
PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 3605 Hospital Road, • Atwater, California 95301 •
(209) 722-4102 or (209) 381-2000 x 7002 • fax: (209) 722-9020

Date: January 20, 2023

Phone: (209) 724-4102

Fax: (209) 722-9020

Bloss Memorial Healthcare District will hold their next Finance Committee meeting, Thursday, January 26, 2023 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

Bloss Memorial Healthcare District will hold their next **Board of Directors** meeting on Thursday, January 26, 2023 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

I, Fily Cale, Executive Assistant of Bloss Memorial Healthcare District, do hereby certify that a copy of the foregoing agenda was posted at Bloss Memorial Healthcare District a minimum of 72 hours prior to the meeting.

In compliance with the federal Americans with Disabilities Act of 1990, upon request, the agenda can be provided in an alternative format to accommodate special needs. If you require special accommodations to participate in a Board of Directors or Finance Committee meeting due to a disability, please contact the Executive Assistant a minimum of three (3) business days in advance of the meeting at (209) 724-4102 or (209) 381-2000 ext 7000. You may also send the request by email to calef@cfhcinc.org.

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
3605 Hospital Road, Atwater, CA 95301
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, January 26, 2023
2:00 pm

AGENDA FOR PUBLIC SESSION

Members of the public may listen to the meeting and offer public comment telephonically by calling 1-681-999-0313 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

I. CALL TO ORDER

Make findings in accordance with AB 361 for teleconferenced meeting. *

In compliance with AB 361 (2021) and in order to conduct teleconference meetings not subject to the usual Brown Act teleconference rules, the Board will consider the circumstances regarding the state of emergency declared by the Governor regarding the COVID-19 pandemic which continues in existence; and the continued recommendations or impositions by State and local officials to promote social distancing; and whether the continued presence of COVID-19 in the State directly impacts the ability of the Board to meet in person.

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 comment.

V. APPROVAL OF MINUTES

A. Approval of January 5, 2023 Board of Directors Minutes	*	1
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VI. FINANCIAL REPORT

A. Approval of January 5, 2023 Finance Committee Minutes	*	2
B. December Chief Financial Officer Report		3
C. December Payroll, Electronic Payments & Check Register	*	4

VII. CHIEF EXECUTIVE OFFICER REPORT

A. HVAC System

VIII. OLD BUSINESS

A. December Castle Family Health Centers, Inc Report		5
B. Nomination of 2023 Slate of Officers	*	

- IX. NEW BUSINESS**
- A. Review of Guardo Security Services, Inc and Discussion Regarding Hours of Services * 6
- B. Discussion Regarding Sierra Kings, Parlier Lease and West Isaac, M-D Ventures * 7
- C. RFP for Schematic Design (SD) Package * 8
- D. Eighth Supplement Agreement to CEO Employment Agreement * 9
- E. Renewal of Life Insurance * 10
- F. Strategic Planning Discussion
- X. BOARD MEMBER REPORTS**
- XI. APPOINTMENTS / CEREMONIAL MATTERS ***
- XII. AGENDA FOR CLOSED SESSION**
- XIII. NEXT MEETING DATE**
- IX. ADJOURNMENT**

SB 343 NOTICE

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the office of the Executive Assistant at Bloss Memorial Healthcare District during normal business at 3605 Hospital Road.

If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda at 3605 Hospital Road.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, January 5, 2023
2:00 pm**

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 2:03 pm.

Members of the public may listen to the meeting and offer public comment telephonically by calling 1-681-999-0313 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

Make findings in accordance with AB 361 for teleconferenced meeting. In compliance with AB 361 (2021) and in order to conduct teleconference meetings not subject to the usual Brown Act teleconference rules, the Board will consider the circumstances regarding the state of emergency declared by the Governor regarding the COVID-19 pandemic which continues in existence; and the continued recommendations or impositions by State and local officials to promote social distancing; and whether the continued presence of COVID-19 in the State directly impacts the ability of the Board to meet in person.

A motion was made / seconded, (Kory Billings / Kathy Flaherty) to accept Make Findings in accordance with AB 361 for teleconferenced meeting. Motion carries.

ROLL CALL

Board Members Present: Kory Billings, Chair, Zone 2; Kathy Flaherty, Board Member, Zone 3 via Teleconference and Al Peterson, Treasurer, Zone 4

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Jenna Anderson, Legal Counsel and Peter Mojarras, CFHC COO @ 2:05 pm

Absent: Vivian Passwaters, Board Secretary, Zone 1 and Bob Boesch, Vice Chair, Zone 5

APPROVAL OF AGENDA

Correction was made on page 2 of agenda under New Business A, to reflect....2023, not 2022.

A motion was made / seconded, (Alfonse Peterson / Kathy Flaherty) to approve the January 5, 2023 agenda with correction. Motion carries.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of November 30, 2022 Board of Directors Meeting, Exhibit 1

Clarification was made on page 5, G... Kathy Flaherty seconded the motion.

A motion was made / seconded, (Kathy Flaherty / Alfonse Peterson) to accept the November 30, 2022 Board of Directors Meeting minutes with correction, Exhibit 1. Motion carries.

FINANCIAL REPORT

A. Approval of November 30, 2022 Finance Committee Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Kathy Flaherty) to approve the November 30, 2022 Finance Committee Minutes as presented, Exhibit 2. Motion carries.

B. November Chief Financial Officer Report, Exhibit 3

Dawnita Castle reported that \$1.2M was funded to the two investments. The other investments for the grants are on contingent with the Finance Committee meeting. The funds from BBVA, the Money Market Account, was cashed out to fund these two funds.

For November, BMHD, had a net gain before depreciation of \$117,294 compared to this time last time it was \$115,8807. Net income after depreciation was \$56,997, expenses include \$9,646 of Sierra Kings cost and Operating Cash Balance was at \$6,675,146 and Days Cash on Hand had a slight decrease to 1,380. Some of the expenses were repairs and maintenance that increased by \$22,000 for pipelines and sprinkler system. There was also an increase in the gas of \$4,000 for usage. The Finance Committee did recommend keeping an eye on it for the next month.

C. November Payroll, Electronic Payments & Check Register, Exhibit 4

A motion was made / seconded, (Alfonse Peterson / Kathy Flaherty) to accept the November total payroll of \$9,181.92; total accounts payable of \$86,264.86 for a grand total disbursement of \$95,446.78, Exhibit 4. Motion carries.

CHIEF EXECUTIVE OFFICER REPORT

A. HVAC System

Edward Lujano reported that an RFP was out with a deadline of Friday, January 13, 2023. Carrier will be one of those interested in doing the design. BMHD had paid Carrier to do the infrastructure design of what was already here.

B. Drinking Fountain Update

The correct water fountains were purchased and installed throughout the Castle facility, there were 7 of them installed.

The exterior glass doors on the dock will also be replaced, the mechanisms are no longer working and the doors are not repairable. They will be reframed and installed.

Edward Lujano was contacted by Wes Isaac, owner of the Parlier center. Blue Cloud has moved out and are still paying BMHD the lease through the end of the year along with keeping the electricity on and the exterior maintenance. Wes Isaac contacted Ed to advise that the fire alarm is not working and has been beeping, he is concerned as the fire alarms beeping and if there is a fire, there is no one to respond to it.

He asked Wes Isaac if he would be willing to accept BMHD paying off the lease for 2023 and the building would be turned over to him. He also spoke to Blue Cloud today and asked if they had the option to pay off BMHD for 2023 would they do it, they replied that they would. Edward Lujano proposed to the Board of Directors the opportunity to look at this as an option of buying out the lease.

Kory Billings, stated that as he had recommended at the last meeting to place it on the agenda at the next meeting for a proper discussion and possible decision.

OLD BUSINESS / REPORTS

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

Peter Mojarras, CFHC COO, reported that CFHC is seeing a surge around COVID, yesterday had 10 positives. Urgent Care has been swamped as there is not a lot of access to urgent cares in Merced county and they have been coming here. Some days 20-30 people are being turned away as there is not enough provider coverage.

CFHC continues to recruit for providers. They are working with Dignity and three agencies at the national level.

Madera Hospital has closed and over 100,000 will have limited access to hospital and inpatient care. Inpatients will need to be transferred to other hospitals.

CFHC had 11,500 visits and is still busy. There has been a surge in COVID and there is a new sub-variant coming out and more people may be back in the hospital.

CFHC is getting more involved in the community, an event will be done at the Atwater Valley Community School for flu and COVID shots.

Sports season is around the corner and they'll present information for sports physicals.

NEW BUSINESS

A. Nomination of 2023 Slate of Officers

Fily Cale commented that the Nominating Committee had met and the nominations are for Chair, Kory Billings; Vice Chair, Bob Boesch; Secretary, Vivian Passwaters; Treasure, Alfonse Peterson.

Kory Billings commented that without some of the board members being absent, this item will be tabled to the next board meeting.

No action taken.

BOARD MEMBER REPORT REPORTS

Kory Billings reported that he and Edward Lujano had a quick conversation, there are some roof leakages at the Bloss Site. There are also a few at the Castle Site, these are all being addressed.

APPOINTMENTS / CEREMONIAL MATTERS

None.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE

The next Board of Directors meeting will be held on Thursday, January 26, 2022 at 2:00 pm in the Board Room.

ADJOURNMENT

As there was no further business, the meeting was adjourned at 2:23 pm in Memory of Gary Passwaters and Joe Marchini.

Respectfully Submitted,

Fily Cale
Executive Assistant

Kory Billings
Board Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, January 5, 2023
1:30 p.m.**

Committee: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; 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.

Members of the public may listen to the meeting and offer public comment telephonically by calling 1-681-999-0313 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

APPROVAL OF AGENDA

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve the January 5, 2023 agenda as presented. Motion carried.

Make findings in accordance with AB 361 for teleconferenced meeting. In compliance with AB 361 (2021) and in order to conduct teleconference meetings not subject to the usual Brown Act teleconference rules, the Board will consider the circumstances regarding the state of emergency declared by the Governor regarding the COVID-19 pandemic which continues in existence; and the continued recommendations or impositions by State and local officials to promote social distancing; and whether the continued presence of COVID-19 in the State directly impacts the ability of the Board to meet in person.

A motion was made/seconded, (Edward Lujano / Kory Billings) to approve Make findings in accordance with AB 361 for teleconferenced meetings. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES, Exhibit 1

A. November 30, 2022 Finance Committee Meeting Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the November 30, 2022 Finance Committee meeting minutes as presented, Exhibit 1.

REVIEW OF NOVEMBER FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle reported that both investments increased overall, one increased by \$25,000 and the other \$55,000. In December she added the \$610,000 to the existing investments that were approved by the Board of Directors last time. However, with the other three investments a discussion will need to be held with David Goforth, ThiesenDueker, for the grants, he did forward an email on this. She took what money was in the BBVA and transferred it over to the Westamerica Bank account.

For November 2022, the Operating Cash Balance was at \$6,675,146, excluding the investments. Cash on Hand decreased to 1,380 days due to repairs and maintenance, which was up \$22,000; \$15,000 was for Johnson Controls sprinkler repairs, which was out of the normal contract; \$5,000 for water pump back flows which were replaced; West Coast gas bill was up from the prior month by \$4,000.

For November, BMHD had a net gain before depreciation of \$117,294 and a net gain after depreciation of \$56,997. Expenses include \$9,646 of Sierra Kings cost. BMHD has a YTD small profit loss of \$34,618, which has somewhat to do with the donation expense of \$27,726.

Kory Billings asked if West Coast gas had a price increase or was more used. Dawnita Castle replied that more usage, the MIT increased by 1,689 from the prior month. Christina Ayala, AP, called them, they came out and read the meter again and it was correct. Edward Lujano added that some weekends the heaters were not shut down, because it would be too cold on Monday mornings. We'll monitor this more another month.

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

WARRANTS & PAYROLL

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

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the November Payroll in the amount of \$9,181.92; Accounts Payable in the amount of \$86,264.86 and Check Register of \$95,446.78, Exhibit 4. Motion carried.

OLD BUSINESS

None.

DISCUSSION

Kory Billings asked about the backflow issue in the back where they cut the line. Edward Lujano mentioned that it wasn't a cut in the line, it was when they needed to pull the pipe out to put the new meter on for the sprinkler fire system. The other part was valves that were broken at the Bloss Site and the invoice has not been received for that. They put in a new cage.

Edward Lujano mentioned that Wes Isaac had called him about the Sierra Kings building. Blue Cloud moved out and are still paying the lease and maintaining what they have to. The fire alarm system is not working right and West Isaac is complaining that it is not monitoring the building and the building is a mess. Edward Lujano asked Wes Isaac, as there is one year left on the lease, and if the BMHD Board of Directors approved would he be willing to take the one year pay off and be done. Wes Isaac spoke to his partner and is willing to consider it.

Edward Lujano spoke to the Blue Cloud CEO today and they are going to clean up the building. He also mentioned to the CEO that Blue Cloud is on the hook to BMHD for another year, would he be willing to pay off the year to BMHD and be done. The CEO agreed to it.

Kory Billings asked that this item be placed on the Board agenda next month for consideration.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE/ADJOURNMENT

The next Finance Committee meeting will be held on Thursday, January 26, 2023 at 1:30 pm.

A motion was made / seconded (Kory Billings / Edward Lujano) to adjourn the meeting at 1:45 pm. Motion carried.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING
Period Ended December 2022**

Operations Summary Statement (white)

Financial Statements

Prior Month Detail Balance Sheet (yellow)

Prior Month Comparison Profit & Loss (lilac)

Profit & Loss YTD Comparison (pink)

Sierra Kings Dental Surgery Center (blue)

Statistics

FTE Report (gray)

BMHD had a total net gain before depreciation of \$32,892 for the month compared to a net gain of \$94,113 last year. Net income after depreciation was a loss of \$27,525.

Expenses include \$9,743 of SKDSC costs.

The December, Operating Cash Balance was \$5,339,436 and Days Cash On Hand an increased to 1,487 Days*. In November the DCH was 1,380 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-22	Dec-21	VARIANCE *	%	Y-T-D Dec-22	Y-T-D Dec-21	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	142,271	136,863	5,408	NA	862,087	810,711	51,376	6.34%
Total Net Operating Revenue	142,271	136,863	5,408	NA	862,087	810,711	51,376	6.34%
Operating Expenses Excluding Depreciation	111,342	116,968	5,626	4.81%	869,165	735,863	(133,302)	-18.11%
Net Operating Income (Loss) Before Depreciation	30,929	19,895	11,034	-55.46%	(7,078)	74,848	(81,926)	109.46%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	(37,404)	45,320	(82,724)	-182.53%	32,233	39,143	(6,910)	-17.65%
Grant Donation Expense	0	0	(27,726)		(27,726)	(8,520)		
All Other Non-Operating Gains/Losses	39,368	28,899	(10,469)	-36.23%	229,261	225,653	3,608	1.60%
Total Net Non-Operating Income: Losses/Gains	1,963	74,218	72,255	97.35%	233,768	256,276	(22,508)	-8.76%
Total Net Income (Loss) Before Depreciation	32,892	94,113	(61,222)	-65.05%	226,691	331,124	(104,433)	-31.54%
Depreciation Expense	60,417	63,294	(2,877)	-4.55%	287,998	218,558	69,440	31.77%
Net Income (Loss) After Depreciation	(27,525)	30,819	(58,344)	-189.31%	(61,307)	112,566	(173,874)	-154.46%

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Six Months Ending December 31, 2022

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

	Dec-22	Dec-21	VARIANCE	%	Y-T-D Dec-22	Y-T-D Dec-21	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	0.97	(0.03)	1.54%
CONTRACT FTE'S	2.64	4.75	2.11	44.42%	3.45	3.96	0.51	-13.09%
TOTAL FTE'S	3.64	5.75	2.11	36.70%	4.45	4.93	0.48	-9.81%

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

Full Time Equivalent - Employees for the month are 0.00% the same as the prior year with 1.00 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	0.00	0.00	

