

# Application for Recognition of Exemption

## Under Section 501(c)(3) of the Internal Revenue Code

For Paperwork Reduction Act Notice, see page 1 of the instructions.

To be filed in the key district for the area in which the organization has its principal office or place of business.

This application, when properly completed, constitutes the notice required under section 508(a) of the Internal Revenue Code so that an applicant may be treated as described in section 501(c)(3) of the Code, and the notice required under section 508(b) for an organization claiming not to be a private foundation within the meaning of section 509(a). (Read the instructions for each part carefully before making any entries.) If required information, a conformed copy of the organizing and operational documents, or financial data are not furnished, the application will not be considered on its merits and the organization will be notified accordingly. Do not file this application if the applicant has no organizing instrument (see Part II).

### Part I.—Identification

1 Full name of organization <u>APPLE TREE DENTAL</u>		2 Employer identification number (If none, see instructions) <u>ATTACHED</u>	
3(a) Address (number and street) <u>13912 FREMONT AVE S</u>		Check here if applying under section: <input type="checkbox"/> 501(e) <input type="checkbox"/> 501(f)	
3(b) City or town, State, and Zip code <u>BURNSVILLE, MINNESOTA 55337</u>		4 Name and phone number of person to be contacted <u>MICHAEL GAYINO (612) 894-7592</u>	
5 Month the annual accounting period ends <u>DECEMBER</u>	6 Date incorporated or formed <u>JULY 12, 1985</u>	7 Activity codes <u>179   560   575</u>	
8 Has the organization filed Federal income tax returns or exempt organization information returns? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form number(s), years filed, and Internal Revenue office where filed. ....			

### Part II.—Type of Entity and Organizational Document (see instructions)

Check the applicable entity box below and attach a conformed copy of the organization's organizing document and bylaws as indicated for each entity.  
 Corporation—Articles of incorporation and bylaws.  Trust—Trust indenture.  Other—Constitution or articles of association and bylaws.

### Part III.—Activities and Operational Information

1 What are or will be the organization's sources of financial support? List in order of size.

- A. FEES FROM MEDICAL ASSISTANCE 70%
- B. FEES FROM PRIVATE 25%
- C. GRANTS 5%

2 Describe the organization's fund-raising program, both actual and planned, and explain to what extent it has been put into effect. (Include details of fund-raising activities such as selective mailings, formation of fund-raising committees, use of professional fund raisers, etc.) Attach representative copies of solicitations for financial support.

FUND RAISING PLAN INCLUDES APPLYING FOR GRANTS

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and I have examined this application, including the accompanying statements, and to the best of my knowledge it is true, correct, and complete.

Michael J. Helgeson MS  
(Signature)

President  
(Title or authority of signer)

11-10-85  
(Date)

**Part III.—Activities and Operational Information (Continued)**

3 Give a detailed narrative description of the organization's past, present, and proposed future activities, and the purposes for which it was formed. The narrative should identify the specific benefits, services, or products the organization has provided or will provide. If the organization is not fully operational, explain what stage of development its activities have reached, what further steps remain for it to become fully operational, and when such further steps will take place. (Do not state the purposes and activities of the organization in general terms or repeat the language of the organizational documents.) If the organization is a school, hospital, or medical research organization, include enough information in your description to clearly show that the organization meets the definition of that particular activity that is contained in the instructions for Part VI-A.

SEE ADDENDUM ATTACHED

4 The membership of the organization's governing body is:

(a) Names, addresses, and titles of officers, directors, trustees, etc.	(b) Annual compensation
DR. MICHAEL HELGESON, PRESIDENT 2112 26TH AVE S. MPLS, MN 55406	\$ 25,000/YR ... SALARY FOR FULL-TIME DENTIST BUT, NO COMPENSATION AS OFFICERS
DR. MICHAEL GAVINO, TREASURER AND SECRETARY 13912 FREMONT AVE S. BURNSVILLE, MN 55337	

Part III.—Activities and Operational Information (Continued)

4 (c) Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? . . . . .  Yes  No
If "Yes," name those persons and explain the basis of their selection or appointment.

