessee shall have the right of use of the common parking lot adjacent to the premises for the use of Lessees employees and clients.
9. **Signs:** Lessee shall be solely responsible to furnish any necessary signs for the pharmacy. All signage must be pre-approved by Lessor with respect to quantity, quality, size, content, and placement.
10. **Payment of Taxes:** Lessee shall be responsible for any and pay all personal property taxes and/or assessments levied against the Lessee associated with the leased space and its contents. Lessee shall pay, before they become delinquent, all taxes and assessments imposed on any personal property, space, inventory, or trade fixtures and/or equipment belonging to Lessee and located on the premises.
11. **Insurance:** Lessee shall, prior to the commencement of the term, secure from a good and responsible company or companies doing insurance business in the State of California, shall maintain during the entire term of this Lease, premises liability of not less than One Million Dollars (\$1,000,000.00) in the event of bodily injury or death to any one or more persons in any one accident and not less than One Hundred Thousand Dollars (\$100,000.00) for property damage.
- a. **Subrogation Waiver:** Lessor and Lessee agree that, in the event of loss due to any of the perils which shall be provided by insurance, each party shall look solely to its insurance for recovery. Lessor and Lessee hereby grant to each other, on behalf of any insurer providing insurance to either of them with respect to the premises, a waiver of any right of subrogation, which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.
- b. **Proof of Coverage:** On securing insurance coverage as hereinabove set forth, Lessee shall give Lessor written notice thereof and Lessor shall be provided not less than thirty (30) days prior notice of any cancellation of Lessee's insurance policy on the premises or its contents.
- c. **Destruction:** In the event the premises is destroyed or so severely damaged by fire or other disaster as to render the premises unusable, neither Lessor nor Lessee shall have any obligation to rebuild the premises. Lessor may elect either to (i) cancel this lease, or (ii) repair or rebuild the premises within three (3) months; in the latter event, this Lease shall continue, but the rent shall abate during the time the premises are unusable by the tenant by reason of the damage.

12. **Alterations and Repairs:**

a. **Condition and Premises:** Lessee accepts the premises, as well as the improvements and the appurtenant facilities, in their present condition and stipulates with Lessor that the premises, as well as the improvements and appurtenant facilities, are in good, clean, safe, and tenantable condition as of the start of the term. Lessee further agrees with and represents to Lessor that said premises have been inspected by Lessee and that it has been assured by means independent of Lessor or any agent of Lessor of the truth of all facts material to this Lease and that said premises are being leased by Lessee as a result of its inspection and investigation and not as a result of any representation made by Lessor or any agent of Lessor.

b. **Maintenance by Lessor:** Lessor shall, at its own cost and expense, keep in good condition and repair the exterior roof, exterior walls (excluding window glass), structural supports, foundation of premises, drainage and interior wall, unless prevented by causes not the fault of Lessor, to make the needed repairs. Lessor shall promptly be reimbursed by Lessee for the full cost of any repairs made pursuant to this section required because of the negligence or other fault, other than normal and proper use, of Lessee or its employees or agents or sublessees, if any.

c. **Maintenance by Lessee:** Except as otherwise expressly provided in Paragraph 12b, Lessee shall, at its own cost and expense keep and maintain all portions of the premises, as well as all improvements on the premises and all facilities appurtenant to the premises, in good order and repair and in as safe and clean a condition as they were when received by Lessee from Lessor, reasonable wear and tear excepted.

Maintenance by Lessor, as hereinabove set forth in paragraph 12b does not include maintenance of medical or computer equipment. The parties mutually understand and agree that, should Lessee request additional maintenance services from Lessor, the parties will execute a separate agreement for said services on such terms and conditions as the parties may agree.

d. **Alterations and Liens:** Lessee shall not make nor permit any other person to make any alterations on the premises nor any improvement thereon or facility appurtenant thereto without the prior written consent of Lessor. Lessee shall keep the premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on the premises as the instance or request of Lessee. Furthermore, any and all alterations, additions, improvements, and fixtures, except furniture and trade fixtures, made or place, in or on the premises by Lessee or any other person shall, on expiration or sooner termination of this Lease, become the property of Lessor and remain on the premises.

e. **Inspection by Lessor:** Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter the premises at all reasonable times, upon reasonable notice, for the purpose of inspecting the premises to determine whether Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in the premises under this Lease or to perform Lessor's duties under this Lease.

f. **Surrender of Premises:** On expiration or sooner termination of this Lease, or any extension of renewals of this Lease, Lessee shall promptly surrender and deliver the premises to Lessor in as good condition as they are now at the date of this Lease, reasonable wear and tear and repairs herein required to be made by Lessor excepted.