All other departments < 1 fte var

0.00 Various departments less than 1 fte variance.

0.00 Brackets () indicate a decrease (favorable) variance

Bloss Memorial Healthcare District

Balance Sheet

As of December 31, 2022

01/18/23

Accrual Basis

	Dec 31, 22	Nov 30, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1001 Cash General Checking	3,838,058.20	4,662,564.27	-824,506.07	-17.7%
1002 Cash - Payroll	8,699.28	8,699.28	0.00	0.0%
1003 CDSC Cash Gen Chking	0.20	0.20	0.00	0.0%
1005 Cash Laif Savings	1,539,414.11	1,539,293.32	120.79	0.0%
1005 Laif Funded Deprec	464,588.75	464,588.75	0.00	0.0%
1006 PNC Money Market Acct	0.00	510,418.13	-510,418.13	-100.0%
1010 Investment Cap Improv	1,542,612.01	958,200.13	584,411.88	61.0%
1010 Investment Grants	1,190,805.20	592,621.45	598,183.75	100.9%
Total Checking/Savings	8,584,177.75	8,736,385.53	-152,207.78	-1.7%
Accounts Receivable				
1060 Rent Receivable	1,785.00	0.00	1,785.00	100.0%
1061 DSCA Receivable	7,847.28	7,847.28	0.00	0.0%
1063 Prop Tax Receivable	228,498.26	189,248.55	39,249.71	20.7%
1064 CFHC Inc Receivable	228,179.98	114,089.99	114,089.99	100.0%
Total Accounts Receivable	466,310.52	311,185.82	155,124.70	49.9%
Other Current Assets				
1101 Prepaid Insurance	50,411.26	58,813.13	-8,401.87	-14.3%
1103 Prepaid Rent	38,974.12	19,487.06	19,487.06	100.0%
1108 Prepaid Expense	6,719.48	42,346.01	-35,626.53	-84.1%
Total Other Current Assets	96,104.86	120,646.20	-24,541.34	-20.3%
Total Current Assets	9,146,593.13	9,168,217.55	-21,624.42	-0.2%
Fixed Assets				
1200 Land	2,205,996.23	2,205,996.23	0.00	0.0%
1219 Land Improvements	69,615.00	69,615.00	0.00	0.0%
1221 Bloss Remodel	832,986.24	832,986.24	0.00	0.0%
1221 Bloss Building and Improve	22,071,437.99	22,071,437.99	0.00	0.0%
1221 Castle Build and Impr	1,477,349.44	1,477,349.44	0.00	0.0%
1221 Castle Remodel	126,551.17	126,551.17	0.00	0.0%
1224 Park Lot & Improve	138,713.06	138,713.06	0.00	0.0%
1225 Communication Lines	452,828.86	452,828.86	0.00	0.0%
1225 Equipment Fixed	1,275,186.93	1,268,246.66	6,940.27	0.6%
1230 Leasehold Improvement	99,810.62	99,810.62	0.00	0.0%
1241 Equipment Major Move	4,655,179.59	4,655,179.59	0.00	0.0%
1241 Meditech Hardware	223,352.74	223,352.74	0.00	0.0%
1241 Meditech Implement	222,215.72	222,215.72	0.00	0.0%
1242 Equipment Minor	496,192.45	496,192.45	0.00	0.0%
1242 Meditech Software	277,371.76	277,371.76	0.00	0.0%
1261 Accum Depr Land Impr	-160,341.43	-159,368.29	-973.14	-0.6%
1271 Accum Depr Build & Im	-11,540,181.39	-11,483,947.07	-56,234.32	-0.5%
1275 Accum Dep Fixed Equip	-2,067,291.65	-2,066,753.31	-538.34	0.0%
1280 Accum Dep Lease Imp	-41,759.71	-41,517.96	-241.75	-0.6%
1291 Accum Major Move	-4,565,350.64	-4,563,489.95	-1,860.69	0.0%
1292 Accum Dep Minor Equip	-579,960.08	-579,396.77	-563.31	-0.1%
Total Fixed Assets	15,669,902.90	15,723,374.18	-53,471.28	-0.3%
TOTAL ASSETS	24,816,496.03	24,891,591.73	-75,095.70	-0.3%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 Accounts Payable Vendor	65,416.95	95,568.02	-30,151.07	-31.6%
2020 Accounts Payable Accrual	14,569.94	28,462.13	-13,892.19	-48.8%
2029 Accounts Payable Other	8,946.69	17,971.69	-9,025.00	-50.2%
2029 CFHC Inc Payable	22,727.46	19,294.80	3,432.66	17.8%
2029 DSCA Payable	909.91	223.61	686.30	306.9%

Bloss Memorial Healthcare District

Balance Sheet

As of December 31, 2022

01/18/23

Accrual Basis

	Dec 31, 22	Nov 30, 22	\$ Change	% Change
Total Accounts Payable	112,570.95	161,520.25	-48,949.30	-30.3%
Other Current Liabilities				
2030 Accrued Salary Wages	4,166.67	4,166.67	0.00	0.0%
2031 Accrued Vacation	16,185.59	15,384.63	800.96	5.2%
2036 FICA Payable	318.81	318.81	0.00	0.0%
2038 Pension Plan Accrual	2,408.33	2,000.00	408.33	20.4%
2039 Other Payroll Payable	268.54	99.04	169.50	171.1%
2572 UNG GOODWIN FUND	182,580.50	182,580.50	0.00	0.0%
Total Other Current Liabilities	205,928.44	204,549.65	1,378.79	0.7%
Total Current Liabilities	318,499.39	366,069.90	-47,570.51	-13.0%
Total Liabilities	318,499.39	366,069.90	-47,570.51	-13.0%
Equity				
2310 Capital BMHCD	4,240,460.11	4,240,460.11	0.00	0.0%
2330 Donated Capital	20,318,844.00	20,318,844.00	0.00	0.0%
Net Income	-61,307.47	-33,782.28	-27,525.19	-81.5%
Total Equity	24,497,996.64	24,525,521.83	-27,525.19	-0.1%
TOTAL LIABILITIES & EQUITY	24,816,496.03	24,891,591.73	-75,095.70	-0.3%

Bloss Memorial Healthcare District
Profit & Loss
 December 2022

	Dec 22	Nov 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
5779 Rental Income	142,270.91	142,270.91	0.00	0.0%
Total Income	142,270.91	142,270.91	0.00	0.0%
Gross Profit	142,270.91	142,270.91	0.00	0.0%
Expense				
6000 Management and Supervision	8,333.34	8,333.34	0.00	0.0%
6010 Fica	637.50	637.50	0.00	0.0%
6011 Unemployment Insurance	400.00	400.00	0.00	0.0%
6014 Life Insurance	550.00	0.00	550.00	100.0%
6015 Pension Plan	408.33	400.00	8.33	2.1%
6018 Vacation Expense	800.96	800.96	0.00	0.0%
6022 Consulting & MGT	1,196.36	2,542.26	-1,345.90	-52.9%
6023 Legal	0.00	5,291.42	-5,291.42	-100.0%
6024 Accounting/Audit	900.00	900.00	0.00	0.0%
6026 Other Contracted Services	18,137.91	12,630.77	5,507.14	43.6%
6043 Food	0.00	84.31	-84.31	-100.0%
6046 Office Supplies	64.58	0.00	64.58	100.0%
6062 Repairs & MTC	10,313.68	29,436.16	-19,122.48	-65.0%
6064 Management Services	0.00	900.00	-900.00	-100.0%
6069 Other Purchased Services	21,389.86	21,793.61	-403.75	-1.9%
6071 Deprec-Land & Improvements	973.14	973.20	-0.06	0.0%
6072 Deprec-Buildings and Impro	56,216.31	56,216.64	-0.33	0.0%
6073 CCDSC Deprec Leasehold	0.00	0.00	0.00	0.0%
6073 Deprec-Leasehold Improv	259.76	259.76	0.00	0.0%
6074 Deprec-Equipment	2,962.34	2,846.70	115.64	4.1%
6075 SKDSCBuilding Rent Expense	9,743.06	9,646.11	96.95	1.0%
6077 Electricity	10,980.96	28,863.40	-17,882.44	-62.0%
6077 Radiology Electricity	122.39	0.00	122.39	100.0%
6078 Natural Gas	11,360.37	6,071.54	5,288.83	87.1%
6079 Water	1,169.53	1,135.38	34.15	3.0%
6080 Utilities-Other	4,959.26	5,336.31	-377.05	-7.1%
6082 Insurance Expense	9,294.37	8,848.12	446.25	5.0%
6085 Telephone Expense	0.00	222.65	-222.65	-100.0%
6086 Dues and Subscriptions	338.17	338.17	0.00	0.0%
6089 Advertising	0.00	400.00	-400.00	-100.0%
6090 Bank Service Charges	47.05	47.75	-0.70	-1.5%
6090 Other Expenses	200.00	0.00	200.00	100.0%
Total Expense	171,759.23	205,356.06	-33,596.83	-16.4%
Net Ordinary Income	-29,488.32	-63,085.15	33,596.83	53.3%
Other Income/Expense				
Other Income				
9060 Interest Income	117.79	126.48	-8.69	-6.9%
9061 Gain on Investments	0.00	80,706.38	-80,706.38	-100.0%
9160 Property Tax Revenue	39,249.71	39,249.71	0.00	0.0%
Total Other Income	39,367.50	120,082.57	-80,715.07	-67.2%
Other Expense				
9030 Loss on Marketable Securit	37,404.37	0.00	37,404.37	100.0%
Total Other Expense	37,404.37	0.00	37,404.37	100.0%
Net Other Income	1,963.13	120,082.57	-118,119.44	-98.4%
Net Income	-27,525.19	56,997.42	-84,522.61	-148.3%

Bloss Memorial Healthcare District Profit & Loss YTD Comparison July through December 2022

	Jul - Dec 22	Jul - Dec 21	\$ Change	% Change
Ordinary Income/Expense				
Income				
5681 A/P Discounts Taken	0.00	2,925.00	-2,925.00	-100.0%
5779 Rental Income	860,889.62	806,464.19	54,425.43	6.8%
5780 Misc Other Operating	1,197.76	1,322.25	-124.49	-9.4%
Total Income	862,087.38	810,711.44	51,375.94	6.3%
Gross Profit	862,087.38	810,711.44	51,375.94	6.3%
Expense				
6000 Management and Supervision	50,000.04	54,808.04	-4,808.00	-8.8%
6010 Fica	3,825.06	4,192.76	-367.70	-8.8%
6011 Unemployment Insurance	2,400.00	2,000.00	400.00	20.0%
6014 Life Insurance	550.00	0.00	550.00	100.0%
6015 Pension Plan	2,408.33	2,400.00	8.33	0.4%
6016 Workers Compensation	100.35	502.10	-401.75	-80.0%
6018 Vacation Expense	1,328.37	-4,617.31	5,945.68	128.8%
6022 Consultig & MGT	11,896.27	11,104.09	792.18	7.1%
6023 Legal	5,291.42	5,541.46	-250.04	-4.5%
6024 Accounting/Audit	5,400.00	4,500.00	900.00	20.0%
6026 Other Contracted Services	118,302.35	6,208.45	112,093.90	1,805.5%
6043 Food	137.29	453.34	-316.05	-69.7%
6046 Office Supplies	537.20	356.12	181.08	50.9%
6049 Other Minor Equipment	0.00	439.50	-439.50	-100.0%
6050 Other Non-Medical Supply	1,868.29	1,005.36	862.93	85.8%
6052 Freight on Purchases	0.00	-191.77	191.77	100.0%
6062 Repairs & MTC	74,070.39	27,186.45	46,883.94	172.5%
6064 Management Services	5,300.00	3,900.00	1,400.00	35.9%
6069 Other Purchased Services	155,736.62	258,091.20	-102,354.58	-39.7%
6071 Deprec-Land & Improvements	5,839.02	6,760.39	-921.37	-13.6%
6072 Deprec-Buildings and Impro	338,049.79	322,014.26	16,035.53	5.0%
6072 SKDSC Deprec-BLDGS & Improv	0.00	-5,176.22	5,176.22	100.0%
6073 CCDSC Deprec Leasehold	0.00	-14,434.67	14,434.67	100.0%
6073 Deprec-Leasehold Improv	1,558.56	2,695.81	-1,137.25	-42.2%
6073 SKDSC Deprec-Leasehold impr	0.00	725.25	-725.25	-100.0%
6074 Deprec-Equipment	17,195.79	32,572.51	-15,376.72	-47.2%
6074 SKDSC Deprec-Equipment	0.00	-63,305.12	63,305.12	100.0%
6075 SKDSC Building Rent Expense	58,313.22	58,121.47	191.75	0.3%
6077 Electricity	174,689.24	129,975.95	44,713.29	34.4%
6077 Radiology Electricity	665.20	1,125.83	-460.63	-40.9%
6078 Natural Gas	20,758.14	15,741.90	5,016.24	31.9%
6079 SKDSC Water	0.00	1,284.69	-1,284.69	-100.0%
6079 Water	13,498.43	17,769.27	-4,270.84	-24.0%
6080 SKDSC Utilities-Other	468.74	0.00	468.74	100.0%
6080 Utilities-Other	25,906.87	15,489.48	10,417.39	67.3%
6082 Insurance Expense	54,766.95	49,441.91	5,325.04	10.8%
6083 SKDSC Tax and License	0.00	580.00	-580.00	-100.0%
6083 Tax and Licenses	0.00	112.54	-112.54	-100.0%
6085 Telephone Expense	1,113.25	1,406.38	-293.13	-20.8%
6086 Dues and Subscriptions	2,609.02	2,028.98	580.04	28.6%
6087 Training	0.00	865.00	-865.00	-100.0%
6088 Travel Expense	0.00	386.76	-386.76	-100.0%
6089 Advertising	2,000.00	0.00	2,000.00	100.0%
6090 Bank Service Charges	378.85	358.90	19.95	5.6%
6090 Other Expenses	200.00	0.00	200.00	100.0%
Total Expense	1,157,163.05	954,421.06	202,741.99	21.2%
Net Ordinary Income	-295,075.67	-143,709.62	-151,366.05	-105.3%
Other Income/Expense				
Other Income				
5786 Service Reimbursement	0.00	100.00	-100.00	-100.0%
9010 Gain on Sale of Equipment	0.00	3,810.07	-3,810.07	-100.0%
9060 Interest Income	763.02	29,473.05	-28,710.03	-97.4%
9061 Gain on Investments	209,216.37	119,583.16	89,633.21	75.0%

Bloss Memorial Healthcare District
Profit & Loss YTD Comparison
 July through December 2022

	Jul - Dec 22	Jul - Dec 21	\$ Change	% Change
9160 Property Tax Revenue	228,498.26	192,270.24	36,228.02	18.8%
Total Other Income	438,477.65	345,236.52	93,241.13	27.0%
Other Expense				
9025 Non Operating CFHC	20,500.00	8,520.00	11,980.00	140.6%
9030 Loss on Marketable Securit	176,983.50	80,440.51	96,542.99	120.0%
9050 Donations Expense	7,225.95	0.00	7,225.95	100.0%
Total Other Expense	204,709.45	88,960.51	115,748.94	130.1%
Net Other Income	233,768.20	256,276.01	-22,507.81	-8.8%
Net Income	-61,307.47	112,566.39	-173,873.86	-154.5%

2:01 PM

01/18/23

Accrual Basis

Bloss Memorial Healthcare District

SKDSC Department

December 2022

	<u>SKDSC Site</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Expense		
6075 SKDSC Building Rent Expense	9,743.06	9,743.06
Total Expense	9,743.06	9,743.06
Net Ordinary Income	-9,743.06	-9,743.06
Net Income	<u>-9,743.06</u>	<u>-9,743.06</u>

RUN DATE: 01/12/23
 RUN TIME: 1530
 RUN USER: DAMEDA

Castle Family Health Centers GL **LIVE**

CRP 00									
FTE'S BY DEPARTMENT									
	DEC 2022	DEC 2021	(UN) FAVORABLE VARIANCE	%	YTD DEC 2022	YTD DEC 2021	(UN) FAVORABLE VARIANCE	%	
*** EMPLOYEE FULL TIME EQUIVALENTS ***									
8610 ADMINISTRATION	1.00	1.00	0.00	0.00%	1.00	0.97	(0.03)	(3.14)%	
TOTAL EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	0.97	(0.03)	(3.14)%	
*** CONTRACT FULL TIME EQUIVALENTS ***									
PURCHASING	0.01	0.00	(0.01)		0.00	0.00	0.00	2.63%	
MAINTENANCE & PLANT OPERATIONS	2.39	4.62	2.23	48.33%	3.12	3.69	0.57	15.47%	
ACCOUNTING	0.15	0.11	(0.04)	(39.34)%	0.21	0.19	(0.02)	(11.64)%	
ADMINISTRATION	0.10	0.02	(0.07)	(311.86)%	0.12	0.08	(0.04)	(46.44)%	
CLINIC ADMINISTRATION	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	100.00%	
TOTAL CONTRACT FTE'S	2.64	4.75	2.10	44.34%	3.45	3.96	0.51	12.97%	
*** TOTAL FULL TIME EQUIVALENTS ***									
PURCHASING	0.01	0.00	(0.01)		0.00	0.00	0.00	2.63%	
MAINTENANCE & PLANT OPERATIONS	2.39	4.62	2.23	48.33%	3.12	3.69	0.57	15.47%	
ACCOUNTING	0.15	0.11	(0.04)	(39.34)%	0.21	0.19	(0.02)	(11.64)%	
ADMINISTRATION	1.10	1.02	(0.07)	(7.19)%	1.12	1.05	(0.07)	(6.48)%	
CLINIC ADMINISTRATION	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	100.00%	
TOTAL FTE'S	3.64	5.75	2.10	36.62%	4.45	4.93	0.48	9.81%	

DECEMBER PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER

Bloss Memorial Healthcare District
 Payroll, Accounts Payable and Funds Disbursements - Summary
 Month of December-22