(d) Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons?" (See specific instruction 4(d).) . . . . .  Yes  No
If "Yes," explain.

(e) Have any members of the organization's governing body assigned income or assets to the organization, or is it anticipated that any current or future member of the governing body will assign income or assets to the organization? . . . . .  Yes  No
If "Yes," attach a complete explanation stating which applies and including copies of any assignments plus a list of items assigned.

5 Does the organization control or is it controlled by any other organization? . . . . .  Yes  No
Is the organization the outgrowth of another organization, or does it have a special relationship to another organization by reason of interlocking directorates or other factors? . . . . .  Yes  No
If either of these questions is answered "Yes," explain.

6 Is the organization financially accountable to any other organization? . . . . .  Yes  No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

7 (a) What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. NONE

(b) To what extent have you used, or do you plan to use contributions as an endowment fund, i.e., hold contributions to produce income for the support of your exempt activities? NONE

8 Will any of the organization's facilities be managed by another organization or individual under a contractual agreement? . . . . .  Yes  No
If "Yes," attach a copy of each contract and explain the relationship between the applicant and each of the other parties.

Part III.—Activities and Operational Information (Continued)

9 (a) Have the recipients been required or will they be required to pay for the organization's benefits, services, or products? . . . . .  Yes  No
If "Yes," explain and show how the charges are determined.
REFER TO ATTACHED SHEET

(b) Does or will the organization limit its benefits, services, or products to specific classes of individuals? .  Yes  No
If "Yes," explain how the recipients or beneficiaries are or will be selected.
INSTITUTIONALIZED INDIVIDUALS IN LONG-TERM CARE FACILITIES

10 Is the organization a membership organization? . . . . .  Yes  No
If "Yes," complete the following:

(a) Describe the organization's membership requirements and attach a schedule of membership fees and dues.

(b) Describe your present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.

(c) Are benefits, services, or products limited to members? . . . . .  Yes  No
If "No," explain.

11 Does or will the organization engage in activities tending to influence legislation or intervene in any way in political campaigns? . . . . .  Yes  No
If "Yes," explain. (Note: You may wish to file Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation.)

12 Does the organization have a pension plan for employees? . . . . .  Yes  No

13 (a) Are you filing Form 1023 within 15 months from the end of the month in which you were created or formed as required by section 508(a) and the related regulations? (See general instructions.) . . .  Yes  No

(b) If you answer "No," to 13(a) and you claim that you fit an exception to the notice requirements under section 508(a), attach an explanation of your basis for the claimed exception.

(c) If you answer "No," to 13(a) and section 508(a) does apply to you, you may be eligible for relief under regulations section 1.9100 from the application of section 508(a). Do you wish to request relief? . . .  Yes  No

(d) If you answer "Yes," to 13(c) attach a detailed statement that satisfies the requirements of Rev. Proc. 79-63.

(e) If you answer "No," to both 13(a) and 13(c) and section 508(a) does apply to you, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed (see instructions)? . . . . .  Yes  No

Part IV.—Statement as to Private Foundation Status (see instructions)

1 Is the organization a private foundation? . . . . .  Yes  No

2 If you answer "Yes," to question 1 and the organization claims to be a private operating foundation, check here  and complete Part VII.

3 If you answer "No," to question 1 indicate the type of ruling you are requesting regarding the organization's status under section 509 by checking the box(es) below that apply:

(a) Definitive ruling under section 509(a)(1), (2), (3), or (4) ►  Complete Part VI.

(b) Advance ruling under ►  sections 509(a)(1) and 170(b)(1)(A)(vi) or ►  section 509(a)(2)—see instructions.

(c) Extended advance ruling under ►  sections 509(a)(1) and 170(b)(1)(A)(vi) or ►  section 509(a)(2)—see instructions.

(Note: If you want an extended advance ruling you must check the appropriate boxes for both 3(b) and 3(c). You must also complete and attach two Forms 872-C to the application.)

Statement of Support, Revenue, and Expenses for the period beginning JANUARY, 1986, and ending DECEMBER, 1986.

