
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: March 24, 2023

Phone: (209) 724-4102

Fax: (209) 722-9020

Bloss Memorial Healthcare District will hold their **Board of Directors** meeting on Thursday, March 30, 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, March 30, 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 February 23, 2023 Board of Directors Minutes | * | 1 |
| B. Approval of March 10, 2023 Strategic Planning Minutes | * | 1a |

VI. FINANCIAL REPORT

- | | | |
|---|---|---|
| A. February Chief Financial Officer Report | | 2 |
| B. February Payroll, Electronic Payments & Check Register | * | 3 |

VII. CHIEF EXECUTIVE OFFICER REPORT

- A. HVAC System at Castle Site
- B. HVAC System at Atwater Children’s Surgery Center
- C. Castle Site Tree Trimming - RFP
- D. Castle Site Floor Plan Design - RFP

VIII. OLD BUSINESS		
A. February Castle Family Health Centers, Inc Report		4
IX. NEW BUSINESS		
A. Blue Cloud Pediatric Surgery Center Lease for Atwater Children's Surgery Center	*	5
B. Request from Juan Martinez for Lease Space for Boxing/Kickboxing Training Exercise	*	6
C. M-D Ventures / Parlier Lease Termination	*	7
D. New Slate of Officers	*	
E. Sports Physicals	*	
X. BOARD MEMBER REPORTS		
XI. APPOINTMENTS / CEREMONIAL MATTERS	*	
A. Strategic Planning Committee Appointments		
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, February 23, 2023
2:00 pm**

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 2:00 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, (Kathy Flaherty / Bob Boesch) to accept Make findings in accordance with AB 361 for teleconferenced meeting. Motion carried.

ROLL CALL

Board Members Present: Vacant, Zone 1; Kory Billings, Chair, Zone 2; Kathy Flaherty, Board Member, Zone 3 and Bob Boesch, Vice Chair, Zone 5

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Tom Ebersol, Legal Counsel and Peter Mojarras, CFHC COO @
2:01 pm

Absent: Al Peterson, Treasurer, Zone 4 and Jenna Anderson, Legal Counsel

APPROVAL OF AGENDA

Action item was added under New Business to accept the resignation of Vivian Passwaters, Zone 1, effective February 20, 2023.

A motion was made / seconded, (Bob Boesch / Kathy Flaherty) to approve the February 23, 2023 agenda with modification. Motion carries.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of January 26, 2023 Board of Directors Meeting, Exhibit 1

Two grammatical corrections were made on pages 5 and 6.

A motion was made / seconded, (Kory Billings / Kathy Flaherty) to accept the January 26, 2023 Board of Directors Meeting minutes with corrections, Exhibit 1. Motion carries.

FINANCIAL REPORT

A. January Chief Financial Officer Report, Exhibit 2

Dawnita Castle reported that January had a gain before depreciation of \$91,562 and a gain after depreciation of \$31,150. Compared from last month to this month, this largest expense was \$24,000 for cleaning, stripping and waxing the floors; maintenance hours were up with facility work; electricity was up \$7,000 and natural gas was up \$8,000.

The investment did well this month with \$113,787 increase in value for January 2023. Operating Cash Balance was \$6,030,206 and Days Cash on Hand decreased to 1,228, this was in part due to expenses being up and the floor stripping cost. Expenses also include \$9,743 of Sierra Kings cost.

A motion was made / seconded, (Bob Boesch / Kathy Flaherty) to approve the January Chief Financial Officer Report, Exhibit 2. Motion carries.

B. January Payroll, Electronic Payments & Check Register, Exhibit 3

A motion was made / seconded, (Bob Boesch / Kathy Flaherty) to accept the January total payroll of \$9,338.42; total accounts payable of \$131,486.76 for a grand total disbursement of \$140,825.18, Exhibit 4. Motion carries.

CHIEF EXECUTIVE OFFICER REPORT

A. HVAC System

Edward Lujano reported that Carrier looked at the surgery center as they're having problems with the heating / cooling and Carrier should have a proposal by next week o options to cool and heat the areas. The surgery center was opened on Monday, February 20th (President's Day) and we were closed, it was extremely cold for them as the main heater is turned off at night and the weekends since no one is here to monitor the boilers.

B. Castle Site Tree Trimming

One quote was received for tree trimming and we're waiting for another from the landscape maintenance company we currently use.

C. Strategic Planning Session

The strategic planning session is coming up in March, he will meet with Brett Avery on Friday, February 24th.

D. Parlier Discussion

He has a meeting scheduled with Wes Isaac and the Blue Cloud representative at Parlier on Friday, March 3rd. Blue Cloud has cleaned everything up and the monitoring and alarm system was repaired. The cost was \$2,500 and we'll split this with Blue Cloud.

After the meeting next week, hopefully we'll get something in writing that would provide us the buyout of the rest of the agreement.

E. Bloss Site PG&E Repairs

PG&E assessed the wiring and they came back with three options.

Option one is to move one service panel to another, which is a \$30,000 to \$60,000 cost.

Option two is to remove the existing feed and they can replace with some other existing service in a smaller size at \$5,000 to \$10,000.

Option three is to have them remove what is there and monitor what is proposed as an expansion of utility service, they would do this for us and this would be free.

If BMHD does expand the back half and continues to grow, something would need to be done about how the whole utility panel is set up.

Edward Lujano spoke to Rick Ramirez, Maintenance Supervisor regarding the recommendation from PG&E about monitoring for free. As Bloss Site is expanded, then we can see what else needs to be done at the facility to really bring it up to capacity to handle more electricity coming into the building.

F. Guardco Security Services Update

Copy of a weekly report from Guardco was provided to the board of directors. Reports lists times when they come through the property and they will also attach pictures of what they encounter. As of February 15th, Guardco has included one more patrol at their cost for a total of four patrols. This will be monitored.

Kory Billings asked if Guardco finds a homeless person what is their process. Edward Lujano responded they Guardco asks them to leave and if they run into any problems they will call the police.

OLD BUSINESS / REPORTS

A. January Castle Family Health Centers, Inc Report, Exhibit 4

Peter Mojarras reported that on February 28, 2023, the public health order is being removed, but the mask guidelines will remain in place with the national mandate in May 2023.

Visits were up across the facilities with 13,000 visits, people are returning to the centers. CFH is also expanding services by bringing in more specialists. He is working with Dignity Hospital and the newest specialist, Dr. French will establish care here. As specialist come into the area, they work with CFHC.

As for patient and staff safety, discussion has been held if its security guards and/or a future discussion when it comes to security. Thank you for the new doors. He has reached out for training for active shooters, CFHC has received many threats by patients and there was an actual assault on some staff and the security guard. There is concern on to respond if there were an incident such as an active shooter. There are other tenants here too. He would welcome a group meeting for further discussion.

CFHC will be hiring a full-time optometrist and two new opticians, optometry is now open again.

NEW BUSINESS

A. Compensation Agreement Pursuant to Health and Safety Code Section 34180(f) for Merced County Successor Agency Transfer of Property to County of Merced for Future Redevelopment, Exhibit 5

Dawnita Castle reported that she had receive an email from Merced County stating that if there is any property that they are going to receive and collect taxes on, it has to be signed by all of the individuals that receive those dollars.