Payroll		<u>\$16,109.19</u>
Total Payroll		<u>\$16,109.19</u>
Accounts Payable:		
A/P Checks	<u>\$1,340,429.31</u>	<u>\$1,340,429.31</u>
BLOSS		
Auto Debits	<u>\$47.05</u>	
Total Auto Debits and Electronic Transfers	<u>\$47.05</u>	<u>\$47.05</u>
Electronic Payments	<u>\$19,961.87</u>	<u>\$19,961.87</u>
Total Accounts Payable		<u>\$1,360,438.23</u>
Grand Total Disbursements		<u>\$1,376,547.42</u>

BLOSS	Payroll Disbursements for		December-22
	Payroll dated		
	12/05/22	12/20/22	Total
Earnings			
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(+)		6,940.27	6,940.27
Christmas Fund (-)			-
Process Fee (+)	99.04	99.04	198.08
			-
Total	417.79	7,358.06	7,775.85
			-
Net Payroll	\$ 4,584.46	\$ 11,524.73	16,109.19

Bloss Memorial Healthcare District
Check Detail
December 2022

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Paid Amount</u>
Check		12/06/2022	Thieson Dueker	0.00
Check	39694	12/06/2022	Empower Annuity Co. of America	-4,800.00
				<u>-4,800.00</u>
Check	39695	12/06/2022	State of CA Dept of Industr Relations	-200.00
				<u>-200.00</u>
Check	39696	12/06/2022	Thieson Dueker	0.00
Check	39697	12/06/2022	Thieson Dueker	0.00
Check	39698	12/06/2022	Thieson Dueker	0.00
Bill Pmt -Check	39699	12/08/2022	LPL Financial	0.00
Bill Pmt -Check	39700	12/08/2022	LPL Financial	
Bill	CK Req Cap 12/6/2022	12/08/2022		-610,000.00
				<u>-610,000.00</u>
Bill Pmt -Check	39701	12/08/2022	LPL Financial	
Bill	CK Req 12/6/22	12/08/2022		-610,000.00
				<u>-610,000.00</u>
Bill Pmt -Check	39702	12/08/2022	Alfonse Peterson	
Bill	NOV22-BRDMTG	11/18/2022		-300.00
				<u>-300.00</u>
Bill Pmt -Check	39703	12/08/2022	California Boiler	
Bill	172187	11/01/2022		-6,141.15
				<u>-6,141.15</u>
Bill Pmt -Check	39704	12/08/2022	City of Atwater	
Bill	NOV22-020161-000	11/01/2022		-656.34
Bill	NOV22-010448-000	11/01/2022		-1,135.38
				<u>-468.74</u>
				-2,260.46
Bill Pmt -Check	39705	12/08/2022	Fedex	

Bloss Memorial Healthcare District
Check Detail
December 2022

Bill	7-950-58601	11/18/2022		<u>-16.87</u>
				-16.87
Bill Pmt -Check	39706	12/08/2022	Guardoo	
Bill	14589	11/30/2022		<u>-14,995.50</u>
				-14,995.50
Bill Pmt -Check	39707	12/08/2022	Johnson Controls	
Bill	89267930	11/15/2022		<u>-15,260.33</u>
				-15,260.33
Bill Pmt -Check	39708	12/08/2022	Kathleen Flaherty	
Bill	NOV22-BRDMTG	11/18/2022		<u>-100.00</u>
				-100.00
Bill Pmt -Check	39709	12/08/2022	Kory Billings	
Bill	NOV22-BRDMTG	11/18/2022		<u>-300.00</u>
				-300.00
Bill Pmt -Check	39710	12/08/2022	M-D Ventures	
				0.00
Bill Pmt -Check	39711	12/08/2022	Merced Commercial Sweeping	
Bill	023399	11/15/2022		<u>-420.00</u>
				-420.00
Bill Pmt -Check	39712	12/08/2022	Merced County - Castle Airport	
Bill	52473	12/01/2022		-1,630.08
				-1,881.60
				-222.65
				<u>-15.00</u>
				-3,749.33
Bill Pmt -Check	39713	12/08/2022	Merced County Counsel	
Bill	JUN-OCT2022	11/15/2022		<u>-5,291.42</u>
				-5,291.42
Bill Pmt -Check	39714	12/08/2022	Natural Gardens	
Bill	2192	11/25/2022		-765.00
Bill	2193	11/25/2022		<u>-2,360.00</u>
				-3,125.00
Bill Pmt -Check	39715	12/08/2022	Ole Willie's Backflow Services	
Bill	INV0528	11/14/2022		-425.00
Bill	INV0527	11/14/2022		-350.00
Bill	INV0540	12/03/2022		<u>-7,181.82</u>
				-7,956.82
Bill Pmt -Check	39716	12/08/2022	PG&E	

Bloss Memorial Healthcare District
Check Detail
December 2022

Bill	NOV22-2162-5	11/18/2022		-1,023.92
				<u>-936.68</u>
				-1,960.60
Bill Pmt -Check	39717	12/08/2022	Robert Boesch	
Bill	NOV22-BRDMTG	11/18/2022		<u>-100.00</u>
				-100.00
Bill Pmt -Check	39718	12/08/2022	Vivian Passwaters	
Bill	NOV22-BRDMTG	11/18/2022		<u>-100.00</u>
				-100.00
Bill Pmt -Check	39719	12/08/2022	West Coast Gas Company, Inc.	
Bill	NOV22-1182	11/01/2022		<u>-4,654.62</u>
				-4,654.62
Bill Pmt -Check	39720	12/22/2022	Castle Family Health Centers, Inc.	
Bill	OCT22-INV	12/15/2022		<u>-19,294.80</u>
				-19,294.80
Bill Pmt -Check	39721	12/22/2022	Hoffman Security	
Bill	600405	12/20/2022		-308.95
				<u>-391.95</u>
				-700.90
Bill Pmt -Check	39722	12/22/2022	JWT & Associates, LLP	
Bill	JUNE30-FSA	12/21/2022		<u>-8,225.00</u>
				-8,225.00
Bill Pmt -Check	39723	12/22/2022	Beta Healthcare Group	
Bill	BL-220358007	12/15/2022		<u>-446.25</u>
				-446.25
Bill Pmt -Check	39724	12/30/2022	Beta Healthcare Group	
Bill	BL-220358008	12/30/2022		<u>-446.25</u>
				-446.25
Bill Pmt -Check	39725	12/30/2022	M-D Ventures	
Bill	RENT-145SNEWMARK	12/30/2022		-19,487.06
Bill	RETRO RENT-DEC 22	12/30/2022		<u>-96.95</u>
				-19,584.01
			Total	<u><u>-1,340,429.31</u></u>

Bloss Memorial Healthcare District
December-22

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss

47.05
47.05

Bloss Electronic Payments

MID

19,961.87
19,961.87

Grand Total \$20,008.92

CASTLE FAMILY HEALTH CENTER INC
 3605 HOSPITAL RD, SUITE H
 ATWATER, CA 95301

INVOICE

DATE	INVOICE #
1/11/2023	October-22

BILL TO
BLOSS MEMORIAL HEALTHCARE DISTRICT 3605 HOSPITAL ROAD ATWATER, CA 95301

	DESCRIPTION	AMOUNT
	CASTLE SERVICES TO BLOSS	\$ 15,173.03
	Vanguard Cleaning Systems	\$ 1,019.50
	Postage	\$ 84.31
	LOWES	\$ 1,360.35
	Tricare Castle Patient Payment deposited into Bloss Gen Chk	\$ 76.16
	GIH Global Industris drinking fountains	\$ 1,120.33
	GIH Global Industris drinking fountains	\$ 246.59
	Lowe's Credit Card 00907 HEATERS	\$ 214.53
BLOSS PAYABLE TO CASTLE		
		Total \$ 19,294.80

CASTLE FAMILY HEALTH CENTER INC
 CASTLE SERVICES PROVIDED TO BLOSS MEMORIAL HEALTHCARE

November-22

DEPT	EMPLOYEE	BLOSS HOURS	TOTAL COST
MAINTANCE	Supervisor - RR	0.00	0.00
90%	Maint - VE	0.00	0.00
	Maint -	0.00	0.00
8460	Maint - KS	199.38	4,853.58
	Maint - ZX	205.20	6,699.19
DEPT TOTAL		404.58	11,552.76
PURCHASING	Supervisor-MT	0.00	0.00
	Clerical __ JS	0.00	0.00
8400	Clerical-JV	0.00	0.00
DEPT TOTAL		0.00	0.00
ADMINISTRATION			
8610	Exec Assit - FC	16.25	560.53
8720	Clinic Admin - PM	0.00	0.00
DEPT TOTAL		16.25	560.53
DEPT TOTAL		0.00	0.00
ACCOUNTING / A/P			
8510	CFO - DC	34.00	2,542.26
	Tech - CA	9.25	351.85
	Accountant-OM	4.00	128.13
	Acct/Business Tec -SC	1.25	37.49
	Acct Clerk -	0.00	0.00
DEPT TOTAL		48.50	3,059.72
	GRAND TOTAL	469.33	15,173.02

DECEMBER CASTLE FAMILY HEALTH CENTERS, INC
REPORT

Castle Family Health Centers Inc.
 Operations Summary Report
 Six Months Ending December 31, 2022

Total encounters for the month are 12,081 compared to 12,079 last year 0.02% increase.

Department	Dec-22	Dec-21	VARIANCE	%	Y-T-D Dec-22	Y-T-D Dec-21	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	4,953	5,032	(79)	-1.57%	28,731	32,888	(4,157)	-12.64%
Specialty Clinic	937	834	103	12.35%	5,898	5,863	35	0.60%
Bloss Clinic	792	779	13	1.67%	3,890	4,345	(455)	-10.47%
Winton Clinic	1,460	1,196	264	22.07%	8,017	7,128	889	12.47%
Urgent Care	503	804	(301)	-37.44%	2,971	5,883	(2,912)	-49.50%
Lab	1,548	1,766	(218)	-12.34%	10,355	13,645	(3,290)	-24.11%
Radiology	697	719	(22)	-3.06%	4,393	3,583	810	22.61%
Behavioral Health	332	253	79	31.23%	2,227	1,538	689	44.80%
Optometry	68	285	(217)	-76.14%	599	2,440	(1,841)	-75.45%
Winton Dental	425	242	183	75.62%	2,212	1,812	400	22.08%
Castle Dental	357	150	207	138.00%	2,617	928	1,689	182.00%
Castle Cosmetics	9	19	(10)	-52.63%	81	77	4	5.19%
TOTAL ENCOUNTERS	12,081	12,079	2	0.02%	71,991	80,130	(8,139)	-10.16%

December-22 Working Days 21 and 1 Holidays
 December-21 Working Days 21 and 2 Holidays

REVIEW OF GUARDCO SECURITY SERVICES, INC
AND DISCUSSION REGARDING HOURS OF SERVICES



GUARDCO SECURITY SERVICES, INC.

State License: PPO17378

"Pride • Safety • Service"

SECURITY SERVICE AGREEMENT

This agreement is entered between GUARDCO SECURITY SERVICES, INC. (HEREBY REFERRED TO AS "GSS, INC") and:

CLIENT NAME: BLOSS MEMORIAL HEALTH CARE DISTRICT (hereby referred to as the "CLIENT")
 ADDRESS: 3605 HOSPITAL ROAD
 CITY, STATE, ZIP: ATWATER, CA 95301
 CONTACT: 209-381-2000 Ext. 7010 EMAIL: RODRIGUEZD@CFHCINC.ORG

GUARDCO SECURITY SERVICES, INC. shall provide Security Guard and Patrol Services to the CLIENT as specified below:

LOCATION#1: 3605 HOSPITAL ROAD-ATWATER, CA
NUMBER OF OFFICERS: ONE ON SITE SECURITY OFFICER
COVERAGE HOURS/DAYS: 1:00 PM TO 9:00 PM MONDAY THROUGH FRIDAY
 10:00 AM TO 6:00 PM SATURDAY
 12:00 PM TO 5:00 PM SUNDAY
LOCATION#2: 1251 GROVE AVENUE-ATWATER, CA
NUMBER OF OFFICERS: ONE ON SITE SECURITY OFFICER
COVERAGE HOURS/DAYS: 6:00 AM TO 7:00 PM MONDAY THROUGH FRIDAY
 THREE VEHICLE PATROL CHECKS DAILY
 ALARM RESPONSE PER CFHC ALARM COMPANY FOR THIS PROPERTY ONLY
EFFECTIVE DATE: 01/03/2022

Security personnel are to observe, report, and to maintain the peace at the property controlled or owned by the **CLIENT**. In performing the aforementioned services, GSS, INC shall comply with all applicable City, State, and Federal Laws, Statutes, Regulations and ordinances within the jurisdiction of this agreement. **CLIENT** has determined the amount of **SECURITY OFFICERS** needed for their site, GSS, INC shall not be liable for reporting/ confronting all incidents that occur while on duty nor be liable incidents regarding inadequate coverage as determined by the **CLIENT**. The **CLIENT** shall inform GSS, INC of any incidents reported or discovered during any non scheduled hours prior to commencement of scheduled work hours to include but not limited to; alleged thefts or acts of vandalism. For services performed herein, the **CLIENT** shall pay directly to GSS, INC an hourly rate of \$27.00 for Security Officer Services, \$20.00 for each Vehicle Patrol site visit and \$30 per Alarm Response (\$30 monthly fee waived after first alarm response). The **CLIENT** will be billed at Net 30. The following holiday dates will be charged at time and a half:

New Year's Eve/Day	President's Day	Memorial Day	Martin Luther King Jr. Day
Independence Day	Labor Day	Easter Sunday	Veterans Day
Thanksgiving Day	Christmas Eve/Day	Juneteenth National Independence Day	

Any dispute or claim regarding the invoice or the services must be sent in writing to GSS within (7) days from the invoice date stating the nature of the dispute and ordinarily all supporting documentation, or it will be deemed waived. A finance charge of 2.0% per month will be charged plus all collection and attorneys fees and costs will be charged for collection of any overdue invoice(s) over 30 days. Effective every January 1st during the life of this agreement, a cost-of-living allowance of 5.0% will increase the **Clients'** hourly rate annually. This shall also include any wage, tax or other state/ federal increases. The **CLIENT** is hereby advised that guards assigned shall take appropriate meal and rest periods as required by law. The **CLIENT** also agrees that it will not, during the terms of this agreement hire, employ, or solicit the employment of any person that has been or is currently in the employment of GSS, INC or that has performed services any time in carrying out the terms of this agreement. The **CLIENT** shall indemnify and hold harmless corporate officers and employees of GSS, INC from any claims brought as a result of the actions or inactions of its agents or employees.

The **CLIENT** shall also indemnify and hold harmless GSS, INC for the failure of its employees to perform under this agreement providing that the GSS, INC has acted in good faith. This agreement shall continue until canceled by The **CLIENT** or GSS, INC. either party may terminate this agreement by giving a minimum thirty day written notice; no other forms of communication other than written will serve as proper notice. GSS, INC. reserves the right to cancel this agreement at any time due to non or late payment on any past due amount. **THIS AGREEMENT MUST BE SIGNED AND BACK TO GSS, INC BEFORE START OF ABOVE SERVICE.**

By Max Hernandez 01/03/2022
 Max Hernandez, Operations Manager Date

Agreed and accepted:

By [Signature] 2-15-22

Authorized Representative Date
PRINTED NAME & TITLE OF PERSON SIGNING CONTRACT: _____

DISCUSSION REGARDING SIERRA KINGS, PARLIER
LEASE AND WES ISAAC, M-D VENTURES

**SIERRA KINGS DENTAL SURGERY CENTER
LEASE SUMMARY**

Date of Lease: August 1, 2006

Property Address: 145 South Newmark Avenue, Parlier, CA 93648

LANDLORD: M-D Ventures

Landlord Address: 1805 8th Street
Reedley, CA 93664

Contact Person: Wes Isaac

Phone: (559) 638-1228

TENANT: Sierra Kings Dental Surgery Center, a partnership between:
Sierra Kings Health Care District,
Bloss Memorial Health Care District,

Trade Name: Sierra Kings Dental Surgery Center

Tenant Address: SKHCD, 372 W. Cypress, Reedley, CA 93654
BMHCD, 3605 Hospital Road, Suite H, Atwater, CA 95301

Contact Person: Cheryl J. Miller

Phone: (559) 646-5437

Fax: (559) 646-5438

Type of Lease: Triple Net

Approx. Leasable Sq. Ft.: 7878

Lease Term: Fifteen (15) years beginning upon delivery of the premises to the Tenant

Options: Two (2) - ten (10) year

**Base Rent
(per month in advance):** \$18,355.00

Rental Increases: 0% for the first three years and then 0.5% each year thereafter.

Percentage Rent: None

Security Deposit: None

Rent Deposit: None

Radius Clause: None

Exclusive Use: Tenant shall have an exclusive for the business of Ambulatory Surgery Center to perform General dentistry under general anesthesia.