Note: Complete the financial statements for the current year and for each of the three years immediately before it. If in existence less than four years, complete the statements for each year in existence. If in existence less than one year, also provide proposed budgets for the two years following the current year.

Support and Revenue	1	Gross contributions, gifts, grants, and similar amounts received . . . . .	1	5,000
	2	Gross dues and assessments of members . . . . .	2	
	3	(a) Gross amounts derived from activities related to organization's exempt purpose (attach schedule) . . . . .		147,000
		(b) Minus cost of sales . . . . .	3c	147,000
	4	(a) Gross amounts from unrelated business activities (attach schedule) . . . . .		
		(b) Minus cost of sales . . . . .	4c	
	5	(a) Gross amount received from sale of assets, excluding inventory items (attach schedule) . . . . .		
		(b) Minus cost or other basis and sales expenses of assets sold . . . . .	5c	
	6	Investment income (see instructions) . . . . .	6	
	7	Other revenue (attach schedule) . . . . .	7	
	8	<b>Total support and revenue</b> . . . . .	8	152,000
Expenses	9	Fund raising expenses . . . . .	9	500
	10	Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .	10	
	11	Disbursements to or for benefit of members (attach schedule) . . . . .	11	
	12	Compensation of officers, directors, and trustees (attach schedule) . . . . .	12	
	13	Other salaries and wages . . . . .	13	74,000
	14	Interest . . . . .	14	10,805
	15	Rent . . . . .	15	5,400
	16	Depreciation and depletion . . . . .	16	8,973
	17	Other (attach schedule) . . . . .	17	77,875
	18	<b>Total expenses</b> . . . . .	18	177,553
	19	Excess of support and revenue over expenses (line 8 minus line 18) . . . . .	19	<25,553>

**Balance Sheet**  
(at the end of the period shown above)

Enter date **JAN. 1, 1986**

Ending date **DEC. 31, 1986**

<b>Assets</b>		
20	Cash (a) Interest bearing accounts . . . . .	20a
	(b) Other . . . . .	20b
21	Accounts receivable, net . . . . .	21
22	Inventories . . . . .	22
23	Bonds and notes (attach schedule) . . . . .	23
24	Corporate stocks (attach schedule) . . . . .	24
25	Mortgage loans (attach schedule) . . . . .	25
26	Other investments (attach schedule) . . . . .	26
27	Depreciable and depletable assets (attach schedule) . . . . .	27
28	Land . . . . .	28
29	Other assets (attach schedule) . . . . .	29
30	<b>Total assets</b> . . . . .	30
<b>Liabilities</b>		
31	Accounts payable . . . . .	31
32	Contributions, gifts, grants, etc., payable . . . . .	32
33	Mortgages and notes payable (attach schedule) . . . . .	33
34	Other liabilities (attach schedules) . . . . .	34
35	<b>Total liabilities</b> . . . . .	35
<b>Fund Balances or Net Worth</b>		
36	<b>Total fund balances or net worth</b> . . . . .	36
37	<b>Total liabilities and fund balances or net worth</b> (line 35 plus line 36) . . . . .	37

If there has been any substantial change in any aspect of your financial activities since the period shown above ended, check the box and attach a detailed explanation

Statement of Support, Revenue, and Expenses for the period beginning JANUARY, 1987, and ending DECEMBER, 1987.

Note: Complete the financial statements for the current year and for each of the three years immediately before it. If in existence less than four years, complete the statements for each year in existence. If in existence less than one year, also provide proposed budgets for the two years following the current year.