14. **Assignment and Subletting:** Lessee may not assign this Lease nor sublease any part of the premises without prior written consent of Lessor, which consent shall not be unreasonably withheld.

15. **Right of First Refusal:** Lessee shall have the right of first refusal to re-lease the premises at the conclusion of the term of this Lease. Lessee shall give Lessor written notice of Lessee's intent to re-lease the premises on or before June 30, 2012. The parties hereto shall then negotiate such terms and conditions as they may agree for a new Lease. Should the parties fail to come to a written agreement as to the terms of said Lease within sixty (60) days after Lessee's initial notice to Lessor, Lessor shall have the right to lease or use the leased premises at the termination of this Lease.

16. **Lessor's Remedies:** If Lessee breaches this lease and abandons the property before the end of the term, or if their right to possession is terminated by Lessor because of Lessee's breach of this Lease, then, Lessor, at its option, may terminate this Lease. On such termination, Lessor may pursue any remedy allowed at law or equity, and, in any action to recover damages, may recover from Lessee:

a. The worth at the time of award of the unpaid rent which has been earned at the time of termination;

b. The worth at the time of award of the amount of which the unpaid rent which has been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided;

c. 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 for such period that Lessee proves could be reasonably avoided; and

d. Any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligation under this lease or which, in the ordinary course of things, would be likely to result therefrom. Alternatively, Lessor may sue to recover rent as it may become due.

17. **Insolvency of Lessee:** In the event Lessee becomes insolvent, or substantially all of its assets come into the hands of any duly designated liquidator however named, or a petition for relief under the Bankruptcy Law is filed by or against the Lessee, or a receiver or trustee is appointed in any suit or proceedings brought by or against the Lessee, except a receiver or trustee appointed at the instance of the Lessor, or if an attachment or execution shall be issued and levied against the property of the Lessee

and the same be not fully released within thirty (30) days, then, in each and every case, the Lessor may terminate this Lease forthwith, and may retake immediate possession of the leased premises.

18. **Notices:** All notices to be given to the Lessee may be given in writing personally or by depositing the same in the United States mail, postage prepaid, and addressed to the Lessee at the leased premises, whether or not the Lessee had departed from, abandoned or vacated the leased premises. All notices to be given to the Lessor may be given in writing personally, or by depositing the same in the United States mail, postage prepaid, and addressed to the parties to this Lease as follows:

Lessor: 3605 Hospital Road, Suite H
Atwater, CA 95301

Lessee: 3605 Hospital Road, Suite H
Atwater, CA 95301

Notices shall be deemed to be given when delivered personally or, when mailed, two days following the date of mailing.

19. **Attorney's Fees:** If either party employs an attorney to commence any action in any court to enforce a material provision of this Lease, or any part thereof, the prevailing party shall recover its reasonable attorney's fees, except witness fees, and costs incurred.

20. **Venue:** Venue of any court action herein shall be in the County of Merced, State of California.

21. **Liens, Nuisances:** Lessee agrees to keep the premises free and clear of and from any and all liens and encumbrances. Lessee shall not create nor maintain a public or private nuisance or disturb the quiet enjoyment of other Lessees of Lessor, nor violate any state or local law nor ordinance with respect to the use of the premises, nor put the premises to any use, which shall cause an increase in fire insurance rates.

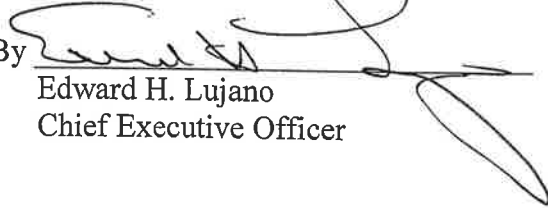
22. **Holding Over:** Any holding over after the expiration of said term, with the consent of Lessor, shall be construed to be a tenancy from month to month, at the rental equal to the amount paid for the last month of the term, and shall otherwise be on the same terms and conditions of this Lease. No holding over shall be construed as a renewal or extension of this Lease.

23. **Miscellaneous:** All of the terms, covenants, and conditions of this Lease shall extend to and be binding upon the heirs, successors, assigns, and personal representatives of all of the parties hereto. Time shall be of the essence in this Lease, and the waiver by Lessor of any performance of a condition or covenant by Lessee shall not be construed as a subsequent waiver of performance of the same or any other covenant or condition. No modification or change in the provisions of this Lease shall be effective unless the agreement for such modification or change shall be in writing and signed by the parties hereto.