Comments: The lease summary contained on this page is intended to summarize in a convenient manner some of this Ambulatory Surgery Center ("ASC") Lease ("Lease"). In the event of any conflict between this summary and the remaining terms and conditions contained in the body of this Lease, such remaining terms and conditions shall control. It is the intention of the parties that, in the event of a dispute between the parties involving interpretation of this Lease, this Lease be interpreted in such a manner to bring a fair, equitable and just result to both parties. The parties acknowledge that every attempt has been made in the negotiation and drafting of this Lease to deal fairly with the parties, and each party has had the opportunity to review, negotiate and be involved in and obtain legal counsel in connection with the drafting of this Lease. Therefore, in the event of any judicial determination of any ambiguities in this Lease, it is the parties' intent that the court attempt to resolve the matter equitably and that such court should not strictly construe the Lease against any party.

Exhibits:

Exhibit A	Site Plan & Complete Building Plans
Exhibit B	Construction Exhibit to Lease
Exhibit C	Commencement of Term Notice
Exhibit D	Tenant Estoppel Certificate
Exhibit E	Sign Criteria
Exhibit F	Right of First Refusal

AMBULATORY SURGERY CENTER LEASE

On _____ THIS LEASE is entered into by and between M-D Ventures (hereinafter "Landlord") and Sierra Kings Dental Surgery Center, a general partnership (hereinafter "Tenant"), for the term at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

1. PREMISES

1.1 **Premises.** Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises situated in the City of Parlier, County of Fresno, State of California as shown on Exhibit A hereto. The Premises are approximately one hundred (100) feet in frontage by seventy five (75) feet in depth, containing approximately 7,878 square feet of floor area and represents one hundred percent (100%) of the building. The Premises address is 145 South Newmark Avenue, Parlier, CA 93648. If the property is not already owned by Landlord, Tenant acknowledges that this lease is contingent upon Landlord purchasing the property and developing the intended project. Tenant also acknowledges that the site plan for the ASC is tentative and that Landlord may change the shape, size, location, number and extent of the improvements to any portion of the ASC, provided Landlord shall not change the size or location of the Premises without Tenant's consent except as provided for in Section 23.24. The Premises address is 145 South Newmark Avenue, Parlier, CA 93648. Tenant shall do business as Sierra Kings Dental Surgery Center.

1.2 **Work of Improvement.** The obligations of Landlord have been fulfilled as Tenant is taking the Premises in their existing "as is" condition; subject, however, to Landlord meeting its obligations to deliver a turn-key space for an ambulatory surgery center subject only to Tenant's obligations to fixtimize the Premises prior to operating. Tenant agrees to perform the work and supply material and labor to prepare the Premises for occupancy are set forth in detail in Exhibit B hereto. Tenant shall commence the construction of Tenant's Work as described in Exhibit B promptly and shall diligently prosecute such construction to completion. Tenant shall expend all funds and do all acts required of them in Exhibit B and shall have the work performed promptly and diligently in a first-class workmanlike manner. Any construction defects relating to Landlord's work will be corrected at no expense to Tenant, upon written notification to Landlord by Tenant, given within sixty (60) days of the date Tenant takes possession of the Premises.

2. TERM

2.1 **Term.** The lease term shall be fifteen (15) full years, plus the partial year in which the rental commences. The parties hereto acknowledge that certain obligations under various provisions hereof may commence prior to the lease term (for example, construction, indemnity, liability insurance, and others), and the parties agree to be bound by such provisions prior to the commencement of the lease term.

2.2 **Options.** Provided Tenant has not been in default of this lease and while Tenant is in possession of subject premises, Tenant shall have two (2) option(s) to extend the term of this lease for ten (10) year(s) each, provided Tenant notifies Landlord, in writing of his intention to exercise his option at least 180 days prior to the expiration of the initial or extended term, as the case may be. The terms and conditions of the option shall be on the same terms and conditions as this Lease, except that (i) the initial Minimum Rent shall have been adjusted as provided in Section 4.2 below, and shall annually thereafter be likewise adjusted, and, (ii) there shall be no further option to extend. It is expressly agreed that this option is only for the personal benefit of Sierra Kings Dental Surgery Center, a general partnership, and its general partners, and may not be assigned, transferred or sold to any other person without the express written consent of Landlord first had and obtained, which consent may be withheld at Landlord's sole discretion. After execution of this Lease and after the recording of Landlord's construction financing, Landlord will record a right of first refusal in favor of Tenant in the form of Exhibit "F".

3. RENT

3.1 **Minimum Rent.** Tenant agrees to pay to Landlord as Minimum Rent, without notice or demand, the monthly sum of Eighteen Thousand Three Hundred-Fifty-five Dollars and No/100 (\$18,355.00), in advance, on or before the first day of each and every month during the term hereof, except that the first month's rent shall be paid upon the execution of this Lease. The rental shall commence Sixty (60) days after Landlord's delivery of the Premises to Tenant with all of Landlord's work completed.

Rent for any period which is for less than one (1) month shall be prorated based upon a thirty (30) day month. Said rental shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing.

3.2 **Percentage Rent.** Intentionally deleted.

4. RENTAL ADJUSTMENTS

4.1 **Tax and Other Charges.** In addition to the rental otherwise provided in this Lease, and as of the commencement of the obligation to pay Minimum Rent, tenant shall pay to Landlord as additional rent the following items, herein called Adjustments:

- A. All real estate taxes and insurance premiums on the Premises, including land, building and improvements thereon. Said real estate taxes shall include all real estate taxes and assessments that are levied upon or assessed against the Premises, including any gross income taxes or excise taxes or any taxes which may be levied on rents, possession, leasing, operation or management or which are based on this transaction or any document to which insurance premiums for fire, extended coverage, public liability, and any other insurance that Landlord deems necessary on the Premises. Said taxes and insurance premiums for purposes of this provision shall be reasonable apportioned in accordance with the total floor area of the Premises as it relates to the total leasable floor area of the building(s) which Landlord owns (provided that if any tenants in said building or buildings pay taxes directly to any taxing authority or carry their own insurance, as may be provided in their leases, their square footage shall not be deemed being a part of the total floor area of the building(s)).
- B. The percentage of the total cost of the following items as Tenant's total floor area bears to the total leased (not leasable) floor area of the ASC building, as the case may be.
 - (i) All insurance costs attributable to, and all costs to illuminate, maintain the parking lots, sidewalks, driveways and other areas used in common by the tenant or occupants of the ASC, as the case may be.
 - (ii) All costs for graffiti removal, vandalism and touch-up painting of the exterior surfaces of the building. Landlord shall also have the right to repaint the building as Landlord deems necessary, but in no event more than once every four (4) years.
 - (iii) All costs to supervise and administer said parking lots, sidewalks, driveways and other areas used in common by the tenants or occupants of the ASC. Said costs shall include such fees as may be paid to a third party.
 - (iv) Any parking charges, utilities surcharges, or any other costs levied, assessed or imposed by or at the direction of, or resulting from, statutes or regulations or interpretations thereof, promulgated by any governmental authority in connection with the use or occupancy of the Premises or the parking facilities serving the Premises.

4.2 **Cost of Living Adjustment.** Upon each and every anniversary date of the commencement of the term of this Lease, the Minimum Rent shall be increased by 0% for the first three (3) years and then 0.5% for each year thereafter.

5. PERSONAL PROPERTY TAXES

Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon or measured by the value of its business operation or its furniture, fixtures, leasehold improvements, equipment and other property of Tenant at any time situated on or installed in the Premises by Tenant. If at any time during the term of this lease any of the foregoing are assessed as a part of the real property of which the Premises are a part, Tenant shall pay to Landlord upon demand the amount of such additional taxes as may be levied against real property by reason thereof.

6. USE

6.1 **Use.** Tenant shall use the Premises as a Ambulatory Surgery Center for the purpose of providing out patient surgical services and under the trade name, if any, specified in Section 1.1 hereof, medical offices and related uses, and for no other purpose and under no other trade name without the prior written consent of Landlord.

6.2 Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the suitability of the Premises for the conduct of the Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises were at such time in satisfactory condition unless within fifteen (15) days after Tenant shall give Landlord written notice specifying in reasonable detail the respects in which the Premises or the building were not in satisfactory condition.

6.3 Uses Prohibited.

A. Tenant agrees that it will not use or permit any person to use the Premises for any use or purpose in violation of any governmental law or authority and that Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not relating to or affecting the condition, use or occupancy of the Premises, and not related to or affecting Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

B. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Premises or any building of which the Premises may be a part or any of its contents (unless Tenant shall pay any increased premium as a result of such use or acts), or cause a cancellation of any insurance policy covering the Premises or any building of which the Premises may be a part of any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about the Premises any articles which may be prohibited by a standard form policy of fire insurance.

C. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the building of which the Premises may be a part, or injure or annoy them, or use or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises. Tenant shall keep the Premises in a clean and wholesome condition, free of any objectionable noises, odors or nuisances.

6.4 Waste Disposal

A. Tenant agrees that all trash and rubbish of Tenant shall be deposited within receptacles and that there shall be no trash receptacles permitted to remain outside the building. Tenant further agrees to cause such receptacles to be emptied and trash removal at its own cost and expense. All medical and biological waste generated by Tenant on the Premises shall be disposed of by Tenant in compliance with all laws.

7. UTILITIES

Tenant agrees to pay for all water, gas, power and electric current and all other utilities supplied to the Premises. If any utilities are furnished by Landlord, then the rates charged to Tenant shall not exceed those of the local public utility company if its services were furnished directly to Tenant, and shall not be less than its pro rata share of any jointly metered service as reasonably determined by Landlord. Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility service being furnished to the Premises. No such failure or interruption shall entitle Tenant to terminate this Lease.

8. MAINTENANCE AND REPAIRS; ALTERATIONS AND ADDITIONS; FIXTURES

8.1 Maintenance and Repairs

A. Repairs by Landlord. Landlord shall repair and maintain only the structural portion of the Premises. If the repair or maintenance is caused in whole or in part by the neglect, fault or omission of Tenant, its agents, employees or invitees, in which event Tenant shall pay to Landlord the cost of such maintenance or repair. For purposes of this Lease, the structural portion of the Premises shall mean and refer only to the foundations, bearing and exterior walls (excluding glass and doors and excluding exterior finishes), sub flooring, structural portions of the roof, unexposed HVAC, electrical, plumbing, gas and utility lines, and major repairs of the HVAC system. Landlord shall have no obligation to repair until a reasonable time after the receipt by Landlord of written notice of the need for repairs. Unless otherwise specifically provided in this Lease, there shall be no abatement of rent and no liability of Landlord by reason of any injury

to or interference with Tenant's business arising from the making of new repairs, alterations or improvements in or to any portion of the Premises. Tenant waives the provisions of any law permitting Tenant to make repairs at Landlord's expense. The parties acknowledge that the Premises will be a new construction. As such, for those items not repaired by Landlord, Landlord shall provide Tenant with the benefit of any and all warranties related to the Premises, including without limitation, those warranties related to new construction, fixtures, and equipment.

B. Repairs by Tenant. Except as specifically provided in Section 8.1A. above, Tenant at its sole cost, shall maintain, including repair of damage, the Premises in good condition, including routine maintenance of all HVAC systems which shall be serviced according to the requirements of GCR, Title 22. Landlord shall not have any responsibility to maintain the Premises, except as specifically provided in Section 8.1A. Tenant waives the provisions of Civil Code Sections 1941 and 1942 with respect to Landlord's obligations for tenantability of the Premises and Tenant's right to make repairs and deduct the expenses of such repairs from rent.

C. Tenant's Failure to Maintain. In the event Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to maintain the Premises. In the event Tenant fails promptly to commence such work or diligently prosecute the same to completion, Landlord may but is not obligated to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten percent (10%) per annum from the date of such payment. Landlord shall have no liability to Tenant for damage, inconvenience or interference with the use of the Premises by Tenant as a result of performing any such work or by reason of undertaking the repairs required by Section 8.1A above.

D. Condition Upon Expiration of Term. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises in good condition, ordinary wear and tear and damage by causes beyond the reasonable control of Tenant only excepted. Tenant shall indemnify Landlord against any loss or liability resulting from delay by Tenant so surrendering the Premises, including without limitation any claims made by any succeeding tenant founded on such delay.

8.2 Alterations and Additions

A. Tenant shall not make any alterations or additions to the Premises that exceed the cost of \$50,000 and/or change the footprint of the Premises, without Landlord's prior written consent. All alterations, additions, and improvements made by Tenant to or upon the Premises, except counters or other removable trade fixtures, shall at once when made or installed be deemed to have attached to the freehold and to have become the property of Landlord; provided, however, if prior to termination of this Lease, or within fifteen (15) days thereafter, Landlord so directs by written notice to Tenant, Tenant shall promptly remove the non-structural additions, improvements, fixtures, trade fixtures and installations which were placed in the Premises by Tenant and which are designated in said notice and shall repair any damage occasioned by such removal and in default thereof Landlord may effect said removal and repairs at Tenant's expense.

B. Before commencing any such work or construction in or about the Premises, Tenant shall notify Landlord in writing of the expected date of commencement thereof. Landlord shall have the right at any time and from time to time to post and maintain on the Premises such notices as Landlord deems necessary to protect the Premises and Landlord from mechanics' liens, materialmen's liens, or any other liens.

8.3 Installation of Fixtures. It is mutually agreed that in order to expedite the commencement of Tenant's business in the Premises, Tenant may enter upon the Premises for the purpose of installing trade fixtures and furnishings during the construction period, provided that such activity on the part of Tenant shall be done only in such manner as not to interfere with construction and that Landlord shall not be liable to Tenant for damage to or loss of such fixtures, equipment or furnishings, Tenant accepting the full risk for such damage or loss, if any. Tenant shall pay for all utilities consumed by Tenant or its contractors in preparing the Premises for the opening of Tenant's business.

9. ENTRY BY LANDLORD

Landlord, its agents and employees, may enter the Premises with 24 hours advance notice, for the purpose of examining the same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required or permitted to make hereunder.

Tenant hereby grants to Landlord such licenses or easements in and over the Premises or any portion thereof as shall be reasonably required for the installation or maintenance of mains, conduits, pipes or other facilities to serve the Premises or any part thereof.

10. LIENS

Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's sole cost the expense, a lien and completion bond in an amount equal to one and one-half (1½) times the estimated cost of any improvements, additions, or alterations in the Premises which Tenant desires to make, to insure Landlord against any liability for mechanic's or materialmen's liens and to insure completion of the work.

11. INDEMNITY

11.1 Indemnity. Tenant shall indemnify and hold harmless Landlord from and against any and all claims arising from Tenant's use of the Premises or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant or any of its agents, employees, guests or invitees, and from and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Landlord by reason of any such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause other than Landlord's gross negligence or willful misconduct, and Tenant hereby waives all claims in respect thereof against Landlord.

11.2 Exemption of Landlord from Liability. Except for the gross negligence or willful misconduct of Landlord, Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether the damage or injury results from conditions arising upon the Premises or upon other portions of building of which the Premises are a part, or from any other source. Landlord shall not be liable for any damage arising from any act or neglect.

12. LIABILITY INSURANCE

Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability and property damage insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto in a combined single limit of not less than \$5,000,000 for bodily injury and/or property damage. The limits of such insurance shall not limit the liability of Tenant hereunder. Tenant may provide this insurance under a blanket policy, provided that said insurance shall have a Landlord's protective liability endorsement attached thereto. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant. Insurance required hereunder shall be in companies rated A+AAA or better in "Best's Insurance Guide". Tenant shall deliver to Landlord, prior to right of entry, copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord. No policy shall be cancelable or subject to reduction of coverage. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Landlord may carry. Limits on said coverage shall be subject to reasonable increase from time to time.

13. DAMAGE OR DESTRUCTION

In the event the Premises are damaged by fire or other perils, which are covered by extended coverage insurance and which exceed Landlord's deductible, Landlord agrees forthwith to repair them, and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the Minimum Rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by Tenant in the Premises. If the damage is due to the fault or neglect of Tenant, its agents or employees, there shall be no abatement of rent. In no event shall percentage rent be abated. Landlord shall have no responsibility for repair or replacement of Tenant's improvements or trade fixtures.

In the event the Premises are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance, then Landlord shall forthwith repair them provided the extent of the destruction is less than ten percent (10%) of the then full replacement cost of the Premises. In the event the destruction of the Premises is to the extent of ten percent (10%) or more of the then full replacement cost, Landlord shall have the option either (1) to repair or restore such damage, this Lease continuing in full force and effect but the Minimum Rent to be proportionately reduced as above stated, or (2) to give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. In the event of giving such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on the date so specified in such notice and the Minimum Rent, reduced by a proportionate reduction as above stated, shall be paid to the date of such termination.

Notwithstanding anything to the contrary contained in the Article, Landlord shall have no obligation to repair, reconstruct and restore the Premises when the damage resulting from any casualty covered under this Article occurs during the last twenty-four (24) months of the term of this Lease or any extension thereof.

Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacement of any leasehold improvements, fixtures, or other personal property of Tenant.

14. CONDEMNATION

If twenty-five percent (25%) or more of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its option, within sixty (60) days after such taking or appropriation, to terminate this Lease upon thirty (30) days written notice to the other. If any part of the Premises are so taken (and neither party elects to terminate as herein provided), the Minimum Rent thereafter to be paid shall be equitably reduced. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards and/or settlements which may be given and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or for damage for cessation or interruption of Tenant's business.

15. ASSIGNMENT AND SUBLEASE

Tenant shall not voluntarily or by operation of law assign, transfer, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Premises, and shall not sublet or license all or any part of the Premises, without the prior written consent of Landlord in each instance, and any attempted assignment, transfer, mortgage, encumbrance, subletting or license without such consent shall be wholly void. Without in any way limiting Landlord's right to refuse to give such consent for any other reason or reasons, Landlord reserves the right to refuse to give such consent if in Landlord's sole discretion and opinion the professional reputation of the proposed assignee or subtenant is not acceptable to Landlord or financial worth of the proposed new tenant is less than that of the Tenant executing this Lease at the time of such execution.

No subletting or assignment, even with the consent of Landlord, shall relieve Tenant of its obligation to pay the rent and to perform all of the other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

The covenants and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators and assigns of Tenant.

The prohibitions contained in this Section shall not apply to assignments, transfer, and subleases to Tenant, Tenant's partners, and Tenant's or Tenant's partners' affiliated or subsidiaries.

16. WAIVER OF SUBROGATION

Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party shall apply to its insurer to obtain said waivers and shall secure any special endorsements if required by its insurer to comply with this provision.

17. SUBORDINATION; ATTORNMENT; QUIET ENJOYMENT

17.1 **Subordination.** This Lease at Landlord's option shall be subordinate to all underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both and to the lien of any mortgages or deeds of trust in any amount of amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against Landlord's interest or estate therein, or on or against any underlying leases. Tenant agrees to execute any further instruments which may be requested or required to evidence such subordination. If any mortgage, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of this mortgage, deed of trust or ground lease or the date of the recording thereof.

17.2 **Attornment.** In the event any proceedings are brought for default under any underlying lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust covering the Premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

17.3 **Quiet Enjoyment.** Upon Tenant paying the rent reserved herein and observing and performing all of the provisions on Tenant's part to be observed and performed hereunder, including compliance with any Covenants, Conditions or Restrictions (CC&R) and/or Reciprocal Easement Agreements (REA) affecting the Premises, Tenant shall have quiet possession of the Premises during the entire term of this Lease, subject to all provisions hereof and of any such Covenants, Conditions or Restrictions and/or Reciprocal Easement Agreements and to the terms of any said underlying lease, mortgage or deed of trust.

18. DEFAULT; REMEDIES

18.1 **Default.** The occurrence of any of the following shall constitute a default and breach of this Lease by Tenant:

A. Any failure by Tenant to pay the rent or any other monetary sums required to be paid hereunder (where such failure continues for fifteen, (15) days after written notice by Landlord to Tenant);

B. The abandonment or vacating of the Premises by Tenant;

C. A failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, Tenant shall not be deemed to be in default if Tenant shall within such period shall commence such cure and thereafter diligently prosecute the same to completion;

D. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

18.2 **Remedies.** In the event of any such default or breach by Tenant, Landlord may at any time thereafter, without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach;

A. Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession, irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate this Lease, Landlord shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises, as Landlord deems reasonable and necessary, without being deemed to have elected to terminate this Lease, including removal of all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new tenant taking possession of the Premises.

B. Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including without limitation the following: (i) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (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 is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises which Landlord in its sole discretion deems reasonable and necessary. As used in (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum from the date of default. As used in (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the U.S. Federal Reserve Bank at the time of award plus one percent (1%). The term "rent", as used in this Section 19, shall be deemed to be the rent to be paid pursuant to Section 3 and all other monetary sums required to be paid by Tenant pursuant to the terms of this Lease.

C. Acceptance of partial rent payment shall not constitute a waiver of any of Landlord's rights available under this Lease or at law or equity; including without limitation, the right to recover possession of the Premises.

18.3 **Late Charges.** Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting expenses and late charges which may be imposed on Landlord by the terms of any mortgage or deed of trust covering the Premises. Accordingly, if any installment of rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to five (5%) percent of such overdue amount. The parties hereby agree that such late charges represent a fair and reasonable estimate of the costs that Landlord would incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amounts, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

18.4 **Default by Landlord.** Landlord shall not be in default unless Landlord fails to perform obligations required of it within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligations; provided that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

19. PARKING AND COMMON AREAS

Landlord covenants that upon completion of the Premises the parking areas for Tenant's use shall be as set forth in the Site Plan and shall comply with the requirements of the City of Parlier. Said parking areas shall be at all times available for the non-exclusive use of Tenant during the full term of this Lease, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all such common and parking areas shall not constitute a violation of this covenant, and Landlord reserves the right to close, if necessary, all or any portion of such common or parking areas to such extent as may in the opinion of Landlord's counsel be legally necessary to prevent a dedication thereof or the accrual of any right of any person or of the public therein; to close temporarily all or any portion of the common areas to discourage non-customer use; to use portions of the common areas while engaged in making additional improvements or repairs or alterations to the Premises; and to do and perform such other acts in, to, and with respect to the common areas as Landlord shall reasonably determine to be appropriate for the Premises. Landlord further reserves the right to increase or reduce the common areas and to change the entrances, exits, traffic lanes and the boundaries and locations of such common and parking areas, provided that no such modifications or changes shall materially reduce the total amount of the common or parking areas available under this Section. To the extent that parking areas are reduced to a point that is insufficient for Tenant's use, Landlord and Tenant shall meet in good faith to determine a reasonable resolution to such problem. If the parties are unable to resolve their differences, the parties agree to submit this dispute to binding arbitration according to the rules of JAMA or AAA.

19.1 Prior to the date of Tenant's opening for business in the Premises, Landlord shall cause said common and parking area or areas to be graded, surfaced, marked and landscaped at no expense to Tenant.

19.2 All Expenses in connection with maintaining said parking and common areas shall be charged and prorated in the manner as set forth in Section 4.B. above.

19.3 Tenant, for the use and benefit of Tenant, its agents, employees, customers, licensees and sub-tenants, shall have the nonexclusive right in common with Landlord, and other present and future owners and tenants and their agents, employees, customers, licensees and sub-tenants, to use said common and parking areas during the entire term of this Lease.

19.4 Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules and as Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include but shall not be limited to the following: (1) Restriction of employee parking to a limited, designated area or areas; and (2) Regulation of the removal, storage and disposal of Tenant's refuse and other rubbish at the sole cost and expense of Tenant. At no time shall Landlord impose any fees, costs or charges on customers for parking on or at the Premises.

19.5 Landlord shall have the right in its sole and absolute discretion to place and install pay telephones, ATM's, cellular towers or the like in the common areas of the Premises, but in no event shall they be in front of the Tenant's demised premises. All earnings and commissions therefore shall be the property of the Landlord. Landlord shall assume all expenses for upkeep and repair.

20. SIGNS

20.1 Except as provided in Exhibit E, Tenants may affix and maintain upon the glass panes and supports of the show windows and upon the exterior walls of the Premises only such signs, advertising placards, names, insignia, trademarks and descriptive materials as shall have first received the written approval of Landlord as to type, size, color, location, copy nature and display qualities. Anything to the contrary in this Lease notwithstanding, Tenant shall not fix any sign to the roof. Tenant shall, however, erect one sign on the front of the Premises not later than the date Tenant opens for business, in accordance with a design to be prepared by Tenant and approved in writing by Landlord.

21. MISCELLANEOUS

21.1 **Rules and Regulations.** Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate and/or modify. Landlord shall not be responsible to Tenant for the non-performance of any of said rules and regulations by any other tenants or occupants.

21.2 **Estoppel Certificate.** Tenant shall at any time and from time to time, upon not less than three (3) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

21.3 **Transfer of Landlord's Interest.** In the event of a sale or conveyance of Landlord's interest in the Premises, other than a transfer for security purposes only, Landlord shall be relieved of all obligations and liabilities accruing thereafter on the part of Landlord provided that any funds in the hands of Landlord at the time of transfer in which Tenant has an interest shall be delivered to Landlord's successor.

21.4 Captions; Attachments; Defined Terms.

A. The captions of paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

B. Exhibits and addenda attached or affixed hereto are deemed a part of this Lease and are incorporated herein by reference.

G. If there be more than one Tenant, the obligations hereunder imposed shall be joint and several; as to a Tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "Landlord" shall mean only the owner or owners at the time in question of the fee title or a tenant's interest in a Master Lease of the Premises or the Shopping Center. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

21.5 Entire Agreement. This Lease constitutes the entire agreement between Landlord and Tenant relative to the Premises and supersedes any prior agreements, brochures or representations, whether written or oral. This Lease may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

21.6 Severability. If any provision of this Lease shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall be valid and enforceable to the fullest extent permitted by law.

21.7 Cost of Suit. If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

21.8 Time. Time is of the essence of this Lease and each and every provision hereof.

21.9 Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof, and all rights and remedies of the parties shall be cumulative and not exclusive of any other remedy at law or in equity. This Lease shall be governed by the law of the State of California.

21.10 Waiver. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any covenant, term or condition. Acceptance by Landlord of any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by Landlord in writing.

21.11 Surrender of Premises. The voluntary or other surrender of this Lease by Tenant, or mutual cancellation thereof, shall not work a merger, and shall at the option of Landlord terminate all or any existing subleases or may at the option of Landlord operate as an assignment to it of any or all such subleases.

21.12 Holding Over. If after expiration of the term, Tenant remains in possession of the Premises, at the option of the Landlord, Tenant shall become a Tenant from month to month only, upon all provisions of this Lease (except as to term and base rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the base rent applicable during the last rental period of the lease term under this lease, payable by Tenant. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month to month tenancy, he shall give the other party not less than thirty (30) days advance written notice of the date of termination. Any option to renew, extend or purchase, or other options, do not survive the expiration or early termination of this lease.

21.13 Inability to Perform. If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of strike, labor trouble, acts of God or any other cause beyond the reasonable control of such party (financial inability excepted), and such party is otherwise without fault, then performance of such act shall be excused for the period of the delay, provided that the foregoing shall not excuse Tenant from the prompt payment of any rental or other charge required to Tenant hereunder unless otherwise specifically so stated in this Lease.

21.14 Reasonable Consent. Wherever in this Lease Landlord or Tenant is required to give its consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld.

21.15 Interest on Past Due Obligation. Except as expressly herein provided, any amount not paid to Landlord when due shall bear interest at five percent (5%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

21.16 Notices. All notices or demands of any kind required or desired to be given by Landlord or Tenant hereunder shall be in writing and shall be deemed delivered upon personal delivery, or, if mailed, then forty-eight (48)

hours after depositing the notice or demand in the United States mail, certified or registered return receipt requested, postage prepaid, addressed to Landlord or Tenant respectively at the addresses set forth on the page entitled Lease Summary.

21.17 Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with the By-Laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.

21.18 Recordation. Neither Landlord nor Tenant shall record this Lease. If Landlord so elects, it may record a short form hereof, in which case Tenant agrees to execute and deliver to Landlord a notarized copy of the memorandum of such short form.

21.19 Tenant waives the provision of Civil Code Section 1932 (2) and 1933 (4) with respect to the destruction of the leased Premises and termination of the lease by operation of law.

21.20 Possession of the leased Premises shall be granted to Tenant only after checks or drafts for security, rental or improvement deposits have cleared the bank.

21.21 Covenants, Conditions, and Restrictions. Tenant acknowledges and agrees to abide by all provisions set forth in the Covenants, Conditions, and Restrictions established for the facility.

21.22 Real Estate Amendments. Tenant acknowledges and agrees to abide by all provisions set forth in the Real Estate Amendment established for the facility.

21.23 Common Area Maintenance Agreement. Tenant acknowledges and agrees to abide by all provisions set forth in the Common Area Maintenance Agreement established for the facility.

22. HAZARDOUS WASTE

Landlord and Tenant each for themselves hereby warrant and represent to the other that there are no, nor has there ever been nor will be any Hazardous Substances used, stored, treated, transported, generated, or disposed of on, in or about the Premises by the party making the warranty and representation nor any agent, employee, contractor, invitee or predecessor or successor in interest of that party in violation of any Hazardous Substance Laws. Notwithstanding the foregoing, Tenant makes no warranty or representation as to any prior owner or occupant of the Premises. If Hazardous Substances have been or are used, stored, generated or disposed of on, in or about the Premises in violation of this Paragraph, the breaching party shall indemnify, defend and hold the other party harmless from and against any liability, cost, damage or expense incurred or sustained, including, but not limited to, reasonable attorney's fees and expenses, court costs, and costs incurred in the investigation, settlement and defense of claims resulting from or in connection with said violation. The term "Hazardous Substances" as used herein means any substance that is toxic, ignitable, reactive or corrosive or any substance defined as a Hazardous Substance by any local government, state or the United States, including but not limited to, asbestos, polychlorobiphenyls ("PCB"), and petroleum and petroleum products if stored, contained or utilized in violation of applicable laws. The term "Hazardous Substances Laws" as used herein means a law or regulation of a local government, state, or United States related to or addressing Hazardous Substances. It is specifically understood and agreed to by the parties that the warranties, representations and indemnities contained in this paragraph shall survive the expiration or earlier termination of the Lease Term. This section shall apply to medical and/or biological waste that is stored, maintained, and/or disposed by Tenant as required by applicable law.

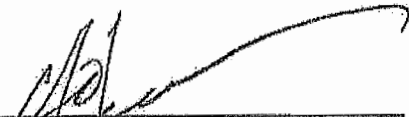
23. EXCLUSIVE


So long as Tenant is not in default of the lease, throughout the Term, as it may be extended under the terms of this Lease, Landlord agrees not to lease or sell space in this to a tenant who as their primary business does out patient surgical services, rural health clinics, federally qualified health clinics, or dental offices.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the date and year first above written.

Landlord:

M-D Ventures
A California general partnership

By: 
Hideki Ogan, Partner
M-D Ventures

By: 
Wes Isaac, Partner
M-D Ventures

Date: 10-18-06

Address:
1805 8th Street
Reedley, CA 93654

Tenant:

Sierra Kings Dental Surgery Center
A California general partnership

By Sierra Kings Health Care District, a California
Healthcare district organized pursuant to the Local
Health Care District Law of California, Partner

By:
Melvyn Patashnik, CEO

By Bloss Memorial Health Care District, a California
Healthcare district organized pursuant to the Local
Health Care District Law of California, Partner

By:
Ed Lujano, CEO

Date: 10.17.06

Address:
145 South Newmark Ave,
Parlier, CA 93648

EXHIBIT "A"
SITE AND BUILDING PLANS
See Plans Attached

EXHIBIT "B"
CONSTRUCTION OF PREMISES

I. LANDLORD'S WORK

Landlord's work is complete, and Tenant accepts the Premises "as is". Notwithstanding the provision, Tenant shall have ninety (90) days from completion of construction and occupancy of the Premises to provide Landlord with a punchlist of items, if any, that require completion or repair. Landlord shall diligently pursue to completion such completion or repair of said punchlist items. To the extent that Landlord does not diligently perform the same, Tenant may complete or repair such items and deduct the cost of the same from Landlord.

A. ELECTRICAL FIXTURES AND EQUIPMENT. All meters, electric fixtures and equipment (including installation expenses), and electrical wiring and conduit for Tenant's fixtures. Tenant to hook-up medical equipment at tenants expense.

B. GAS CONNECTIONS. All gas meters and connection fees and charges from street to Tenant's fixtures.

C. TELEPHONE. All wire and installation charges for telephone service in the Premises from telephone room or panel. Tenant to install their telephone equipment. Tenant shall be responsible for making all arrangements for telephone service in the Premises.

D. WALLS. All interior partitions and curtain walls within the Premises including fire corridor.

E. FLOOR COVERINGS. All floors shall be covered with carpet, vinyl tile or comparable floor covering.

F. ALARM SYSTEMS, ETC. All alarm systems or other protective devices for fire or theft shall be installed by Tenant and approved by Landlord and no warning signs shall be affixed to the exterior of the Premises without Landlord's consent.

G. SPECIAL PLUMBING. All extra plumbing, either roughing-in or fixtures, required for tenant's special needs.

H. PERMITS. All required building permits, fees and certificates of occupancy, utility fees, deposits as required by the utility companies.

I. ROOF. Tenant and/or Tenant's contractor shall not penetrate the roof of the Premises without the prior written approval of Landlord.

J. OTHER. Any other work required by Tenant or required by governmental code, or ordinance not covered herein, including but not limited herein, fire exit and corridors.