Support and Revenue	1	Gross contributions, gifts, grants, and similar amounts received . . . . .	1	5,500	
	2	Gross dues and assessments of members . . . . .	2		
	3	(a) Gross amounts derived from activities related to organization's exempt purpose (attach schedule) . . . . .		232,750	
		(b) Minus cost of sales . . . . .	3c	232,750	
	4	(a) Gross amounts from unrelated business activities (attach schedule) . . . . .			
		(b) Minus cost of sales . . . . .	4c		
	5	(a) Gross amount received from sale of assets, excluding inventory items (attach schedule) . . . . .			
		(b) Minus cost or other basis and sales expenses of assets sold . . . . .	5c		
	6	Investment income (see instructions) . . . . .	6		
	7	Other revenue (attach schedule) . . . . .	7		
	8	<b>Total support and revenue</b> . . . . .	8	238,250	
Expenses	9	Fund raising expenses . . . . .	9	550	
	10	Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .	10		
	11	Disbursements to or for benefit of members (attach schedule) . . . . .	11		
	12	Compensation of officers, directors, and trustees (attach schedule) . . . . .	12		
	13	Other salaries and wages . . . . .	13	96,500	
	14	Interest . . . . .	14	9,003	
	15	Rent . . . . .	15	6,600	
	16	Depreciation and depletion . . . . .	16	8,973	
	17	Other (attach schedule) . . . . .	17	107,533	
		18	<b>Total expenses</b> . . . . .	18	229,159
		19	Excess of support and revenue over expenses (line 8 minus line 18) . . . . .	19	9,091

**Balance Sheet**  
(at the end of the period shown above)

Enter date JAN. 1, 1987

Ending date DEC. 31, 1987

<b>Assets</b>			
20	Cash (a) Interest bearing accounts . . . . .	20a	4,266
	(b) Other . . . . .	20b	
21	Accounts receivable, net . . . . .	21	15,517
22	Inventories . . . . .	22	12,135
23	Bonds and notes (attach schedule) . . . . .	23	
24	Corporate stocks (attach schedule) . . . . .	24	
25	Mortgage loans (attach schedule) . . . . .	25	
26	Other investments (attach schedule) . . . . .	26	
27	Depreciable and depletable assets (attach schedule) . . . . .	27	16,919
28	Land . . . . .	28	
29	Other assets (attach schedule) . . . . .	29	
30	<b>Total assets</b> . . . . .	30	48,837
<b>Liabilities</b>			
31	Accounts payable . . . . .	31	
32	Contributions, gifts, grants, etc., payable . . . . .	32	
33	Mortgages and notes payable (attach schedule) . . . . .	33	52,839
34	Other liabilities (attach schedules) . . . . .	34	
35	<b>Total liabilities</b> . . . . .	35	52,839
<b>Fund Balances or Net Worth</b>			
36	<b>Total fund balances or net worth</b> . . . . .	36	< 4,002 >
37	<b>Total liabilities and fund balances or net worth</b> (line 35 plus line 36) . . . . .	37	44,571

If there has been any substantial change in any aspect of your financial activities since the period shown above ended, check the box and attach a detailed explanation

Statement of Support, Revenue, and Expenses for the period beginning JANUARY, 1988, and ending DECEMBER, 1988.

Note: Complete the financial statements for the current year and for each of the three years immediately before it. If in existence less than four years, complete the statements for each year in existence. If in existence less than one year, also provide proposed budgets for the two years following the current year.

Support and Revenue	1	Gross contributions, gifts, grants, and similar amounts received . . . . .	1	6,050
	2	Gross dues and assessments of members . . . . .	2	
	3	(a) Gross amounts derived from activities related to organization's exempt purpose (attach schedule) . . . . .	3c	281,750
		(b) Minus cost of sales . . . . .		
	4	(a) Gross amounts from unrelated business activities (attach schedule) . . . . .	4c	281,750
		(b) Minus cost of sales . . . . .		
	5	(a) Gross amount received from sale of assets, excluding inventory items (attach schedule) . . . . .	5c	
		(b) Minus cost or other basis and sales expenses of assets sold . . . . .		
	6	Investment income (see instructions) . . . . .	6	
	7	Other revenue (attach schedule) . . . . .	7	
	8	<b>Total support and revenue</b> . . . . .	8	287,800
Expenses	9	Fund raising expenses . . . . .	9	605
	10	Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .	10	
	11	Disbursements to or for benefit of members (attach schedule) . . . . .	11	
	12	Compensation of officers, directors, and trustees (attach schedule) . . . . .	12	
	13	Other salaries and wages . . . . .	13	108,700
	14	Interest . . . . .	14	6,918
	15	Rent . . . . .	15	7,260
	16	Depreciation and depletion . . . . .	16	8,973
	17	Other (attach schedule) . . . . .	17	106,571
	18	<b>Total expenses</b> . . . . .	18	239,027
	19	Excess of support and revenue over expenses (line 8 minus line 18) . . . . .	19	48,773