Tom Ebersole, Legal Counsel, stated that he is with the county counsel's office and they represent the county. This has to do with the dissolving of redevelopment agencies by the governor. This compensation agreement is were the county has a specific piece of property on Dart Avenue and there is a 35-year lease with a dollar pay off. If it goes through and goes to the county, the state has signed off on it, stating that they are fine with it staying with the county pursuant to the redevelopment law dissolution. At some point there will be some money generated from it, whether by lease and buy out afterwards, which was a prepaid lease, so there is no actual money or the tenant doesn't buy it afterward and someone else buys it. There are taxing entities that are able to receive taxes on this piece of property and there is a share of the taxing entities and the amount that they get, its listed as exhibit B.

This agreement says that all the taxing agencies agree or don't have a fight with respect to the county and the property going to where it is. And at some point, if money comes in we're agreeing that, that is the amount we would receive pursuant to law.

A motion was made / seconded, (Kory Billings / Kathy Flaherty) to accept Compensation Agreement Pursuant to Health and Safety Code Section 34180(f) for Merced County Successor

Agency Transfer of Property to County of Merced for Future Redevelopment and authorize the CEO to execute the agreement, Exhibit 5. Motion carries.

B. Acceptance of Letter of Resignation from Vivian Passwaters, Exhibit 6

The board of directors received a letter of resignation from Vivian Passwaters, Zone 1 effective February 20, 2023.

A motion was made /seconded, (Kory Billings / Bob Boesch) to accept the letter of resignation from Vivian Passwaters, Zone 1. Motion carries.

BOARD MEMBER REPORT REPORTS

Kory Billings, CEO, announced the 2023 Committees'.

ByLaws: Kory Billings and Kathy Flaherty.

Finance: Alfonse Peterson, Chair, Kory Billings, Edward Lujano and Dawnita Castle.

Investment: Alfonse Peterson, Chair, Koby Billings, Edward Lujano and Dawnita Castle.

Policy: Kory Billings, Chair and Bob Boesch

APPOINTMENTS / CEREMONIAL MATTERS

None.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE

The next Board of Directors meeting will be held on Thursday, March 30, 2023 at 2:00 pm in the Board Room.

ADJOURNMENT

As there was no further business, the meeting was adjourned at 2:26 pm

Respectfully Submitted,

Fily Cale
Executive Assistant

Kory Billings
Board Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
STRATEGIC PLANNING MEETING
BOARD ROOM
Friday, March 10, 2023
9:00 am – 3:00 pm**

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 9:00 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, (Alfonse Peterson / Kathy Flaherty) to approve Make findings in accordance with AB 361 for teleconferenced meeting.

ROLL CALL

Board Members Present: Kory Billings, Chair, Zone 2; Vacant, Zone 1; Al Peterson, Treasurer, Zone 4; Kathy Flaherty, Board Member, Zone 3; Bob Boesch, Vice Chair, Zone 5 @ 10:50 am

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Brett Avery, MJ Consulting and Tom Abersole, Legal Counsel @ 10:57 am

Absent: None

APPROVAL OF AGENDA

A motion was made / seconded, (Kory Billings / Kathy Flaherty) to approve the March 10, 2023 agenda as posted. Motion carried.

PUBLIC COMMENTS

None.

NEW BUSINESS

A. Strategic Planning Session

Brett Avery, Consultant who works with Dr. Vicky Trask at MJC in Strategic Consulting hosted the meeting as she is unable to attend today.

The June 2021 strategic planning notes were reviewed by attendees.

A detailed discussion was held with the board of directors on separating Bloss Memorial Healthcare District from the services provided by Castle Family Health Centers, Inc.

Outcomes consisted of obtaining a floor schematic of the entire Castle Site building and evacuation plan; develop a scope of work for a possible new chief executive officer, chief financial officer and executive assistant; accountability structure for grants; applicant approval and accountability for grant giving; board of directors to have a structure conversation; financial discussion on purchasing, lines of credit, banking and vendor relationships; strategic planning appointments to be appointed at the March board of directors meeting.

Board of directors to discuss and amend Mission Statement to add a philanthropic component.

A follow up meeting to review the findings will be held on Friday, March 24, 2023.

ADJOURNMENT

As there was no further business the meeting adjourned at 2:43 pm.

Respectfully Submitted,

Fily Cale
Executive Assistant

Kory Billings
Board Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING
Period Ended February 2023**

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 loss before depreciation of \$18,241 for the month compared to a net gain of \$64,693 last year. Net income after depreciation was a loss of \$79,775.

Expenses include \$9,743 of SKDSC costs.

The February, Operating Cash Balance was \$3,064,156 and Days Cash On Hand an decreased to 624 Days*. In January the DCH was 1,228 Days. The decrease in Cash on Hand is due to funding two new investments totaling \$3,000,000.

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

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

	Feb-23	Feb-22	VARIANCE *	%	Y-T-D Feb-23	Y-T-D Feb-22	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	142,271	133,970	8,301	NA	1,146,865	1,078,845	68,020	6.30%
Total Net Operating Revenue	142,271	133,970	8,301	NA	1,146,865	1,078,845	68,020	6.30%
Operating Expenses Excluding Depreciation	137,480	96,652	(40,828)	-42.24%	1,075,203	878,801	(196,402)	-22.35%
Net Operating Income (Loss) Before Depreciation	4,791	37,319	(32,527)	87.16%	71,662	200,044	(128,382)	64.18%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	(62,391)	(30,187)	(32,203)	106.68%	83,640	(39,302)	122,942	-312.81%
Grant Donation Expense	0	(1,020)	1,020		(108,145)	(10,800)		
All Other Non-Operating Gains/Losses	39,359	58,581	19,222	32.81%	336,501	350,242	(13,741)	-3.92%
Total Net Non-Operating Income: Losses/Gains	(23,032)	27,374	50,406	184.14%	311,995	300,140	11,855	3.95%
Total Net Income (Loss) Before Depreciation	(18,241)	64,693	(82,933)	-128.20%	383,657	500,184	(116,526)	-23.30%
Depreciation Expense	61,534	63,355	(1,821)	-2.87%	493,589	408,339	85,251	20.89%
Net Income (Loss) After Depreciation	(79,775)	1,338	(81,113)	-6063.81%	(109,952)	91,845	(201,777)	-219.69%

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Eight Months Ending February 28, 2023

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

	Feb-23	Feb-22	VARIANCE	%	Y-T-D Feb-23	Y-T-D Feb-22	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	0.98	(0.02)	1.54%
CONTRACT FTE'S	3.53	3.86	0.33	8.55%	3.48	3.97	0.49	-13.09%
TOTAL FTE'S	4.53	4.86	0.33	6.79%	4.48	4.95	0.47	-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	0.00	Various departments less than 1 fte variance.
	0.00	0.00	Brackets () indicate a decrease (favorable) variance