K. TENANT'S SIGN, CONDUIT, J. BOX AND ELECTRICAL PER LANDLORD'S SIGN CRITERIA. Tenant must use Landlord's designated sign contractor, so long as he is competitive, for the installation of Tenant's sign. As per Landlord's architect or sign contractor designated as ("Facility Sign Contractor") Tenant must follow the Sign Criteria as set forth in Exhibit "E" attached to this Lease and shall install the minimum signage set forth in the Sign Criteria. Electrical run for tenant sign to be installed by Landlord at tenant's expense per Sign Criteria. Any IMPROVEMENTS DONE BY TENANT SHALL MEET ALL GOVERNMENT CODES AND REQUIREMENTS AND BE DONE BY LICENSED CONTRACTORS AND TRADESMEN.

L. ADA Requirements. All construction shall be performed as required by the Americans with Disabilities Act of 1996, as amended from time-to-time, and similar and Federal and State laws related thereto.

Landlord:

M-D Ventures

By: 
Hideki Otani, Partner

By: 
Wes Isaac, Partner

Date: 10-18-06

Tenant:

Sierra Kings Dental Surgery Center

By: 
Melvyn Patashnick, CEO, SKHCD

By: 
Ed Lujano, CEO, BMHD

Date: 10.17.06

EXHIBIT "C"

COMMENCEMENT OF TERM NOTICE

To: Sierra Kings Dental Surgery Center

Date: June 26, 2008

Re: Lease dated August 1, 2006 between M-D Ventures, A California General Partnership (Landlord) and Sierra Kings Dental Surgery Center, a California General Partnership (Tenant) concerning Sierra Kings Dental Surgery Center, 145 South Newmark Avenue, Parlier, California.

Gentlemen:

In accordance with the subject Lease, we wish to advise and/or confirm as follows:

1. That the Premises have been accepted herewith by the Tenant as being substantially complete in accordance with the subject Lease, and that there is no deficiency in construction.
2. That the Tenant has possession of the subject Premises and acknowledges that under the provisions of the subject Lease, the term of said Lease shall commence as of August 25, 2008 for a term of 184 months, ending on, December 25, 2023.
3. That in accordance with the subject Lease, rental commenced to accrue on August 25, 2008.
4. If the commencement date of the subject Lease is other than the first day of the month, the first billing will contain a prorate adjustment. Each billing thereafter shall be for the full amount of the monthly installment as provided for in said Lease. Landlord and Tenant agree that this statement is not applicable.
5. Rent is due and payable in accordance with the subject Lease. Your rent checks should be made payable to M-D Ventures at 1805 8th Street, Reedley, CA 93654, beginning August 25, 2008.

AGREED AND ACCEPTED:

LANDLORD:

M-D Ventures

By:


Hani Stani, Partner

By:


Wes Isaac, Partner

Address: 1805 8th Street
Reedley, CA 93654

Telephone: (559) 638-1228

Date of Execution:

6-25-08

TENANT:

Sierra Kings Dental Surgery Center

By:


Pamela Ott, CEO

By:


Ed Lujano, CEO

Address: 145 South Newmark Avenue
Parlier, CA 93648

Telephone: (559) 646-5437

Date of Execution:

06-25-08

EXHIBIT "D"

TENANT ESTOPPEL CERTIFICATE

The undersigned, as Tenant under that certain Lease (the "Lease") dated August 1, 2006 made with M-D Ventures, as Landlord, does hereby certify:

1. The copy of the Lease attached hereto is a true and complete copy of the Lease, and except as attached thereto, there are no amendments, modifications or extensions of or to the Lease and the Lease is now in full force and effect.
2. Our Premises under the foregoing Lease have been completed in accordance with the terms of the Lease, and we have accepted possession of said Premises, and we now occupy the same.
3. Rental commenced on August 25, 2008 and the present status of payment is as follows:

Current Monthly Rental \$ 18,355.00

There exist no defenses or offsets to enforcement of the Lease by the Landlord and, so far as is known the Landlord is not as of the date hereof, in default in the performance of the Lease, nor has the Landlord committed any breach thereof, nor has any event occurred which, with the passage of time or the giving of notice, or both, would constitute a default or breach by the Landlord.

We understand and acknowledge hereby that you are relying on the above representations of the undersigned in either, (a) advancing funds to purchase the existing first mortgage loan covering the building in which the leased Premises are located, or (b) purchasing the building in which the leased Premises are located and do hereby warrant and affirm to and do for your benefit, and that of your successors and assigns, that each of the foregoing representations is true, correct and complete as of the date hereof.

TENANT: Sierra Kings Dental Surgery Center

By: 
Pamela Ott, CEO

By: 
Ed Lujano, CEO

Date: 06.25.08

EXHIBIT "E"

SIGN CRITERIA FOR SIERRA KINGS DENTAL SURGERY CENTER PARLIER, CA

This criteria establishes exterior building sign standards necessary to ensure the coordinated proportional exposure for the mutual benefit of all tenants. All signs are to be in accordance with the City of Parlier sign ordinance. Any installed non-conforming or unapproved signs must be brought into conformance at the expense of the tenant.

I. GENERAL REQUIREMENTS

- A. Each tenant shall submit or cause to be submitted to the landlord for approval before manufacturing at least two copies of detailed drawings indicating the location, size, layout, design, dimensions, color, illumination, materials and method of attachment for the proposed signs.
- B. The landlord reserves the right to reject any work determined to be in noncompliance with the intent of the sign criteria.
- C. All permits for signs and their installation shall be the responsibility of the tenant's sign contractor.
- D. The tenant shall pay for all signs and their installation to include permits and maintenance except that the sign contractor shall provide a full one year electrical warranty.
- E. All building signs shall be installed prior to the date the tenant opens for business.
- F. Upon vacating premises by tenant, old signs shall be removed within ten calendar days and all damages to the building shall be repaired at tenant's expense.
- G. Sign construction and installation shall comply with all local and state building and electrical codes, N. E. C. and U. L. standards.
- H. Sign contractor must be U. L. Listed and must hold a current state contractor's license and city business license.
- I. Sign company shall carry Workers' Compensation and Public Liability insurance against all damage suffered or done to any and all persons and/or property while engaged in the construction or erection of signs in the amount of one million dollars (\$1,000,000) combined single limit and shall provide a certificate showing the property owner and tenant as additional insured.

II. SIGN SPECIFICATIONS

- A. Wording of signs shall not include the product sold, except as part of the tenant trade name or insignia, unless approved by landlord/developer.
- B. No audible, flashing or animated signs will be permitted, nor portable signs will be permitted.
- C. Electrical service to all signs will be connected to tenant's meter. Hours of illumination will be determined by the landlord to insure a uniform visual appearance.
- D. No labels will be permitted on the exposed surface of signs, except those required by local ordinance which shall be placed in an inconspicuous location.
- E. All penetrations of the building structure required for sign installation shall be patched to match adjacent finish and result in a watertight seal.
- F. Tenant shall be fully responsible for the operations of the tenant's sign contractors.

III. SIGNS

A. Building Signs

1. Wall signs to be individual illuminated letters. Letters to be pan channel type letters. Returns and backs to be constructed out of aluminum, with a material thickness of at least .040 or greater. Returns to be pre-coated black. Letter faces to be 3/16" acrylic plastic attached to letters using 3/4" black trim cap.
2. All letters will have double tube neon, with the exception of this faced letters or letters below 12" tall. Electrobit boots with GTO sleeving will be used for all electrode receptacles.
3. Maximum letter height is 30". Two lines of copy may be used, but may not exceed a total of 30" in height. Logos may be used with landlord's approval only. All other construction will apply.
4. Letters to be installed flush mounted to building fascia.

IV. INSTALLATION AND MAINTENANCE

- A. Tenant shall be responsible for the installation and maintenance of all signs. Should tenant's signage require maintenance or repair, landlord will give tenant thirty days written notice to perform said maintenance or repair. Should tenant fail to do the same, landlord shall undertake repairs and tenant shall reimburse landlord within ten days from receipt of invoice.

V. MISCELLANIOUS SIGNS

- A. Each tenant shall be permitted to place upon each entrance or designated area not more than 144 square inches of vinyl application lettering not to exceed two inches in height, including hours of business, emergency numbers, alarm permit number, etc. with written approval of the landlord.
- B. Except as provided herein, no advertising place cards, banners, pennants, names, insignia, trademarks or other descriptive materials shall be affixed or maintained upon the glass panes of the facility windows or doors, or upon the exterior walls of the building without written previous approval of the landlord.

EXHIBIT "F"

RIGHT OF FIRST REFUSAL
BY AND BETWEEN M-D VENTURES ("LANDLORD")
AND SIERRA KINGS DENTAL SURGERY CENTER ("TENANT")

In the event that Landlord either receives an offer to purchase the Premises from a third party or desires to make an offer to sell the Premises to a third party, before, in either event Landlord accepts such offer to purchase or makes such offer to sell, Landlord shall give Tenant written notice of the terms and provisions of the proposed offer. Such notice from Landlord to Tenant shall constitute an offer by Landlord to sell the Premises to Tenant on the terms set forth in the notice. Tenant shall have a period of fifteen (15) days from the date Landlord gives such notice in which to accept such offer by giving Landlord written notice of acceptance. If Tenant fails to so accept such offer, Landlord shall be free to sell the Premises on the terms as set forth in the notice as given by Landlord. If Tenant gives notice of acceptance then Landlord and Tenant shall proceed to purchase and sell the Premises on the terms set forth in the original notice as set forth by Landlord.

The terms of this right of first refusal are subordinate to Landlord's construction financing and to any long-term financing hereafter placed of record by Landlord. Tenant agrees to execute such other and further documents as may be reasonably required by any lender in connection with the subordination of this right of first refusal.

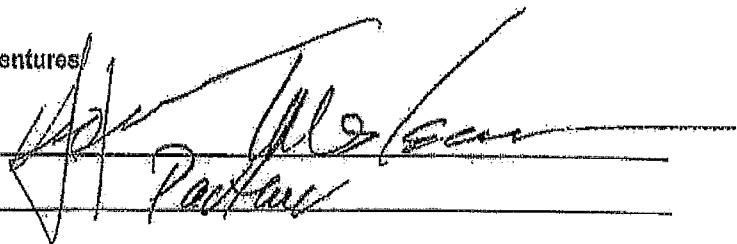
The right of first refusal herein granted terminates automatically upon any termination of the term of the Lease.

Dated: 10-08, 2006

M-D Ventures

By:

Title:



M. D. Ventures
1805 8th Street
Reedley, California 93674
Phone: (559) 631-1139

December 19, 2011

To: Bloss Memorial Hospital District
From: M-D Ventures
Re: Property Tax billing
Attn: Cheryl Miller

DEC 21 2011

The total tax bill for this parcel is \$19,680.54.

The portion due from Bloss Memorial Hospital District is .7335 % of this bill. The tax bill for 2011 / 2012 is \$14,435.68.

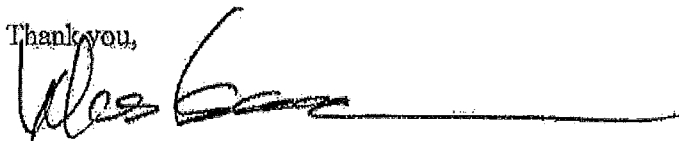
Due December 10, 2011 \$7,217.84

~~Due April 10, 2012~~

~~XXXXXX~~

As we have already paid the December payment, that payment is now due..

Thank you,



Wes Isaac
Partner
M-D Ventures

00-1108-0001

2011 — 2012



1800 5TH
REEDLEY CA 93654

TAXES		
9,840.27	9,840.27	19,680.54
FULL VALUE		
150,000	1,455,000	
1,605,000	A04-W1699	
LOCATION		TAX RATE AREA
1.72 AC IN SE1/4 OF SW1/4 SEC 24 T14R22		007-005

This is a lower rate than the year before!

Thanks Wes

RFP for SCHEMATIC DESIGN (SD) PACKAGE
(One bid was received)

Carrier	\$312,980.00
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BLOSS MEMORIAL HEALTHCARE DISTRICT

REQUEST FOR PROPOSAL (RFP)

Bloss Memorial Healthcare District is seeking bids from a firm who has a complete design team which would include an Architect, Structural Engineer, Mechanical Engineer and Electrical Engineer to coordinate all aspects for the replacement of our current HVAC system at 3605 Hospital Road, Atwater, CA 95301.

Work done to date:

- *Overview of building was put into AutoCAD and all HVAC systems drawn so that we have an overview of systems (record drawings did not have schedules of equipment)*
- *Overall concepts were created from a HVAC perspective only.*

Requesting Bids for the Following:

- *Design team to complete a Schematic Design (SD) package.*
- *After the SD package is complete, project should be able to go straight into Contract Documents (CD).*
- *Once CDs are complete, project would go to the City/County for permitting. At this time, the project will go to bid.*
- *In these phases, need to work closely with firm about*
 - *Any required phasing*
 - *AC unit placements (on ground)*
 - *Allowable downtimes*
 - *Update of controls*
 - *Additional items and upgrades*

Licensing & Prevailing Wage Requirements:

All interested parties must be licensed, appropriately bonded, and show proof of worker's compensation coverage.

The Contractor and all Subcontractors under the Contractor shall pay all workers on Work performed pursuant to this Contract not less than the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work as determined by the Director of the Department of Industrial Relations, State of California, for the type of work performed and the locality in which the work is to be performed, pursuant to sections 1770 et seq. of the

California Labor Code. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are on file at the agency's principal office. Prevailing wage rates are also available at <http://www.dir.ca.gov>.

The Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractor shall post job site notices, as prescribed by regulation. Contractor shall comply with all requirements of Labor Code section 1771.4, except the requirements that are exempted by the Labor Commissioner for the Project.

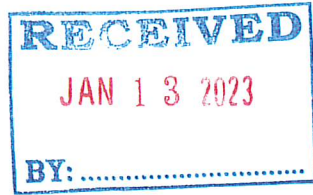
Contractor shall comply with the registration and compliance monitoring provisions of Labor Code section 1771.4, including furnishing its certified payroll records ("CPR(s)") to the Labor Commissioner of California and complying with any applicable enforcement by the Department of Industrial Relations ("DIR"). Labor Code section 1771.1(a) states the following: "A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded."

Logistics:

Walk through and scope of work to be done by appointment. Contact Rick Ramirez, Maintenance Supervisor at (209) 617-0346 between the hours of 7:00 am to 3:30 pm, Monday – Friday.

Bids must be received no later than 5:00 pm, Friday, January 13, 2023. RFP selection will be held at the next scheduled Board of Directors meeting.

Bids may be emailed to calef@cfhcinc.org or faxed to Attn: Fily Cale at (209) 722-9020.



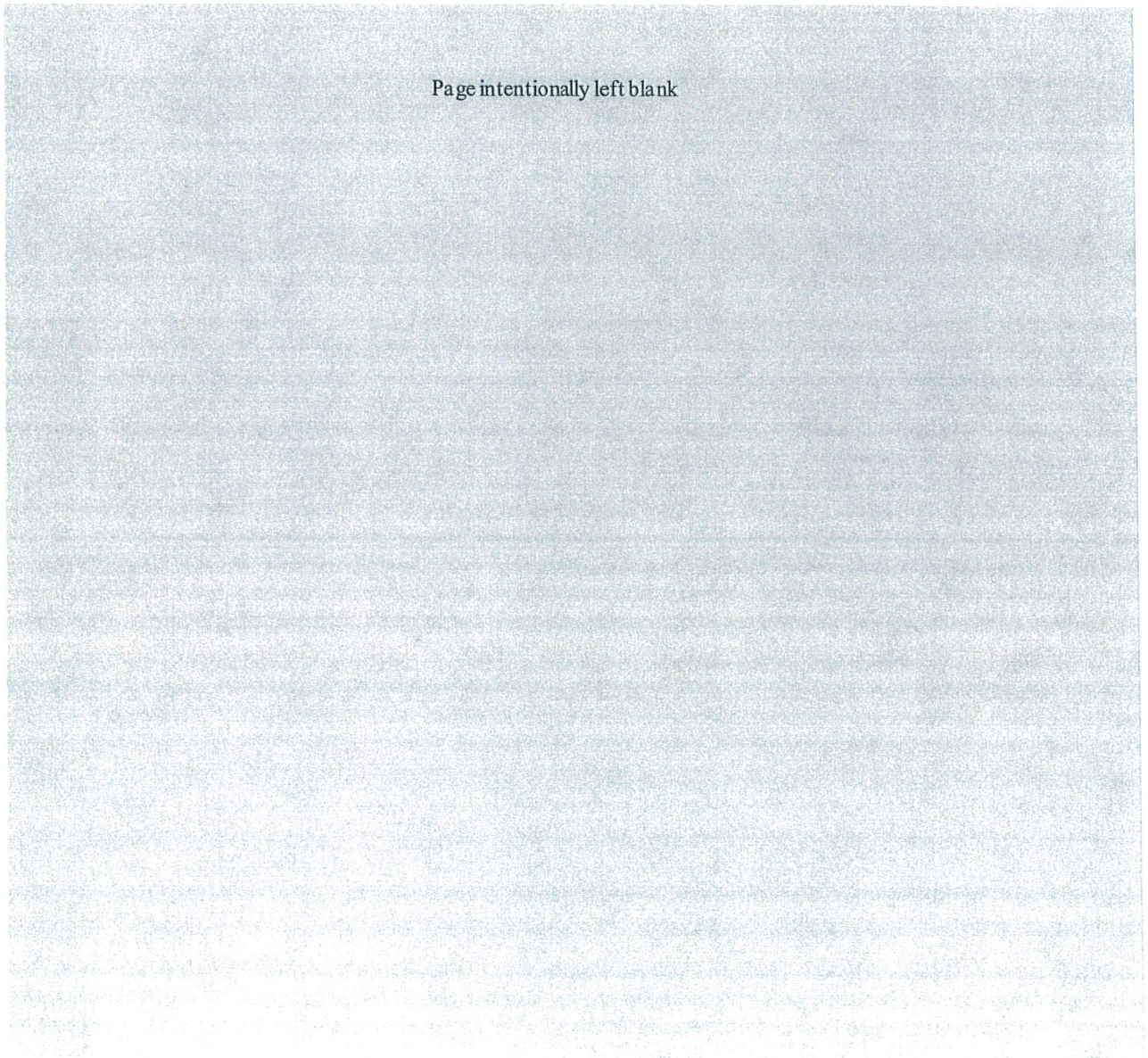
Address 1170 W. National Drive, Suite 50
Sacramento CA 95834
Phone 209-252-2481
Fax 860-622-0499
E-mail jed.thompson@carrier.com

Contact Name Ed Lujano
Account BLOSS MEMORIAL HEALTH CARE DIST
Phone 209-726-0279
Site Address 3605 Hospital Rd
Atwater, CA 95301

Estimate Date 01/11/2023

Quote Number 00724756

Job Description - Schematic Design for Modernization Project



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Thank you for the opportunity to present a fee proposal for the Bloss Memorial Healthcare District HVAC Replacement project. Our proposal is based the RFP and previously knowledge of the project based on our preliminary schematic design package.