**Balance Sheet**  
(at the end of the period shown above)

Enter date **JAN. 1, 1988**

Ending date **DEC. 31, 1988**

<b>Assets</b>			
20	Cash (a) Interest bearing accounts . . . . .	20a	53,071
	(b) Other . . . . .	20b	
21	Accounts receivable, net . . . . .	21	9,391
22	Inventories . . . . .	22	12,135
23	Bonds and notes (attach schedule) . . . . .	23	
24	Corporate stocks (attach schedule) . . . . .	24	
25	Mortgage loans (attach schedule) . . . . .	25	
26	Other investments (attach schedule) . . . . .	26	
27	Depreciable and depletable assets (attach schedule) . . . . .	27	7,946
28	Land . . . . .	28	
29	Other assets (attach schedule) . . . . .	29	
30	<b>Total assets</b> . . . . .	30	82,543
<b>Liabilities</b>			
31	Accounts payable . . . . .	31	
32	Contributions, gifts, grants, etc., payable . . . . .	32	
33	Mortgages and notes payable (attach schedule) . . . . .	33	37,773
34	Other liabilities (attach schedules) . . . . .	34	
35	<b>Total liabilities</b> . . . . .	35	37,773
<b>Fund Balances or Net Worth</b>			
36	<b>Total fund balances or net worth</b> . . . . .	36	44,770
37	<b>Total liabilities and fund balances or net worth</b> (line 35 plus line 36) . . . . .	37	82,543

If there has been any substantial change in any aspect of your financial activities since the period shown above ended, check the box and attach a detailed explanation

## Apple Tree Dental

### IRS 1023: Addendum

#### Contents

The narrative answer to Part III, question #3 and the additional information requested for non-profit "Clinics" is presented on pages 1-3. On pages 4-9, explanations of the projected financial data for our first three years are presented.

#### Purposes

The primary purpose of Apple Tree Dental corporation is to overcome barriers to dental care for long-term care residents by providing non-profit portable dental services. Barriers to care for elderly and handicapped long-term care residents include difficulty transporting residents to dentists, difficulty bringing dentists into long-term care facilities, mental and physical disabilities which prevent residents from obtaining care in community clinics, inadequate training or skills among nursing home staff members to detect and refer oral health problems, financial constraints of residents and their families, and limited coverage of dental services by Medical Assistance.

#### Population to be Served

Long-term care residents who do not receive needed dental care from community dentists such as the elderly, handicapped or retarded, are the target population for Apple Tree Dental's services. We estimate that approximately 70% of our patients will be Medical Assistance (Medicaid) recipients.

Medicaid pays for over half of all nursing home expenses. About three quarters of all nursing home residents receive at least partial Medicaid support, and the vast majority end up on Medicaid when all of their savings are spent for nursing home care.

Only about two thirds of the states provide *any* Medicaid *dental* benefits, and these benefits are generally targeted at AFDC *children*. Medicaid dental benefits for adults, in states where they exist, are very restrictive. Reimbursements to dentists under Medicaid must by law be accepted as payment in full for services provided. Thus, when reimbursement levels fall below the costs of providing services, the providers must donate the balance each time they treat Medicaid patients.

In Minnesota, for example, the current reimbursement levels have been set to levels below the average dental fees charged in 1979. In community clinics, the overhead costs for dental services are typically approximately 60% of the fee charged to the patient. The remaining 40% is the dentist's income. Medicaid's 1979 reimbursements are often less than 60% of the current fees charged to patients. Thus, each service provided to Medicaid recipients in Minnesota may actually result in unpaid overhead costs to the dentist, with the dentist receiving no reimbursement for his own work. As a result of this situation, many community dentists refuse to treat long-term care facility "welfare" patients.