Bloss Memorial Healthcare District

Balance Sheet

As of February 28, 2023

03/20/23

Accrual Basis

	Feb 28, 23	Jan 31, 23	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1001 Cash General Checking	1,054,410.09	4,283,345.55	-3,228,935.46	-75.4%
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	2,004,232.77	2,004,123.66	109.11	0.0%
1010 Investment Cap Improv	1,578,498.32	1,617,139.65	-38,641.33	-2.4%
1010 Investment Grants	1,209,093.04	1,230,074.89	-20,981.85	-1.7%
1011 NURSING & MD SCHOLARSHIPS	1,498,648.60	0.00	1,498,648.60	100.0%
1012 FACILITY MINOR REPAIRS	1,498,583.90	0.00	1,498,583.90	100.0%
Total Checking/Savings	8,852,166.20	9,143,383.23	-291,217.03	-3.2%
Accounts Receivable				
1060 Rent Receivable	0.00	-15,503.02	15,503.02	100.0%
1063 Prop Tax Receivable	53,504.71	14,255.00	39,249.71	275.3%
1064 CFHC Inc Receivable	0.00	114,089.99	-114,089.99	-100.0%
Total Accounts Receivable	53,504.71	112,841.97	-59,337.26	-52.6%
Other Current Assets				
1101 Prepaid Insurance	33,607.52	42,009.39	-8,401.87	-20.0%
1103 Prepaid Rent	19,487.06	29,230.12	-9,743.06	-33.3%
1108 Prepaid Expense	33,241.02	2,513.56	30,727.46	1,222.5%
Total Other Current Assets	86,335.60	73,753.07	12,582.53	17.1%
Total Current Assets	8,992,006.51	9,329,978.27	-337,971.76	-3.6%
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	22,080,886.99	22,071,437.99	9,449.00	0.0%
1221 Castle Build and Impr	1,537,349.44	1,477,349.44	60,000.00	4.1%
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	1,275,186.93	0.00	0.0%
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	-162,287.77	-161,314.63	-973.14	-0.6%
1271 Accum Depr Build & Im	-11,653,773.05	-11,596,416.07	-57,356.98	-0.5%
1275 Accum Dep Fixed Equip	-2,068,368.35	-2,067,830.01	-538.34	0.0%
1280 Accum Dep Lease Imp	-42,243.21	-42,001.46	-241.75	-0.6%
1291 Accum Major Move	-4,569,072.02	-4,567,211.33	-1,860.69	0.0%
1292 Accum Dep Minor Equip	-581,086.72	-580,523.41	-563.31	-0.1%
Total Fixed Assets	15,617,405.68	15,609,490.89	7,914.79	0.1%
Other Assets				
1510 UNG Goodwin Trust	262,727.31	0.00	262,727.31	100.0%
Total Other Assets	262,727.31	0.00	262,727.31	100.0%
TOTAL ASSETS	24,872,139.50	24,939,469.16	-67,329.66	-0.3%

Bloss Memorial Healthcare District

Balance Sheet

As of February 28, 2023

03/20/23

Accrual Basis

	Feb 28, 23	Jan 31, 23	\$ Change	% Change
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 Accounts Payable Vendor	82,057.39	53,650.48	28,406.91	53.0%
2020 Accounts Payable Accrual	13,516.22	25,551.64	-12,035.42	-47.1%
2029 Accounts Payable Other	12,946.09	10,246.69	2,699.40	26.3%
2029 CFHC Inc Payable	23,005.88	30,899.07	-7,893.19	-25.6%
2029 DSCA Payable	3,186.53	2,962.92	223.61	7.6%
Total Accounts Payable	134,712.11	123,310.80	11,401.31	9.3%
Other Current Liabilities				
2030 Accrued Salary Wages	4,166.67	4,166.67	0.00	0.0%
2031 Accrued Vacation	17,402.90	16,601.94	800.96	4.8%
2036 FICA Payable	318.81	318.81	0.00	0.0%
2038 Pension Plan Accrual	3,241.65	2,824.99	416.66	14.8%
2039 Other Payroll Payable	198.04	99.04	99.00	100.0%
Total Other Current Liabilities	25,328.07	24,011.45	1,316.62	5.5%
Total Current Liabilities	160,040.18	147,322.25	12,717.93	8.6%
Long Term Liabilities				
2570 UNG GOODWIN TRUST	262,727.31	263,000.00	-272.69	-0.1%
Total Long Term Liabilities	262,727.31	263,000.00	-272.69	-0.1%
Total Liabilities	422,767.49	410,322.25	12,445.24	3.0%
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	-109,932.10	-30,157.20	-79,774.90	-264.5%
Total Equity	24,449,372.01	24,529,146.91	-79,774.90	-0.3%
TOTAL LIABILITIES & EQUITY	24,872,139.50	24,939,469.16	-67,329.66	-0.3%

Bloss Memorial Healthcare District

Profit & Loss

February 2023

03/20/23

Accrual Basis

	Feb 23	Jan 23	\$ Change	% Change
Ordinary Income/Expense				
Income				
5779 Rental Income	142,270.91	142,270.91	0.00	0.0%
5780 Misc Other Operating	0.00	235.99	-235.99	-100.0%
Total Income	142,270.91	142,506.90	-235.99	-0.2%
Gross Profit	142,270.91	142,506.90	-235.99	-0.2%
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	835.00	550.00	285.00	51.8%
6015 Pension Plan	416.66	416.66	0.00	0.0%
6018 Vacation Expense	800.96	416.35	384.61	92.4%
6022 Consultig & MGT	1,644.99	1,383.29	261.70	18.9%
6024 Accounting/Audit	900.00	900.00	0.00	0.0%
6026 Other Contracted Services	20,260.87	23,759.15	-3,498.28	-14.7%
6046 Office Supplies	80.52	85.53	-5.01	-5.9%
6062 Repairs & MTC	8,147.15	5,474.35	2,672.80	48.8%
6064 Management Services	300.00	1,000.00	-700.00	-70.0%
6069 Other Purchased Services	35,549.30	45,157.86	-9,608.56	-21.3%
6071 Deprec-Land & Improvements	973.14	973.20	-0.06	0.0%
6072 Deprec-Buildings and Impro	57,338.97	56,216.67	1,122.30	2.0%
6073 Deprec-Leasehold Improv	259.76	259.76	0.00	0.0%
6074 Deprec-Equipment	2,962.34	2,962.38	-0.04	0.0%
6075 SKDSCBuilding Rent Expense	9,743.06	9,743.06	0.00	0.0%
6077 Electricity	18,607.57	18,566.07	41.50	0.2%
6077 Radiology Electricity	147.70	295.40	-147.70	-50.0%
6078 Natural Gas	16,186.07	20,347.60	-4,161.53	-20.5%
6079 Water	1,644.37	1,965.86	-321.49	-16.4%
6080 Utilities-Other	2,013.14	2,443.48	-430.34	-17.6%
6082 Insurance Expense	8,848.12	8,848.12	0.00	0.0%
6085 Telephone Expense	222.65	1,093.58	-870.93	-79.6%
6086 Dues and Subscriptions	1,713.17	338.17	1,375.00	406.6%
6089 Advertising	0.00	0.00	0.00	0.0%
6090 Bank Service Charges	47.60	47.95	-0.35	-0.7%
Total Expense	199,013.95	212,615.33	-13,601.38	-6.4%
Net Ordinary Income	-56,743.04	-70,108.43	13,365.39	19.1%
Other Income/Expense				
Other Income				
9060 Interest Income	109.11	120.80	-11.69	-9.7%
9061 Gain on Investments	0.00	113,797.33	-113,797.33	-100.0%
9160 Property Tax Revenue	39,249.71	67,760.07	-28,510.36	-42.1%
Total Other Income	39,358.82	181,678.20	-142,319.38	-78.3%
Other Expense				
9026 Non Operating Donation Exp	0.00	80,419.50	-80,419.50	-100.0%
9030 Loss on Marketable Securit	62,390.68	0.00	62,390.68	100.0%
Total Other Expense	62,390.68	80,419.50	-18,028.82	-22.4%
Net Other Income	-23,031.86	101,258.70	-124,290.56	-122.8%
Net Income	-79,774.90	31,150.27	-110,925.17	-356.1%