Based on this information, following is our understanding of the scope of work:

- Project to replace existing AHU with new package unit as shown in preliminary Schematic Design package.
- Project is a MOB and is to be submitted to the City for review (note – site is not an OSHPD- 3 MOB)
- Design services to be limited to completion of the Schematic Design, then go into Construction Documents. This Contract does not include Bidding and/or Construction Administration (those services will be done under a separate contract).

Based on this information, we will provide mechanical engineering services as follows:

1. Provide HVAC system design for the project. Please note the following assumptions:
 - New HVAC Units to be located on graded and be ducted up sidewalls, across the roof, then connect to existing HVAC Ductwork (in order to avoid extended shutdowns) as shown in the preliminary Schematic Design drawings.
 - New control system to be upgraded.
2. Provide Plumbing system design for the project. Please note the following assumptions:
 - Plumbing design to be limited to new natural gas piping and condensate drain.
3. Weston & Associates to subcontract from the following services/subs:
 - Architect: Kelly Architecture & Planning (KAP)
 - Electrical Engineer – EDGE Electrical Consultants
 - Structural Engineer – ZFA Structural Engineers.
4. Deliverables to include stamped/signed drawings and project specifications.

We have based our fee on the following assumptions (applies to all tasks):

1. We are not responsible for detailed cost estimating for the project; however, we will comment and review cost estimates prepared by others.
2. No Fire Sprinkler modifications will be required for this project.
3. Changes to interior ductwork will be limited to changing reheat coils to terminal boxes. Rezoning and modifications to interior ducting is excluded from this project.
4. Interior architectural changes (such as room reconfigurations) and ADA upgrades are included from this project.
5. Project will be done in AutoCAD. Revit modeling will not be required for this project.
6. Design will does not include pay-back analysis of various types of equipment.
7. It is assumed that the building will not be seeking LEED Certification, Savings by Design, Energy Star, etc. If the design is to include any of these programs, this will be done as an add fee service under a separate fee proposal or on a time and materials basis.
8. Electrical design to include: Power to mechanical equipment, Title 24 Compliance, forms and fire alarm layout as needed.

The scope of work specifically does not include the following:

1. Noise or vibration analysis of the mechanical systems are excluded from this fee proposal.
2. Redesign of mechanical systems due to “value engineering (VE)” is not included as part of this fee proposal. If VE is required for the project, this will be done as an add fee service under a separate fee proposal or on a time and materials basis.
3. Design services to provide alternate bid items.
4. Preparation of owning or operating cost studies, life cycle cost analyses, energy effectiveness studies, and operational and maintenance manuals.
5. Design services related to fire protection systems. Hydraulic calculations of or detailed pipe sizing and/or design of fire sprinkler systems.
6. Modifications to existing building ductwork systems to include fire/smoke dampers and smoke management systems outside the project area.
7. Design services related to commissioning.
8. Design services related to landscape sprinklers, site drainage, site utilities and special piping systems.
9. Design serviced for work outside of the five (5) foot line of the building.
10. Design services, specifications, and procedures related to asbestos abatement

11. Attendance at weekly construction meetings.
12. Bidding and Construction Administration are excluded from this proposal.
13. Electrical testing services not included.
14. Design of temporary services for contractors use not included.

The following engineering services are included as part of this proposal:

1. Consultation, coordination, and design solutions during the design and construction phases of the project.
2. Electronic and reproducible drawings prepared using AutoCAD Software (Revit will not be required).
3. We have assumed that drawings will be provided as PDFs and printing will be by others. If hard copies of drawings are required, they will be invoiced at \$2.50 per 42"x30" sheet.

Based on the above, we will provide all of the basic engineering services listed above for a lump sum of \$312,980.00 (Three hundred and twelve thousand, nine hundred and eighty dollars)

Exclusions / Clarifications

This quote does not include the waste disposal and labor performed outside normal business hours unless otherwise noted. The quoted price does include any sales, excise, or similar taxes that apply.

Excludes any install, HVAC equipment or work outside of what is outlined above.

Total Quoted Price

Total Price for Scope of Work including applicable taxes: \$312,980.00

This proposal is valid for 30 days from the date of proposal. Carrier's terms and conditions will govern in lieu of any other terms and conditions contained in any resulting Purchase, Order, Contract, Agreement, etc. Carrier would like to thank you for the continuing opportunity to be of service.

Sincerely,

Jed Thompson

Carrier Commercial Service

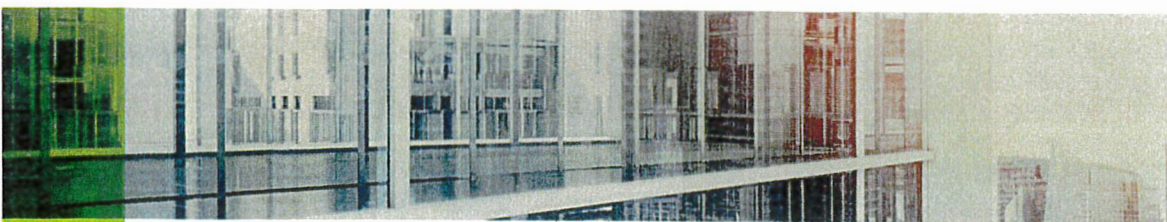
Title

Customer Acceptance (signature)

Date

Purchase Order

The attached Terms & Conditions shall govern.



CARRIER CORPORATION TERMS AND CONDITIONS OF SALE EQUIPMENT AND/OR SERVICE

1. PAYMENT AND TAXES - Payment shall be made net 30 days from date of invoice. Carrier reserves the right to require cash payment or other alternative method of payment prior to shipment or completion of work if Carrier determines, in its sole discretion, that Customer or Customer's assignee's financial condition at any time does not justify continuance of the net 30 days payment term. In addition to the price, Customer shall pay Carrier any taxes or government charges arising from this Agreement. If Customer claims that any such taxes or government charges do not apply to the transactions governed by this Agreement, Customer shall provide Carrier with acceptable tax exemption certificates or other applicable documents. All past due invoices will accrue interest at the lesser of 1% per month or the maximum amount allowable by law.

2. EXTRAS - Equipment, parts or labor in addition to those specified in this Agreement will be provided upon receipt of Customer's written authorization, paid for as an extra at Carrier's prevailing labor rates and equipment/parts charges, and subject to the terms of this Agreement.

3. RETURNS - No items will be accepted for return without prior written authorization. Returned goods may be subject to a restocking charge. Special order and non-stock items cannot be returned.

4. SHIPMENT - All shipments shall be F.O.B. shipping point, freight prepaid and allowed to the job site. Shipment dates quoted are approximate. Carrier does not guarantee a particular date for shipment or delivery.

5. PARTIAL SHIPMENT - Carrier shall have the right to ship any portion of the equipment, goods or other materials included in this Agreement and invoice Customer for such partial shipment.

6. DELAYS - Carrier shall not be liable for delays in manufacturing, shipping or delivery by causes beyond the control and without the fault or negligence of Carrier, including but not restricted to acts of God, acts of a public enemy, acts of government, acts of terrorism, fires, floods, epidemics, quarantine restrictions, freight embargoes, supplier delays, strikes, or labor difficulties (collectively "Force Majeure Events"). Carrier agrees to notify Customer in writing as soon as practicable of the causes of such delay. In the event that any materials or equipment to be provided by Carrier under this Agreement become permanently unavailable as a result of a Force Majeure Event, Carrier shall be excused from furnishing such materials or equipment.

7. WARRANTY - Carrier warrants that all equipment manufactured by Carrier Corporation and all Carrier equipment, parts or components supplied hereunder will be free from defects in material and workmanship. Carrier shall at its option repair or replace, F.O.B. point of sale, any equipment, part or component sold by Carrier and determined to be defective within one (1) year from the date of initial operation or eighteen (18) months from date of shipment, whichever is earlier. Carrier does not warrant products not manufactured by Carrier Corporation, but

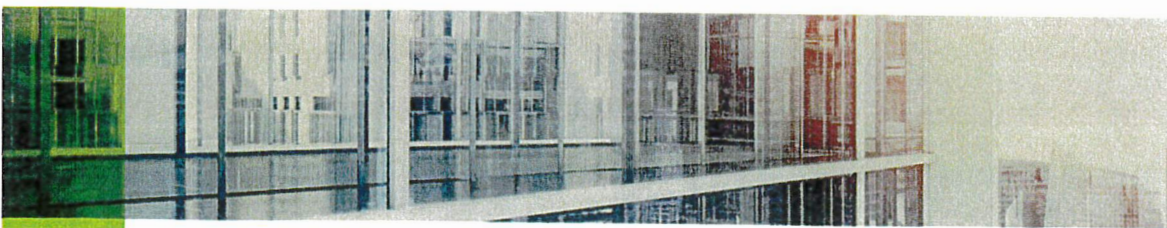
it does pass on to Customer any transferrable manufacturer warranties for those products. Carrier warrants that all service provided by Carrier hereunder shall be performed in a workmanlike manner. In the event any such service is determined to be defective within ninety (90) days of completion of that service, Carrier shall at its option re-perform or issue a credit for such service. Carrier's obligation to repair or replace any defective equipment, parts or components during the warranty period shall be Customer's exclusive remedy. Carrier shall not be responsible for labor charges for removal or reinstallation of defective equipment, parts or components, for charges for transportation, handling and shipping or refrigerant loss, or for repairs or replacement of such equipment, parts or components, required as a consequence of faulty installation, misapplication, vandalism, abuse, exposure to chemicals, improper servicing, unauthorized alteration or improper operation by persons other than Carrier. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES EXPRESS, IMPLIED OR STATUTORY INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. WORKING HOURS - All services performed under this Agreement, including but not limited to, major repairs, are to be provided during Carrier's normal working hours unless otherwise agreed.

9. CUSTOMER RESPONSIBILITIES (Service Contracts only) - Customer shall:

- Provide safe and reasonable equipment access and a safe work environment.
- Permit access to Customer's site, and use of building services including but not limited to: water, elevators, receiving dock facilities, electrical service and local telephone service.
- Keep areas adjacent to equipment free of extraneous material, move any stock, fixtures, walls or partitions that may be necessary to perform the specified service.
- Promptly notify Carrier of any unusual operating conditions.
- Upon agreement of a timely mutual schedule, allow Carrier to stop and start equipment necessary to perform service.
- Provide adequate water treatment.
- Provide the daily routine equipment operation (if not part of this Agreement) including availability of routine equipment log readings.
- Where Carrier's remote monitoring service is provided, provide and maintain a telephone line with long distance direct dial and answer capability.
- Operate the equipment properly and in accordance with instructions.
- Promptly address any issues that arise related to mold, fungi, mildew or bacteria.
- Identify and label any asbestos containing material that may be present. The customer will provide, in writing, prior to the start of a job, a signed statement regarding the absence or presence of asbestos for any job where the building or the equipment to be serviced is older than 1981. Should this document state that no asbestos is present, the customer will also provide in writing the method used to determine the absence of asbestos.

10. EXCLUSIONS - Carrier is not responsible for items not normally subject to mechanical maintenance including but not limited to: duct work, casings, cabinets, fixtures, structural supports, grillage, water piping, steam piping, drain piping, cooling tower fill, boiler tubes, boiler refractory, disconnect switches and circuit breakers. Carrier is not responsible for repairs, replacements, alterations, additions, adjustments, repairs by others, unscheduled calls or emergency calls, any of which may be necessitated by negligent operation, abuse, misuse, prior improper maintenance, vandalism, obsolescence, building system design, damage due to freezing weather, chemical/electrochemical attack, corrosion,



erosion, deterioration due to unusual wear and tear, any damage related to the presence of mold, fungi, mildew, or bacteria, damage caused by power reductions or failures or any other cause beyond Carrier's control. Carrier shall not be required to perform tests, install any items of equipment or make modifications that may be recommended or directed by insurance companies, government, state, municipal or other authority. However, in the event any such recommendations occur, Carrier, at its option, may submit a proposal for Customer's consideration in addition to this Agreement. Carrier shall not be required to repair or replace equipment that has not been properly maintained.

11. EQUIPMENT CONDITION & RECOMMENDED SERVICE (Service Contracts only) - Upon the initial scheduled operating and/or initial annual stop inspection, should Carrier determine the need for repairs or replacement, Carrier will provide Customer in writing an 'equipment condition' report including recommendations for corrections and the price for repairs in addition to this Agreement. In the event Carrier recommends certain services (that are not included herein or upon initial inspection) and if Customer does not elect to have such services properly performed in a timely fashion, Carrier shall not be responsible for any equipment or control failures, operability or any long-term damage that may result. Carrier at its option will either continue to maintain equipment and/or controls to the best of its ability, without any responsibility, or remove such equipment from this Agreement, adjusting the price accordingly.

12. PROPRIETARY RIGHTS - Carrier may elect to install, attach to Customer equipment, or provide portable devices (hardware and/or software) that shall remain the personal proprietary property of Carrier. No devices installed, attached to real property or portable device(s) shall become a fixture of the Customer locations. Customer shall not acquire any interest, title or equity in any hardware, software, processes, and other intellectual or proprietary rights to devices that are used in connection with providing service on Customer equipment.

13. DATA RIGHTS - Customer hereby grants and agrees to grant to Carrier a worldwide, non-exclusive, non-terminable, irrevocable, perpetual, paid-up, royalty free license to any Source Data, with the right to sub-license to its affiliates and suppliers for (i) Carrier's performance of services pursuant to this Agreement, (ii) the improvement of Carrier services, and Carrier's Analytics Platform; (iii) improving product performance, operation, reliability, and maintainability; (iv) to create, compile, and/or use datasets and/or statistics for the purposes of benchmarking, development of best practices, product improvement; (v) the provision of services to third parties, (vi) research, statistical, and marketing purposes, and/or (vi) in support of Carrier agreements.

Source Data - shall mean data that is produced directly from a system, or device and received at a collection point or a central server (e.g. a Carrier database, data lake, or third party cloud service).

Analytics Platform - shall mean server algorithms or web interface systems used to (i) interpret, convert, manipulate, or calculate data, (ii) perform data processing, and/or (iii) the delivery of data to Carrier, affiliates or suppliers of Carrier, and/or Customer.

14. RETURN OF DATA - Customer understands and acknowledges that the portable devices will collect Source Data that will be stored on and/or transmitted to Carrier's servers and to suppliers or affiliates that are contracted by Carrier and used to transmit, process, extract or store such Source Data for purposes of Carrier's performance of the service in accordance with this Agreement. Once such data and information has been stored and/or transmitted to Carrier's servers, Customer agrees that such data and information shall become part of Carrier's database and therefore subject to the license terms under section 13.