LESSOR

Dated: 8-10-06


CASTLE FAMILY HEALTH CENTERS


By 
Edward H. Lujano
Chief Executive Officer

LESSEE

Dated: 8/8/06

CASTLE PHARMACY

By 
Randy Le, PharmD

By 
Paula Le, PharmD

If Lessee is a corporation, I/We individually guarantee performance of all terms of this Lease by it.

CASTLE PHARMACY LEASE AMMENDMENT

Bloss Memorial Healthcare District, a Public Entity "LESSOR", and Castle Pharmacy (LESSEE), herby agree to amend the "CASTLE PHARMACY LEASE" agreement executed by the parties on August 10, 2006, as follows:.

Section 2. Term of the original agreement is replaced with the following:

Section 2. Term. The extended term of this lease shall be for a period of five (5) years, commencing on January 1, 2012, and terminating on December 31, 2016. LESSEE shall have the option to renew this lease for one (1) additional five (5) year term upon written notice to LESSOR at least six (6) months prior to the expiration of the extended term (December 31, 2016) .

Section 3. Rent, of the original agreement is replaced with the following:

Section 3. Option to Renew. LESSEE shall pay to LESSOR monthly rent at the rates and in the amounts per the following schedule, commencing January 1, 2012, payable on or before the first day of the month, in advance. In the event any installment of rent is not paid by the 5th day of each month, LESSEE shall pay a late fee in the amount of Fifty (\$50.00) as additional rent.

PERIOD	MONTHLY RENT
January – December 2012	\$1,399
January – December 2013	\$1,434
January – December 2014	\$1,470
January – December 2015	\$1,507
January – December 2016	\$1,544

All other provisions of the original agreement remain in effect.

BLOSS MEMORIAL HEALTHCARE DISTRICT

By [Signature]
Date 11.30.10

CASTLE PHARMACY

By [Signature]
Date 11/29/10

CASTLE PHARMACY LEASE AMMENDMENT

Bloss Memorial Healthcare District, a Public Entity "LESSOR", and Castle Pharmacy (LESSEE), herby agree to amend the "CASTLE PHARMACY LEASE" agreement executed by the parties on August 10, 2006, as follows:.

Section 2. Term of the original agreement is replaced with the following:

Section 2. Term. The extended term of this lease shall be for a period of five (5) years, commencing on January 1, 2012, and terminating on December 31, 2016. LESSEE shall have the option to renew this lease for one (1) additional five (5) year term upon written notice to LESSOR at least six (6) months prior to the expiration of the extended term (December 31, 2016) .

Section 3. Rent, of the original agreement is replaced with the following:

Section 3. Option to Renew. LESSEE shall pay to LESSOR monthly rent at the rates and in the amounts per the following schedule, commencing January 1, 2012, payable on or before the first day of the month, in advance. In the event any installment of rent is not paid by the 5th day of each month, LESSEE shall pay a late fee in the amount of Fifty (\$50.00) as additional rent.

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January – December 2015	\$1,507
January – December 2016	\$1,544

All other provisions of the original agreement remain in effect.