Bloss Memorial Healthcare District
Profit & Loss YTD Comparison
 July 2022 through February 2023

03/20/23

Accrual Basis

	Jul '22 - Feb 23	Jul '21 - Feb 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
5681 A/P Discounts Taken	0.00	2,925.00	-2,925.00	-100.0%
5779 Rental Income	1,145,431.44	1,074,597.99	70,833.45	6.6%
5780 Misc Other Operating	1,433.75	1,322.25	111.50	8.4%
Total Income	1,146,865.19	1,078,845.24	68,019.95	6.3%
Gross Profit	1,146,865.19	1,078,845.24	68,019.95	6.3%
Expense				
6000 Management and Supervision	66,666.72	71,474.72	-4,808.00	-6.7%
6010 Fica	5,100.06	5,467.76	-367.70	-6.7%
6011 Unemployment Insurance	3,200.00	2,800.00	400.00	14.3%
6014 Life Insurance	1,935.00	0.00	1,935.00	100.0%
6015 Pension Plan	3,241.65	3,200.00	41.65	1.3%
6016 Workers Compensation	100.35	702.94	-602.59	-85.7%
6018 Vacation Expense	2,545.68	-2,999.52	5,545.20	184.9%
6022 Consultig & MGT	14,924.55	11,104.09	3,820.46	34.4%
6023 Legal	5,291.42	5,841.46	-550.04	-9.4%
6024 Accounting/Audit	7,200.00	6,300.00	900.00	14.3%
6026 Other Contracted Services	162,322.37	58,736.26	103,586.11	176.4%
6043 Food	137.29	453.34	-316.05	-69.7%
6046 Office Supplies	703.25	510.31	192.94	37.8%
6049 Other Minor Equipment	0.00	439.50	-439.50	-100.0%
6050 Other Non-Medical Supply	1,868.29	3,945.30	-2,077.01	-52.7%
6051 Computer Software QB	0.00	2,099.98	-2,099.98	-100.0%
6052 Freight on Purchases	0.00	-191.77	191.77	100.0%
6062 Repairs & MTC	87,691.89	40,702.11	46,989.78	115.5%
6063 Janitorial Expense	0.00	2,039.00	-2,039.00	-100.0%
6064 Management Services	6,600.00	6,300.00	300.00	4.8%
6069 Other Purchased Services	236,443.78	278,148.54	-41,704.76	-15.0%
6069 Professional Fees	0.00	0.00	0.00	0.0%
6071 Deprec-Land & Improvements	7,785.36	8,706.73	-921.37	-10.6%
6072 Deprec-Buildings and Impro	451,605.43	431,694.52	19,910.91	4.6%
6072 SKDSC Deprc-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	2,078.08	6,389.97	-4,311.89	-67.5%
6073 SKDSC Deprec-Leasehold impr	0.00	725.25	-725.25	-100.0%
6074 Deprec-Equipment	23,120.51	43,729.29	-20,608.78	-47.1%
6074 SKDSC Deprec-Equipment	0.00	-63,305.12	63,305.12	100.0%
6075 SKDSCBuilding Rent Expense	77,799.34	77,607.93	191.41	0.3%
6077 Electricity	211,862.88	173,575.20	38,287.68	22.1%
6077 Radiology Electricity	1,108.30	1,276.21	-167.91	-13.2%
6078 Natural Gas	57,291.81	17,672.30	39,619.51	224.2%
6079 SKDSC Water	0.00	1,284.69	-1,284.69	-100.0%
6079 Water	17,108.66	20,226.43	-3,117.77	-15.4%
6080 SKDSC Utilities-Other	468.74	0.00	468.74	100.0%
6080 Utilities-Other	30,363.49	17,393.42	12,970.07	74.6%
6082 Insurance Expense	72,463.19	65,743.25	6,719.94	10.2%
6083 SKDSC Tax and License	0.00	580.00	-580.00	-100.0%
6083 Tax and Licenses	0.00	113.54	-113.54	-100.0%
6085 Telephone Expense	2,429.48	1,851.68	577.80	31.2%
6086 Dues and Subscriptions	4,660.36	2,705.32	1,955.04	72.3%
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	474.40	454.70	19.70	4.3%
6090 Other Expenses	200.00	0.00	200.00	100.0%
Total Expense	1,568,792.33	1,287,140.20	281,652.13	21.9%
Net Ordinary Income	-421,927.14	-208,294.96	-213,632.18	-102.6%

**Bloss Memorial Healthcare District
 Profit & Loss YTD Comparison
 July 2022 through February 2023**

	Jul '22 - Feb 23	Jul '21 - Feb 22	\$ Change	% Change
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	992.93	29,727.54	-28,734.61	-96.7%
9061 Gain on Investments	323,013.70	119,583.16	203,430.54	170.1%
9160 Property Tax Revenue	335,508.04	316,604.35	18,903.69	6.0%
Total Other Income	659,514.67	469,825.12	189,689.55	40.4%
Other Expense				
9025 Non Operating CFHC	20,500.00	10,800.00	9,700.00	89.8%
9026 Non Operating Donation Exp	80,419.50	0.00	80,419.50	100.0%
9030 Loss on Marketable Securit	239,374.18	158,885.21	80,488.97	50.7%
9050 Donations Expense	7,225.95	0.00	7,225.95	100.0%
Total Other Expense	347,519.63	169,685.21	177,834.42	104.8%
Net Other Income	311,995.04	300,139.91	11,855.13	4.0%
Net Income	-109,932.10	91,844.95	-201,777.05	-219.7%