#### Other Purposes

A secondary purpose of the corporation is to provide continuing education in geriatric dentistry and dentistry for the handicapped to dentists, dental hygienists, and dental assistants and to provide externship opportunities for dental, dental hygiene, and dental

assisting students providing care to long-term care residents. Continuing education and externship experiences will be accredited through the University of Minnesota, School of Dentistry. Dental education services to staff members at long-term care facilities such as regular inservice education presentations are also planned.

A final purpose of the corporation is to maintain detailed patient records scientifically suitable for ongoing epidemiologic research into the dental needs of long-term care residents. Apple Tree Dental corporation's ultimate goal is to continually improve the delivery of dental care to long-term care residents through service, education and research.

## **Past, Present, and Future Activities**

### Administration and Control

Apple Tree Dental corporation will be administered by the Board of Directors, which will be expanded as needed. When we become operational, we plan to have at least three directors. Currently there are two directors: Dr. Michael Gavino, Treasurer and Secretary, and Dr. Michael Helgeson, President.

Michael Helgeson, DDS  
President  
2112 26th Ave So.  
Minneapolis, Minnesota 55406  
(612) 341-2516

Michael Gavino, DDS  
Treasurer and Secretary  
13912 Fremont Ave So.  
Burnsville, Minnesota 55337  
(612) 894-7592

Dr. Helgeson is currently in his final year in a Master's Degree program in Oral Health Services for Older Adults at the University of Minnesota, Graduate School. This graduate program is sponsored by the Amherst H. Wilder Foundation in St. Paul. The Wilder Foundation has a long standing interest in services to the elderly, providing such services as housing for the elderly, senior centers, intermediate and skilled nursing home facilities, and the Senior Health Clinic, a multidisciplinary clinic providing care to elderly residents of St. Paul. Dr. Helgeson practices dentistry at the Senior Health Clinic, and receives academic training in the treatment of long-term care facility residents at the University of Minnesota. He plans a career practicing and teaching geriatric dentistry with emphasis on oral health care for long-term care residents.

Dr. Gavino currently is in private practice in Minneapolis. He has experience in bookkeeping and accounting as well as in dental office management. In addition to his private practice, Dr. Gavino is a part-time clinical instructor in Oral Radiology at the University of Minnesota, School of Dentistry. Dr. Gavino also has experience in dental research, and has presented his work at the Minnesota Dental Association's Annual Meeting.

Drs. Helgeson and Gavino will be providing professional services as well as serving on the Board of Directors.

### Professional Staff Compensation

Professional staff salaries will be determined by the Board of Directors. Our projections for salaries for the first three years range from \$25,000 to \$32,000 annually for full time dentists. This is significantly below the average dental income in the Twin Cities area of approximately \$54,000 per year for full time dentists. Compensation may be increased up to a yearly *cap* if revenues are higher than projected. Professional compensation will be *capped* near the regional average annual dental income as published yearly by reputable surveys.

### Charges for Services

Charges will be set at levels less than the average usual and customary dental fees in the area as determined by surveys done yearly by the University of Minnesota, School of Dentistry. However, because approximately 70% of our patients will be Medical Assistance recipients, the majority of our *actual reimbursements* will be determined by Medical Assistance. Medical Assistance reimbursement levels have been significantly below the current average fees in the community for given dental services. Generally, Medical Assistance reimbursements will be near our costs of providing care, with any deficits made up through grants, donations, etc.

We hope to obtain grants from private foundations interested in services to the elderly, such as Medtronics, General Mills, etc. Funds or other assets obtained from such sources will help us to provide free care when patients cannot afford care or when Medicaid will not cover a needed service.

### Planned Activities

Presently, the corporation is seeking a loan with which to begin operations. We are hoping to receive start-up funds within the next several months. Preparations for start-up should be completed within two months of receiving start-up funding.