BLOSS MEMORIAL HEALTHCARE DISTRICT

By [Signature]
Date 11.30.10

CASTLE PHARMACY

By [Signature]
Date 11/29/10

Charles D. Mook
Plant Operations Supervisor

April 14, 2006

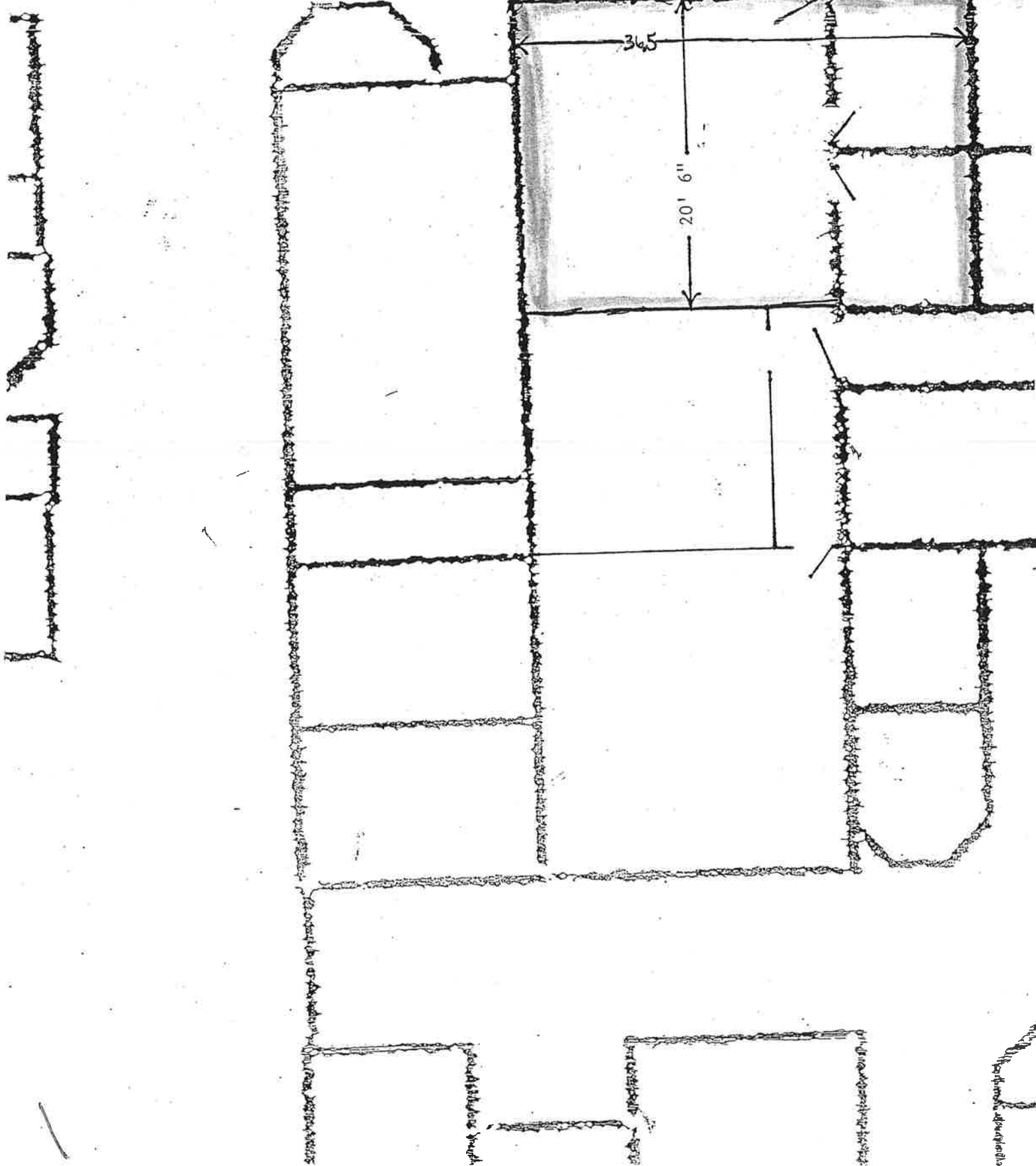
Mr. Lujano,

It would be my best estimate that it will take four weekends of work to remodel the pharmacy area.

Total man-hours needed	192	\$5,200.00
Materials cost		\$1,500.00
Plumbing for sink(private contractor)		\$5,000.00
Move sprinkler head in ceiling		<u>\$2,000.00</u>
TOTAL COST		\$13,700.00

Charles D. Mook

PHARMACY
752 SQ. FT.



Randy and Paula Le
Castle Pharmacy
3605 Hospital Road Suite H
Atwater, Ca 95301

02/19/2010

Re: Notice of Intent to Vacate (Early Termination Notice)

Dear Mr. Edward H. Lujano (CEO Castle Family Health Centers),

We are writing to inform you that we, Castle Pharmacy Inc., dba Castle Pharmacy, intend to vacate the property located at 3605 Hospital Road, Atwater California, 95301, (and more particularly identified in a diagram of the premises attached hereto and incorporated herein as Exhibit "1") as of March 10, 2010.

Bloss Memorial Healthcare District, dba Castle Family Health Centers agrees not to use or permit the use of the space, and will not sublet the space as identified in Exhibit "1" at this facility to any other person or entity for purpose of establishing and operating a pharmacy during the time period of twelve (12) months from March 10, 2010 to March 10, 2011.

Randy and Paula Le, Castle Pharmacy, agree to pay you rent for this period from March 10, 2010 to March 10, 2011 in full as of today at the rate of \$1,500 per month x 12 months = \$18,000.

We would appreciate it if you would schedule an inspection of the property before we leave to ensure that you are satisfied with its condition. We will call you to set up an appointment.