Bloss Memorial Healthcare District
SKDSC Department
February 2023

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

		GRP:00 FTE'S BY DEPARTMENT											
		FEB-2023	FEB-2022	(UN) FAVORABLE VARIANCE	%	FEB-2023	FEB-2022	(UN) FAVORABLE VARIANCE	%	FEB-2023	FEB-2022	(UN) FAVORABLE VARIANCE	%
***	EMPLOYEE FULL TIME EQUIVALENTS ***												
	8610 ADMINISTRATION	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	(0.02)	0.98	0.98	(0.02)	(1.77)%
	TOTAL EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	(0.02)	0.98	0.98	(0.02)	(1.77)%
***	CONTRACT FULL TIME EQUIVALENTS ***												
	PURCHASING	0.01	0.19	0.18	96.64%	0.00	0.00	0.00	0.02	0.02	0.02	0.00	82.59%
	MAINTENANCE & PLANT OPERATIONS	3.28	3.44	0.16	4.77%	3.15	3.15	0.00	0.50	3.65	3.65	0.00	13.71%
	ACCOUNTING	0.19	0.14	(0.06)	(43.05)%	0.21	0.21	0.00	0.00	0.21	0.21	0.00	(1.12)%
	ADMINISTRATION	0.05	0.09	0.05	50.16%	0.11	0.11	0.00	(0.03)	0.08	0.08	0.00	(39.15)%
	CLINIC ADMINISTRATION	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00%
	TOTAL CONTRACT FTE'S	3.53	3.86	0.33	8.66%	3.48	3.48	0.00	0.49	3.97	3.97	0.00	12.34%
***	TOTAL FULL TIME EQUIVALENTS ***												
	PURCHASING	0.01	0.19	0.18	96.64%	0.00	0.00	0.00	0.02	0.02	0.02	0.00	82.59%
	MAINTENANCE & PLANT OPERATIONS	3.28	3.44	0.16	4.77%	3.15	3.15	0.00	0.50	3.65	3.65	0.00	13.71%
	ACCOUNTING	0.19	0.14	(0.06)	(43.05)%	0.21	0.21	0.00	0.00	0.21	0.21	0.00	(1.12)%
	ADMINISTRATION	1.05	1.09	0.05	4.31%	1.11	1.11	0.00	(0.05)	1.06	1.06	0.00	(4.65)%
	CLINIC ADMINISTRATION	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00%
	TOTAL FTE'S	4.53	4.86	0.33	6.88%	4.48	4.48	0.00	0.47	4.95	4.95	0.00	9.54%

Exhibit 3

FEBRUARY PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER

Bloss Memorial Healthcare District
Payroll, Accounts Payable and Funds Disbursements - Summary
Month of February-23

Payroll		\$9,168.92
Total Payroll		<u><u>\$9,168.92</u></u>
Accounts Payable:		
A/P Checks	<u>\$3,461,364.83</u>	<u>\$3,461,364.83</u>
BLOSS		
Auto Debits	<u>\$47.95</u>	
Total Auto Debits and Electronic Transfers	<u><u>\$47.60</u></u>	<u>\$47.60</u>
Electronic Payments	<u>\$835.00</u>	<u>\$835.00</u>
Total Accounts Payable		<u><u>\$3,462,247.43</u></u>
Grand Total Disbursements		<u><u>\$3,471,416.35</u></u>

BLOSS	Payroll Disbursements for		February-23
	Payroll dated		
Earnings	02/05/23	02/20/23	Total
Regular	-	-	-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	4,166.67	4,166.67	8,333.34
			-
Deductions			-
FICA (+)	318.75	318.75	637.50
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	99.04	99.04	198.08
			-
Total	417.79	417.79	835.58
			-
			-
Net Payroll	\$ 4,584.46	\$ 4,584.46	9,168.92

Bloss Memorial Healthcare District
Check Detail
February 2023

Type	Num	Date	Name	Paid Amount
Bill Pmt -Check		02/15/2023	LPL Financial	
TOTAL				0.00
Bill Pmt -Check	39754	02/03/2023	Merced Irrigation District	
Bill	JAN23-1302-00	01/30/2023		-13,762.03
TOTAL				-13,762.03
Bill Pmt -Check	39755	02/03/2023	Secretary of State	
Bill	CHKRQST-020123	02/01/2023		-1.00
TOTAL				-1.00
Bill Pmt -Check	39757	02/08/2023	Central Valley Disposal	
Bill	00885505	02/01/2023		-390.65
Bill	00885543	02/01/2023		-763.93
TOTAL				-1,154.58
Bill Pmt -Check	39758	02/08/2023	Natural Gardens	
Bill	2242	02/01/2023		-5,530.00
Bill	2241	02/01/2023		-765.00
TOTAL				-6,295.00
Bill Pmt -Check	39759	02/15/2023	LPL Financial	
Bill	021423-UNGGOODTRST	02/15/2023		-263,000.00
TOTAL				-263,000.00
Bill Pmt -Check	39760	02/15/2023	LPL Financial	
Bill	021423-FACMINRPR	02/15/2023		-1,500,000.00
TOTAL				-1,500,000.00
Bill Pmt -Check	39761	02/15/2023	LPL Financial	
Bill	021423-NURMDSCHOLAR	02/15/2023		-1,500,000.00
TOTAL				-1,500,000.00
Bill Pmt -Check	39762	02/23/2023	ASSA ABLOY Entrance Systems US Inc.	
Bill	SEI 1594629	02/23/2023		-118.05
TOTAL				-118.05
Bill Pmt -Check	39763	02/23/2023	Beta Healthcare Group	
Bill	BL-220358010	02/23/2023		-446.25
TOTAL				-446.25
Bill Pmt -Check	39764	02/23/2023	Carrier	

Bloss Memorial Healthcare District
Check Detail
February 2023

Type	Num	Date	Name	Paid Amount
Bill	90254464	02/23/2023		-60,000.00
TOTAL				<u>-60,000.00</u>
Bill Pmt -Check	39765	02/23/2023	Castle Family Health Centers, Inc.	
Bill	JAN23-INV	02/23/2023		-30,899.07
TOTAL				<u>-30,899.07</u>
Bill Pmt -Check	39766	02/23/2023	City of Atwater	
Bill	FEB23-020161-000	02/23/2023		-654.34
Bill	FEB23-010448-000	02/23/2023		-1,067.86
TOTAL				<u>-470.74</u> -2,192.94
Bill Pmt -Check	39767	02/23/2023	Clark	
Bill	32711087	02/23/2023		-321.00
Bill	32711074	02/23/2023		-515.00
Bill	3211087	02/23/2023		-321.00
TOTAL				<u>-321.00</u> -1,157.00
Bill Pmt -Check	39768	02/23/2023	Duro-Last, Inc.	
Bill	65440	02/23/2023		-300.94
TOTAL				<u>-300.94</u>
Bill Pmt -Check	39769	02/23/2023	Guardco	
Bill	14717	02/23/2023		-9,936.83
TOTAL				<u>-7,172.55</u> -17,109.38
Bill Pmt -Check	39770	02/23/2023	Hoffman Security	
Bill	608683	02/23/2023		-234.00
TOTAL				<u>-466.90</u> -700.90
Bill Pmt -Check	39771	02/23/2023	Johnson Controls	
Bill	89541637	02/23/2023		-2,953.00
TOTAL				<u>-2,953.00</u>
Bill Pmt -Check	39772	02/23/2023	M-D Ventures	
Bill	RENT-MAR23	02/23/2023		-19,487.06
TOTAL				<u>-19,487.06</u>
Bill Pmt -Check	39773	02/23/2023	Merced Commercial Sweeping	
Bill	023452	02/23/2023		-420.00
				<u>-420.00</u>