Terms and Conditions of Sale - Equipment and/or Service 091322

15. DATA DELIVERY - During the term of the Agreement Customer shall (i) make reasonable efforts to ensure that the hardware remains powered on, (ii) avoid intentional action to impede, block or throttle collection and transmission of Source Data by Carrier, and (iii) avoid intentional action to disable, turn off, or remove the hardware without Carrier's express written consent, which consent shall not be unreasonably withheld.

16. REVERSE ENGINEERING - Customer shall not extract, decompile or reverse engineer any software included with, incorporated in, or otherwise associated with the hardware and shall not reverse engineer any reports or analytics provided to or received by Customer from Carrier.

17. WAIVER OF DAMAGES - Under no circumstances shall Carrier be liable for any indirect, incidental, special or consequential damages, including loss of revenue or profit, loss of use of equipment or facilities, loss of data, or economic damages howsoever arising.

18. LIMITATION OF LIABILITY - Carrier's maximum liability for any reason (except for personal injuries) arising from this Agreement shall not exceed the value of the payments received by Carrier under this Agreement.

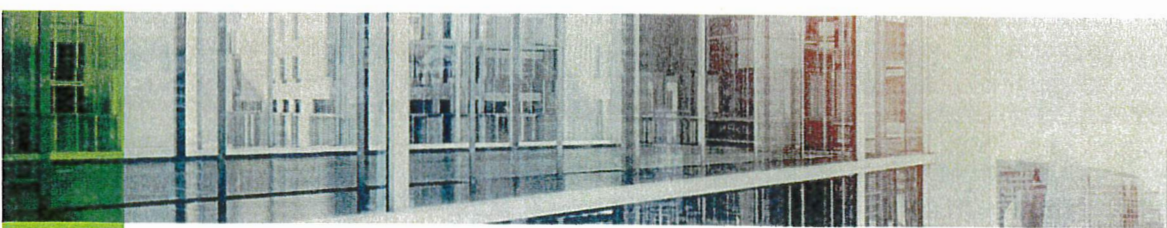
19. CANCELLATION - Customer may cancel this Agreement only with Carrier's prior written consent, and upon payment of reasonable cancellation charges. Such charges shall take into account costs and expenses incurred, and purchases or contract commitments made by Carrier and all other losses due to the cancellation including a reasonable profit.

20. CUSTOMER TERMINATION FOR CARRIER NON-PERFORMANCE - Customer shall have the right to terminate this Agreement for Carrier's non-performance provided Carrier fails to cure such non-performance within thirty (30) days after having been given prior written notice of the non-performance. Upon early termination or expiration of this Agreement, Carrier shall have free access to enter Customer locations to disconnect and remove any Carrier personal proprietary property or devices as well as remove any and all Carrier-owned parts, tools and personal property. Additionally, Customer agrees to pay Carrier for all incurred but unamortized service costs performed by Carrier including overheads and a reasonable profit.

21. CARRIER TERMINATION - Carrier reserves the right to discontinue its service any time payments have not been made as agreed or if alterations, additions or repairs are made to equipment during the term of this Agreement by others without prior agreement between Customer and Carrier.

22. CLAIMS - Any lawsuits arising from the performance or nonperformance of this Agreement, whether based upon contract, negligence, strict liability or otherwise, shall be brought within one (1) year from the date the claim arose.

23. GOVERNMENT PROCUREMENTS - The components, equipment and services provided by Carrier are "commercial items" as defined in Section 2.101 of the Federal Acquisition Regulations ("FAR"), and the prices of such components, equipment and services are based on Carrier's commercial pricing policies and practices (which do not consider any special requirements of US Government cost principles, FAR Part 31, or any similar procurement regulations). As such, Carrier will not agree to provide or certify cost or pricing data, nor will Carrier agree to comply with the Cost Accounting Standards (CAS). In addition, no government procurement regulations, such as FARs or DFARS, shall apply to this Agreement except those regulations expressly accepted in writing by Carrier.



24. HAZARDOUS MATERIALS - Carrier is not responsible for the identification, detection, abatement, encapsulating or removal of asbestos, products or materials containing asbestos, similar hazardous substances, or mold, fungi, mildew, or bacteria. If Carrier encounters any asbestos or other hazardous material while performing this Agreement, Carrier may suspend its work and remove its employees from the project, until such material and any hazards associated with it are abated. The time for Carrier's performance shall be extended accordingly, and Carrier shall be compensated for the delay.

25. WASTE DISPOSAL - Customer is wholly responsible for the removal and proper disposal of waste oil, refrigerant and any other material generated during the term of this Agreement.

26. SUPERSEDE, ASSIGNMENT and MODIFICATION - This Agreement contains the complete and exclusive statement of the agreement between the parties and supersedes all previous or contemporaneous, oral or written, statements. Customer may assign this Agreement only with Carrier's prior written consent. No modification to this Agreement shall be binding unless in writing and signed by both parties. Orders shall be binding upon Carrier when accepted in writing by an authorized representative of Carrier. CARRIER'S ACCEPTANCE OF CUSTOMER'S ORDER IS CONDITIONED UPON CUSTOMER'S ACCEPTANCE OF THE TERMS AND CONDITIONS SET FORTH HEREIN (THIS "AGREEMENT") AND CUSTOMER'S AGREEMENT TO BE BOUND BY AND COMPLY WITH THIS AGREEMENT. THIS AGREEMENT AND ALL REFERENCED ATTACHMENTS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN CARRIER AND CUSTOMER, AND NO AMENDMENT OR MODIFICATION SHALL BE BINDING ON CARRIER UNLESS SIGNED BY AN OFFICER OR AUTHORIZED EMPLOYEE OF CARRIER. THE FAILURE OF CARRIER TO OBJECT TO PROVISIONS CONTAINED IN ANY PURCHASE ORDER OR OTHER DOCUMENT OF CUSTOMER SHALL NOT BE CONSTRUED AS A WAIVER BY CARRIER OF ANY OF CUSTOMER'S PROVISIONS. ANY CONFLICTING OR ADDITIONAL TERMS OR CONDITIONS SET FORTH BY CUSTOMER IN A PURCHASE ORDER OR OTHER DOCUMENT SHALL NOT BE BINDING UPON CARRIER, AND CARRIER HEREBY EXPRESSLY OBJECTS THERETO.

27. CUSTOMER CONSENT - Customer consents and agrees that Carrier may, from time to time, publicize Carrier related projects with Customer, including the value of such projects, in all forms and media for advertising, trade, and any other lawful purposes.

28. FOR WORK BEING PERFORMED IN CALIFORNIA - Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

29. INTELLECTUAL PROPERTY - Notwithstanding anything to the contrary stated herein, Carrier retains ownership of its intellectual property and no license to Carrier's intellectual property is granted except as necessary for Customer to use any deliverables and/or services provided hereunder.

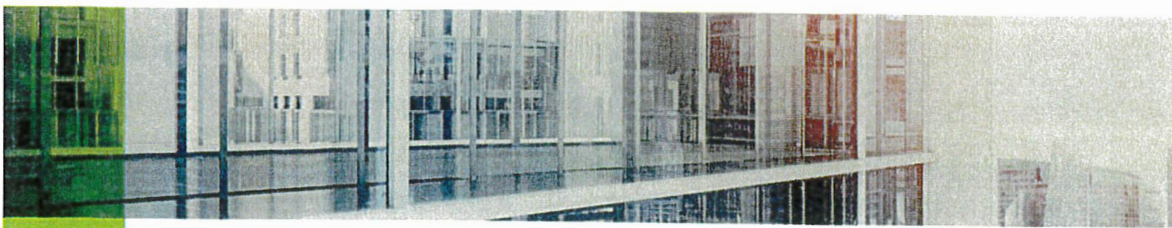
30. DATA PRIVACY - Carrier processes personal data in accordance with its privacy notice at Carrier.com or via the following link: <https://www.carrier.com/carrier/en/worldwide/legal/privacy-notice>. Each party will comply with applicable data privacy laws governing personal information collected and processed under this Agreement, including the California Consumer Privacy Act and the European General Data Protection Regulation, and take all reasonable commercial and legal steps to protect personal data. If Customer provides Carrier with personal data, Customer will ensure that it has the legal right to do so, including notifying the individuals whose personal data it provides to Carrier. If a party collects or processes personal data from California residents under this Agreement, such party is a "Service Provider" under the CCPA, and will not sell or exchange such personal data for anything of value.

31. FACTORY ACCEPTANCE TESTS AND INSPECTIONS - The nature and extent of factory acceptance tests or factory inspections, including without limitation, the number and identity of participants, locations visited, and activities undertaken, shall be limited to activities directly related to the performance of this Agreement. The tests or inspections will be subject to mutual agreement of the parties, Carrier policy and internal pre-approval requirements, and strictly comply with Customer's policies as well as all applicable laws and regulations including, without limitation, all applicable laws and regulations prohibiting corruption.

32. CHANGE ORDER / ADDITIONAL WORK / PRICE ADJUSTMENTS - Carrier will not perform additional work until such time as Carrier receives a change order, duly executed by each party, setting forth the scope and an agreed upon price for the additional work, as well as any appropriate adjustments to the delivery schedule. Additional work and/or materials supplied under any change order shall be subject to the terms of this Agreement. The price of services performed under this Agreement is subject to change due to increases in material costs related to tariffs, import duties, trade policy, epidemics, commodity or material costs, fuel surcharges, supplier costs, labor costs, or related impacts or market conditions. Such change shall come into effect on thirty (30) days' prior written notice from Carrier to Customer. The price of equipment supplied under this Agreement is subject to increase in accordance with the Producer Price Index (PPI) published by the U.S. Department of Labor Bureau of Labor Statistics (BLS) for commodity: PCU33341-33341 HVAC and Commercial Refrigeration Equipment. Price escalation will be calculated as (i) total Agreement price multiplied by (ii) the PPI on date of equipment delivery to end customer, divided by (iii) PPI on date of execution of the Agreement. Total Agreement price is not subject to decrease.

33. OCCUPATIONAL SAFETY AND HEALTH (Service Contracts Only) - Carrier and Customer agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act ("OSHA") relating in any way to the performance of work under this Agreement, the project or the job site.

Terms and Conditions of Sale - Equipment and/or Service 091322



34. ANTI-DISCRIMINATION POLICY – The Carrier Fostering a Respectful and Safe Work Environment policy is incorporated into these terms via this link:

https://www.carrier.com/commercial/en/us/media/carrier-anti-discrimination-harassment-policy-02192021_tcm199-109848.pdf.

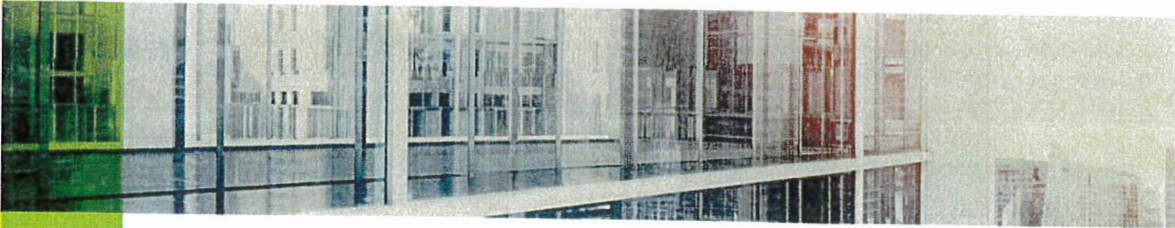
35. EQUIPMENT RENTALS – If all or a portion of this Agreement is for equipment rental, the Carrier Rental Systems Master Terms and Conditions – Rental, available at <https://www.carrier.com/rentals/en/us/rental-equipment/rental-forms/>, shall apply to the rental equipment.

36. STATE CONTRACTOR LICENSE NUMBERS – A list of Carrier’s state contractor license, certificate, and registration numbers, which list is incorporated herein, is available via this link: <https://www.carrier.com/commercial/en/us/service/contractor-licenses>.

37. ADDITIONAL TERMS AND CONDITIONS - CANNABIS INDUSTRY - If Customer is involved in the cannabis industry in the US as a manufacturer, distributor, or otherwise, the additional terms and conditions available at <https://www.carrier.com/commercial/en/us/legal/additional-terms>, which are incorporated herein, shall apply.

38. ADDITIONAL TERMS AND CONDITIONS – ABOUND – If this Agreement includes a subscription to the Abound platform, then the additional terms and conditions of the Abound Master SaaS Subscription Agreement available at <https://abound.carrier.com/saas-agreement> which are incorporated herein, shall apply





Over 100 years of innovations

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Carrier Corporation



EIGHTH SUPPLEMENT AGREEMENT TO
CEO EMPLOYMENT AGREEMENT

EIGHTH SUPPLEMENT TO EMPLOYMENT AGREEMENT

WHEREAS, BLOSS MEMORIAL HEALTHCARE DISTRICT (hereinafter "BLOSS") has previously entered into an Employment Agreement with EDWARD H. LUJANO (hereinafter "EMPLOYEE"), Chief Executive Officer of BLOSS, on or about February 29, 2012; and,

WHEREAS, the BLOSS Board of Trustees has previously extended the employment term of said employee from January 1, 2014, through December 31, 2016 (*First Supplement to Employment Agreement*); and,

WHEREAS, the Bloss Board of Trustees adjusted EMPLOYEE's annual compensation and salary in January, 2015 (*Second Supplement to Employment Agreement*); and

WHEREAS, the Bloss Board of Trustees adjusted EMPLOYEE's annual compensation and salary in January 2017 and extended the employment terms through December 31, 2019 (*Third Supplement to Employment Agreement*); and

WHEREAS, the Bloss Board of Trustees decreased the annual compensation to the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000) per annum, effective September 1, 2019 due to the reduction of responsibilities with the sale of BLOSS' s Surgery Centers. (*Fourth Supplement to Employment Agreement*); and

WHEREAS, the Bloss Board of Trustees extended the employment terms from January 1, 2020 through December 31, 2020 (*Fifth Supplement to Employment Agreement*); and

WHEREAS, the Bloss Board of Trustees extended the employment terms from January 1, 2021 through December 31, 2021 (*Sixth Supplement to Employment Agreement*); and,

WHEREAS, the Bloss Board of Trustees extended the employment terms from January 1, 2022 through December 31, 2022 (*Seventh Supplement to Employment Agreement*); and

NOW, THEREFORE, said Employment Agreement is amended as follows:

WHEREAS, the Bloss Board of Trustees extends the employment terms from January 1, 2023 through December 31, 2023 (*Eighth Supplement to Employment Agreement*); and

All other terms and conditions as set forth in the original Employment Agreement executed by the parties on or about February 29, 2012, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties execute this eighth supplement to Employment Agreement on January 26, 2023.

[Signature page follows]

BLOSS

By: _____
Kory Billings
Chairman, Board of Directors

EMPLOYEE

By: _____
Edward H. Lujano

RENEWAL OF LIFE INSURANCE POLICY

West Coast Life Insurance Company
Customer Service
P.O. Box 12687
Birmingham, AL 35202-6687

Protective 

West Coast
Life Insurance Company

December 28, 2022

www.myaccount.protective.com

EDWARD H LUJANO
3605 HOSPITAL RD
ATWATER CA 95301-5173

RE: Policy No. Z06032783
Insured: Edward H Lujano

Dear Edward H Lujano,

Thank you for faithfully paying premiums on your West Coast Life term life insurance policy since you purchased it in 2008. You've probably experienced many changes since then, and through them all, your policy has provided critical protection for your family and peace of mind for you. We appreciate the trust and confidence you've placed in us.

As shown in your policy and communicated each year, the level premium portion of your policy is about to end and your premium will soon increase. With continued premium payment, your policy--and all of the protection it provides--can remain in place as the anchor you have depended on.

For policy year 16, beginning on 03/25/2023, your annual premium will increase to \$2,657.50.

Our records currently indicate that your premiums are billed annually. Unless you notify us to adjust the frequency of your billing, the new premium amount will be billed as scheduled for your continued convenience.

Also, our records currently indicate that you have the right to exchange this policy for a new Whole Life policy with level premiums, or a new Universal Life policy with flexible premiums until 03/25/2023. The face amount of insurance of the new policy cannot exceed the face amount of insurance of this policy. This right is available without any medical examination or other evidence of insurability.

If you have any questions about your policy, please contact your agent or call Customer Service at 1-800-866-9933.

Sincerely,

Customer Service

CC: ROBERT J SALLES
CRUMP INSURANCE SERVICES



3040

Designs in Life

Edward Lujano
06/27/1961 - Age 61, Male, California

10 Years - \$250,000

Carrier / Product	AM Best Rating	Calc. Age	Health Class	Monthly	Quarterly	Semi-Annual	Annual
Prudential Financial Term Essential Worksheet	A+	61	Preferred Best	\$73.07	\$217.10	\$425.85	\$835.00
Protective Life Protective Classic Choice Term	A+	62	Select Preferred	\$73.26	\$232.69	\$448.15	\$861.81
Pacific Life Insurance Company - Lynchburg Promise Term	A+	62	Preferred Best No Nicotine Use	\$74.35	\$227.41	\$446.07	\$874.65