Very Truly Yours,

Randy Le Signature

Date

Paula Le Signature

Date

Edward Lujano Signature

Date

Witness Print and Signature

Date

Randy and Paula Le
Castle Pharmacy
3605 Hospital Road Suite H
Atwater, Ca 95301

03/08/2010

Dear Mr. Edward H. Lujano (CEO Castle Family Health Centers),

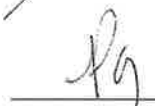
After further review, we are writing to inform you that we, Castle Pharmacy Inc., dba Castle Pharmacy, intend to occupy and use the space as a pharmacy located at 3605 Hospital Road, Atwater California, 95301, (and more particularly identified in a diagram of the premises attached hereto and incorporated herein as Exhibit "1").

Very Truly Yours,



Randy Le Signature

3/8/10
Date



Paula Le Signature

03/8/10
Date

CFHC GRANT REQUEST FOR ASSISTANCE
WITH COVID 19

March 18, 2020

Bloss Memorial Health Care District

To: Board of Directors

From: Dawnita Castle, CFO Castle Family Health Centers, Inc.

Grant Request

As we are all aware the COVID-19 is taking everyone to new levels of concerns. The community is reacting with concerns about how this could personally affect them by visiting their providers, dentists, and pharmacists.

Health Care in all areas are noticing that patients with routine visits such as Dental, Behavioral, and Vision are canceling appointments due to the concern of possible exposure. To address their concerns CHFC implemented an extra step of patient assessment for all individuals visiting the BMHCD facilities. Understanding BMHCD commitment to provide health care through partnerships with other healthcare organizations, CHFC staff is screening and identifying any potential threats of the virus to BMHCD tenant's patients and staff.

All of these extra precautions; assessing all patients, staff, and non-patients entering the premises according to the CDC guidelines to help reduce the risk of exposure is creating a strain on our healthcare system.

CFHC is requesting for assistance from BMHCD to aid in the additional cost of supporting these services due to the substantial impact of COVID-19. We are asking if BMHCD would consider a monthly financial support of \$50,000 for the next six months not to exceed \$300,000 to assist in meeting the demands of our community within our healthcare system.

I believe that together through our partnerships that are committed to our patients, employees, and our community we will emerge from these uncertain times as a stronger organization. .

I have attached a Cash flow projection to evaluate the ability to grant funds to support these much needed precautions.

Thank you for your consideration during this current situation.

Dawnita Castle – Chief Financial Officer
Castle Family Health Centers, Inc.

Cash flow worksheet Bloss Memorial Healthcare District

Cash in

Month *	March	April	May	June	July	August	September	October	November	December	January	February	Total
Cash balance at the start of each month #	\$1,994,040	\$1,967,706	\$1,941,372	\$1,915,038	\$1,888,705	\$1,862,371	\$1,836,037	\$1,859,704	\$1,883,370	\$1,907,036	\$1,930,702	\$1,954,369	
Operating revenue													
Rents and Leases	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$123,952	\$1,487,427
Interest Income	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$10,700	\$128,400
Property Taxes- Deposits			\$127,948								\$233,028		\$360,976
Less Property Taxes (Restricted funds)			-\$127,948								-\$233,028		-\$360,976
													\$0
Total Operating Revenue	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$1,615,827
Other Sources of Cash Inflows													
Bloss Trust Funds	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Total other cash inflows	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total monthly cash in	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$134,652	\$1,615,827

Cash out

Grants													
Grant to Castle to Assist COVID-19	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
Total Cost of Goods General & Administrative	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
Salaries and Wages	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$6,778	\$81,336
Employee Benefits	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$23,040
Professional Fees	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$33,600
Office Supplies	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$576	\$6,912
Purchased Services	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$44,421	\$533,052
Rents and Leases - Parlier	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$9,599	\$115,188
Utilities	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$32,158	\$385,896
Insurances	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$5,812	\$69,744
Repairs and Maintenance	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$5,262	\$63,144
Other Expenses	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$19,920
													\$0
	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Total General & Administrative	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$110,986	\$1,331,832
Total monthly cash out	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$160,986	\$1,631,832
Net difference †	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$26,334	-\$23,666
Cash balance at the end of each month †	\$1,967,706	\$1,941,372	\$1,915,038	\$1,888,705	\$1,862,371	\$1,836,037	\$1,859,704	\$1,883,370	\$1,907,036	\$1,930,702	\$1,954,369	\$1,978,035	