Bloss Memorial Healthcare District
Check Detail
February 2023

	<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Paid Amount</u>
TOTAL					-420.00
	Bill Pmt -Check	39774	02/23/2023	Merced County - Castle Airport	
	Bill	52736	02/23/2023		-576.51
					-1,542.40
					-222.65
					-15.00
TOTAL					-2,356.56
	Bill Pmt -Check	39775	02/23/2023	MERCED COUNTY ELECTIONS	
	Bill	022223-CHKRQST	02/22/2023		-24.00
TOTAL					-24.00
	Bill Pmt -Check	39776	02/23/2023	Merced County Registrar of Voters	
	Bill	GG22-BMHCD	02/23/2023		-1,350.00
TOTAL					-1,350.00
	Bill Pmt -Check	39777	02/23/2023	Merced Irrigation District	
	Bill	1011	12/20/2022		0.00
	Bill	FEB23-1302-00	02/23/2023		0.00
TOTAL					0.00
	Bill Pmt -Check	39778	02/23/2023	Ole Willie's Backflow Services	
	Bill	INV0580	02/23/2023		-2,770.00
TOTAL					-2,770.00
	Bill Pmt -Check	39779	02/23/2023	PG&E	
	Bill	FEB23-2162-5	02/23/2023		-4,804.04
					-2,324.29
TOTAL					-7,128.33
	Bill Pmt -Check	39780	02/23/2023	Republic Services #917	
	Bill	0917-001718246	02/23/2023		-7.43
TOTAL					-7.43
	Bill Pmt -Check	39781	02/23/2023	San Joaquin Glass of Merced, Inc.	
	Bill	164415	02/23/2023		-9,449.00
	Bill	164676	02/23/2023		-259.00
TOTAL					-9,708.00
	Bill Pmt -Check	39782	02/23/2023	West Coast Gas Company, Inc.	
	Bill	FEB23-1182	02/23/2023		-18,023.31
TOTAL					-18,023.31

Bloss Memorial Healthcare District
Check Detail
February 2023

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Paid Amount</u>
			Grand Total	<u><u>-3,461,364.83</u></u>

Bloss Memorial Healthcare District
February-23

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss	47.95
Total	<u>47.95</u>

Bloss Electronic Payments

PRUDENTIAL INSURANCE	835.00
Total	<u>835.00</u>

Grand Total	<u>\$882.95</u>
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FEBRUARY CASTLE FAMILY HEALTH CENTERS, INC
REPORT

Castle Family Health Centers Inc.
 Operations Summary Report
 Eight Months Ending February 28, 2023

Total encounters for the month are 11,818 compared to 11,493 last year 2.83% increase.

Department	Feb-23	Feb-22	VARIANCE	%	Y-T-D Feb-23	Y-T-D Feb-22	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	4,659	4,403	256	5.81%	34,138	39,799	(5,661)	-14.22%
Specialty Clinic	881	973	(92)	-9.46%	6,789	6,663	126	1.89%
Bloss Clinic	837	789	48	6.08%	4,764	5,231	(467)	-8.93%
Winton Clinic	1,275	1,082	193	17.84%	9,279	8,357	922	11.03%
Urgent Care	406	505	(99)	-19.60%	3,419	7,627	(4,208)	-55.17%
Lab	1,792	1,824	(32)	-1.75%	12,297	15,444	(3,147)	-20.38%
Radiology	777	754	23	3.05%	5,246	4,301	945	21.97%
Behavioral Health	364	284	80	28.17%	2,641	1,678	963	57.39%
Optometry	112	345	(233)	-67.54%	685	2,811	(2,126)	-75.63%
Winton Dental	316	282	34	12.06%	2,613	1,983	620	31.11%
Castle Dental	388	239	149	62.34%	2,970	1,139	1,831	160.76%
Castle Cosmetics	11	13	(2)	-15.38%	94	88	6	6.82%
TOTAL ENCOUNTERS	11,818	11,493	325	2.83%	84,935	95,131	(10,196)	-10.72%

February-23 Working Days 19 and 1 Holidays
 February-22 Working Days 19 and 1 Holidays

BLUE CLOUD PEDIATRIC SURGERY CENTER LEASE

FOR

ATWATER CHILDREN'S SURGERY CENTER

Lease Agreement
Between
BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity
and
BLUE CLOUD PEDIATRIC SURGERY CENTER, A Limited Liability
Company

Bloss Memorial Healthcare District, a public entity, herein called "Lessor", located at 3605 Hospital Road, Suite "F", Atwater, CA 95301 and BLUE CLOUD PEDIATRIC SURGERY CENTER, a Limited Liability Company, herein called "Lessee", located at 3605 Hospital Road, Suite "H", Atwater, CA 95301 agree as follows:

- 1. LEASE OF PREMISES:** Lessor leases to Lessee, and Lessee leases from Lessor, certain real property, including specified portions of the facility thereon located at 3605 Hospital Road, Atwater, CA 95301 (the "Premises"), more particularly described in Exhibit "A", a copy of which is attached hereto and included herein by reference. Said premises includes approximately 8,148 square feet in area.
- 2. TERM:** The term of this lease shall be for a period of five (5) years commencing on June 1, 2023 and ending on May 31, 2028.
- 3. TERMINATION OF LEASE:** It is understood that this Lease shall be terminated by any of the following events:
 - a. By expiration of the Lease;
 - b. By mutual agreement of both parties; or,
 - c. By the Lessee immediately in the case of destruction as provided in Section 13 of this Lease;
 - d. Failure to pay rent for more than thirty (30) days.
- 4. RENT:** Lessee agrees to pay to Lessor as and for rent the sum of Seventeen Thousand Six Hundred and Fifty-Eight Dollars and Seventy-Two Cents (\$17,658.72) per month. Rent shall be payable in advance on or before the 5th of each month. Late payments of rent are subject to a fee of 1% of monthly rent per month. Effective on the annual anniversary date of each year during the term of this lease, and any extension thereof, rent shall be increased for costs of living adjustment in the amount of 2.5 percent (2.50%).
- 5. MAINTENANCE AND REPAIRS:** Lessor at its cost shall ensure that the Leased premises meet all laws, regulations and local building codes, and shall keep and maintain said premises in good order, condition, and repair, including the exterior roof, exterior walls (excluding window glass), structural supports, foundation of premises, mechanical, electrical, heating, air conditioning and infrastructure plumbing. Lessor is not responsible for ensuring the premises meet specific standards to operate as a dental surgery center.

Lessee at its sole cost is responsible for all equipment repair, replacement and maintenance.

6. USE OF PREMISES: Lessee shall use the premises for the activities associated with the operations of a dental surgery center.

7. UTILITIES: Lessor shall provide, gas, electricity and water for the leased premises as part of the overall rate cost.

8. HOLD HARMLESS: The Lessor is to be free from all liability and claims for damages by reason of any injury to any person or persons, including Lessee, or property of any kind whatsoever to whomsoever belonging, including Lessee from any cause or causes whatsoever while in, upon or in any way connected with the Premises during the term of this lease or any occupancy hereunder except those arising out of the sole negligence of the Lessor.

9. INDEMNITY: Lessee agrees to hold harmless, defend and indemnify Lessor, its officers, agents, and employees from any and all claims and losses arising out of the conditions of the premises, which are under the Lessee's control pursuant to this Lease, or occurring or resulting from the acts and omissions of Lessee, its agents, or employees, contractor or sub-contractors, in connection with the performance of this Lease.

10. LIABILITY INSURANCE: Lessee shall secure and maintain in force such insurance as will protect it from claims for damages to persons or to property of others, including loss of use thereof, which may arise in connection with performance of its obligations under Section 8 of this Lease or in connection with the use or occupancy of the premises. Such insurance shall at a minimum be in the amount of One Million Dollars (\$1,000,000) per occurrence combined single limit. Lessor shall be named an additional insured on the Comprehensive General Liability policy. Lessee shall also provide worker's compensation as required by law.

Lessor shall secure and maintain in force such insurance as will protect it from claims for damages to persons or to property of others, including loss of use thereof, which may arise in connection with the performance of its obligations under the Lease or in connection with its ownership of premises the building in which the premises are located and the associated common areas and activities relate thereto. Such insurance shall at a minimum be in the amount of at least Three Million Dollars (\$3,000,000) per occurrence combined single unit. Lessee shall be named as additional insured on such policy.

11. LOSSES AND DAMAGE TO THE PREMISES: Lessor will not be responsible for losses or damage to personal property, equipment or materials of Lessee and all damages to the premises shall be reported to Lessor immediately upon discovery.

12. PARKING: Lessee shall have the right to use the common parking lot adjacent to the premises for the use of Lessee's employees and patients.

13. DESTRUCTION: If, during the term, the premises are totally or partially destroyed by no cause of the Lessor, rendering the premises totally or partially inaccessible or unusable, so as to cause substantial interference with Lessee's use of the

premises, Lessee can terminate this Lease immediately by giving notice to Lessor.

14. TAXES AND ASSESSMENTS: Lessee agrees to pay all lawful taxes, assessments, or charges which at any time may be levied upon any interest in this agreement. It is understood that this lease may create a possessory interest subject to property taxation and Lessee may be subject to the payment of property taxes levied on such interest.

15. ASSIGNMENT: Lessee shall not voluntarily assign or encumber its interest in this Lease or in the premises, or allow any other person or entity (except Lessee's authorized representatives) to occupy or use all or part of the premises, without first obtaining Lessor's consent. Any assignment encumbrance, or sublease without Lessor's consent shall be voidable, and, at Lessor's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this section. Lessee may not assign this Lease or sublet the premises or any portion thereof, without Lessor's written consent, but only upon prior written notice to Lessor and subject to all other provisions of this Lease, to any corporation or other entity which controls, is controlled by, or is under common control with Lessee, or to any corporation or other entity resulting from a merger or consolidation of Lessee, or purchasing substantially all of the assets or stock of Lessee (collectively, and "Affiliation"), subject to all terms of this Lease, provided that the affiliate assumes in writing all of Lessee's obligations under this Lease and the original entity executing this Lease as Lessee remains fully liable under the Lease.

16. DEFAULT: The occurrence of any of the following shall constitute default by Lessee:

- a. Failure to pay rent when due, if the failure continues for one (1) month after written notice has been given to Lessee;
- b. Abandonment and vacating of the premises (failure to occupy and operate the premises for more than one (1) month shall be deemed abandonment and vacating and failure to pay rent);
- c. Failure to perform any other provisions of this Lease, if the failure to perform is not cured within thirty (30) days after notice has been given to Lessee. If the default cannot reasonably be cured within thirty (30) days, Lessee shall not be in default of this Lease if Lessee commences to cure the default within thirty (30) day period and diligently and in good faith continue to cure the default. Notices under this section shall specify the alleged default and the applicable Lease provision and shall demand that Lessee perform the provision of this Lease and pay the rent that is in arrears, as the case may be, within the applicable period of time, or quite the premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Lessor so elects in the notice.

17. SURRENDER OF PREMISES: On the last day of the term, or sooner termination of this Lease, Lessee will peacefully and quietly leave and surrender to Lessor the premises with their appurtenance and fixture in as good order, condition and repairs as when accepted, reasonable use and wear thereof and damage by earthquake, public calamity, by the elements, by

the act of God, or by circumstances over which Lessee has no reasonable control excepted. Lessee shall also deliver to Lessor all keys to the premises, and leave a forwarding address for Lessee. Lessee shall be responsible for any damages that Lessor may sustain from Lessee's failure to vacate the premises as agreed executing any incidental or consequential damages.

18. INSPECTION: Lessor reserves the right to enter the premises by prior appointment, and to employ the proper representatives in order to see that all things are done in the manner best calculated for the preservation of the property, and in full compliance with the terms and conditions of this Lease.

19. DAMAGES: If Lessee breaches this Lease and abandons the property before the end of the term, or if Lessee's right to possession is terminated by Lessor because of a breach of the Lease, then in either such case, Lessor may recover from Lessee all damages suffered by Lessor as a result of Lessee's failure to perform its obligations there under excluding any incidental or consequential damages.

20. NOTICE: Any notice, demand, request, consent, approval, communication that either party desires or is requested to give to the other party or to any other person shall be in writing, and either served personally or sent by certified or registered mail, return receipt requested, and shall be addressed to the other party at the address set forth in the introductory paragraph of this Lease. Either party may change its address by notifying the other party of the change in address.

21. MISCELLANEOUS: Time is of the essence of each provision of this Lease. Whenever consent or approval of either party is required, that party shall not unreasonably withhold or delay such consent or approval.

22. ATTORNEY FEES: Should any dispute arise between the parties hereto with respect to terms, conditions, or payment of rent, damages, declaratory relief, or other obligations, the prevailing party shall be awarded reasonable attorney's fees, in addition to other costs or damages.

23. COPIES OF THE LEASE: This Lease is executed in counterparts each of which shall be deemed a duplicate original.

24. WAIVER OF TERMS: No waiver of any terms, conditions, or covenant of this Lease by either party shall be deemed as a waiver of any other item, condition, or covenant herein contained, nor of the strict and prompt performance thereof.

25. EFFECTIVE DATE: The effective date of this Lease shall be at such time as the terms and provisions hereto of are approved by the governing boards of each of the entities herein.

Bloss Memorial Healthcare District
Edward H. Lujano
Chief Executive Officer

Date

BLUE CLOUD PEDIATRIC SURGERY
CENTER, A Limited Liability Company
Devin Larsen
President / CEO

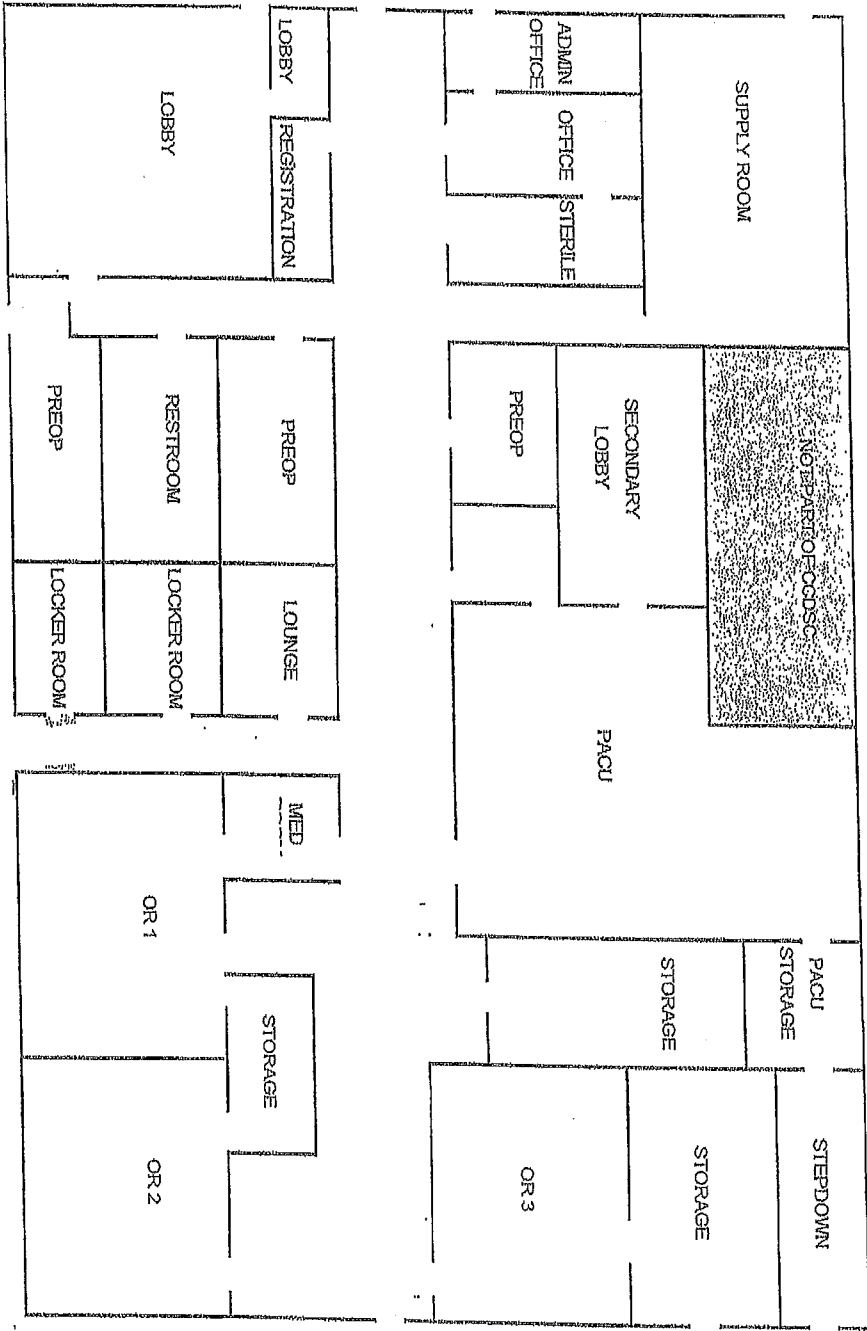
Date

EXHIBIT "A" DESCRIPTION OF PREMISES

1) Description

Map of Area (attached)

CENTRAL CALIFORNIA DENTAL SURGERY CENTER



Rev. 4/2001

REQUEST FROM
JUAN MARTINEZ FOR LEASE SPACE
FOR
BOXING / KICKBOXING TRAINING EXERCISE

Proposal

1-20-23

I Juan Martinez propose to train kids from ages 8-17yrs of age at the Bloss Memorial Healthcare District in Atwater CA. 95301. I will be training Boxing/Kickboxing under my business FINISHED MMA, in which I am the sole proprietor. I am currently a Certified Coach under the USA Boxing Commission which includes my Concussion Certification as well. The training will consist of exercises only, and at no time will include sparring of any type. I would like to train on Mondays, Wednesdays, and Fridays from 6pm to 7pm, but can adjust this time frame and days if needed. The fee will be \$3 per student, or \$25 per month if paid in advance. Please consider this proposal, as I believe this is much needed for our community. "One Team, One Dream"!

M-D VENTURES / PARLIER LEASE TERMINATION



BLOSS MEMORIAL HEALTHCARE DISTRICT

March 23, 2023

Wes Isaac
M-D Ventures
933 G Street
Reedley, CA 93654

Dear Wes:

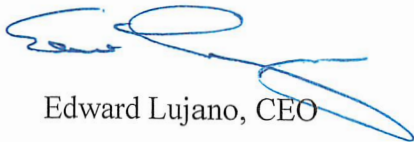
This letter is in follow-up to our meeting of March 3, 2023 at the Parlier site where we met with Blue Cloud the current tenant to go over the letter you sent to me on January 24, 2023 regarding areas of follow-up. (Letter Attached)

As we discussed Bloss Memorial Healthcare District has asked you that it would like to terminate our current lease of the Parlier site that ends on December 2023 this year. We agree that Bloss would pre-pay the lease through December of 2023 with the understanding that we provide you the information requested on your letter.

Based on our phone conversation today we agree that those 9 areas addressed in your letter have been met and that you are prepared to release Bloss from its lease as of March 31, 2023. Enclosed is a check for \$175,383.54 for the pre-payment of April – December 2023. Blue cloud will discontinue all utilities as of March 31, 2023.

Thank you, Wes, for the long good working relationship and we wish you the best as you continue to use the facility to provide care to the community of Parlier.

Respectfully,

A handwritten signature in blue ink, appearing to read "Edward Lujano", is written over a horizontal line.

Edward Lujano, CEO

M-D Ventures

Wes 559-352-9922

933 G Street
Reedley, CA 93654-2626
Phone: (559) 638-1228
Fax: (559) 638-7670

January 24, 2023

Bloss Memorial Health Care District
Attn: Mr. Ed Lujano, CEO
3605 Hospital Road
Atwater, CA 95301

Dear Mr. Lujano:

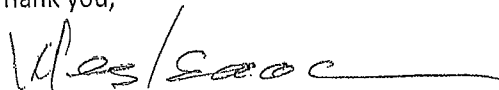
This letter acknowledges the final closure of the original lease agreement dated August 1, 2006 for the dental surgery center in Parlier, California. The lease agreement, which ends December 31, 2023, requires the following list for a transition from Bloss Memorial Health Care District to M-D Ventures:

1. The current license under which the building is currently being held.
2. The current and all maintenance records for the entire building.
3. The keys for all doors, lockers, equipment and cabinets. All keys must be identified.
4. Company names and contact information for landscape services and the cost.
5. Costs for all City of Parlier services. Do not stop City services without our approval.
6. Proof of maintaining and updating all alarm issues. Please see attached.
7. Removal of all building signage and, if repair is required, Bloss Memorial Health Care District will be notified.
8. Names, contact information, and costs of any other vendors servicing or affecting the property not previously listed in this letter.
9. Please do not discontinue PG&E and The Gas Company services until our approval.

In conclusion, a final walkthrough with Bloss Memorial Health Care District and Blue Cloud will be required.

Any questions or comments regarding these requests are welcome. Please call me at (559) 352-9922.

Thank you,



Wes Isaac, Partner
Attachment