The primary service provided by Apple Tree Dental will be comprehensive dental care within long-term care facilities using a van and portable dental equipment. Elderly, handicapped, or retarded residents who do not or cannot receive needed dental care from community dentists are the target population. We also plan to act as the dental consultant for each facility. This involves providing assistance in formulating and implementing dental care policies, and providing yearly inservice presentations to nursing staff on oral health care.

Apple Tree Dental's initial phase of operations will be in the Minneapolis - St Paul area. This initial phase will involve purchasing and modifying a van and portable dental equipment, and setting up our office site. The corporation plans to rent a space for office and laboratory uses. We will need space for one or two secretaries, dental laboratory activities, storage of supplies, and management functions. Our dental care delivery "facilities" will consist of a van equipped with a complete dental operatory which can be moved into long-term care facilities. Dental care will be provided by moving all the necessary equipment out of the van and into a suitable working space within each long-term care facility.

In the second phase of operations, the corporation plans to provide educational opportunities for dentists and other health care professionals in oral health care for long-term care residents. Finally, the corporation plans to accumulate computerized data which can be used for epidemiological research into the oral health needs of long-term care residents.

## Part V

## Support and Revenue

Line	Description	Year 1	Year 2	Year 3
Line 1	Gross Contributions	5000	5500	6050
	This is an estimate of possible grants from foundations such as Medtronics, General Mills etc. The associated fund raising expenses are estimated to be 10% of the grant amount for each year, and a 10% per year increase in foundation support is projected.			
Line 2	Dues or assessments of members	0	0	0
Line 3a	Gross Dental Production	147,000	232,750	281,750
	Collections	124,950	209,475	267,664
	(% of Gross Production)	(85%)	(90%)	(95%)
	<u>Accounts Receivable</u>	<u>14,700</u>	<u>15,517</u>	<u>9,391</u>
	Collectable Gross Production	139,650	224,992	277,055
	<u>Free care</u>	<u>7,350</u>	<u>7,758</u>	<u>4,695</u>
	Total Gross Production	147,000	232,750	281,750

Typical long-term care facilities have approximately 120 beds, and about 50% of the residents are interested in dental care services. The remaining 50% of the residents either see community dentists or refuse to see a dentist. Thus, we estimate that each contracted nursing home will generate approximately 60 Apple Tree Dental patients. Once initial care has been provided, maintenance examinations and cleanings are the primary services.

We estimate that a full time dentist will average 12 patient visits per day, and with 245 working days, a total of 2,940 patient visits will be delivered during the first year. 2,940 visits at an average revenue per visit of \$50 will generate \$147,000 of gross revenue during the first year (Community dentists typically average \$100 per patient visit at private fee rates. Because the majority of our patients receive Medical Assistance we estimate only 50% of the private revenue per visit, or \$50). To provide 2,940 patient visits to nursing homes, each of which generates 60 active patients who receive an average of three visits each per year will require an average of 16 nursing homes during the first year. Therefore our target is to contract 20 nursing homes by the end of the first year.

A similar line of reasoning supports a target of 26 nursing homes during year two and 31 nursing homes during year three.

Line 3c	Gross receipts	147,000	232,750	281,750
Line 4c	Unrelated receipts	0	0	0
Line 5c	Sales of assets	0	0	0
Line 6	Investment income	0	0	0
Line 7	Other revenue	0	0	0
Line 8	<b>Total support and revenue:</b>	<b>144,650</b>	<b>230,492</b>	<b>283,104</b>

### Expenses

Line	Description	Year 1	Year 2	Year 3
Line 9	Fundraising expenses (see Line 1. 10% of grants)	500	550	605
Line 10	Contributions, etc, paid	0	0	0
Line 11	Disbursements to members	0	0	0
Line 12	Compensation to Officers	0	0	0
No compensation to officers, directors, and trustees, as specified in the Articles of Incorporation and the Bylaws.				
Line 13	Other salaries and wages:	74,000	96,500	108,700
	Dentist A (full time)	25,000	28,000	32,000
	Dentist B (full time)	25,000	28,000	32,000
	Assistant A (full time)	15,000	16,000	17,700
	Assist B/Receptionist (full time)	9,000	12,500	13,800
	Assist C/Receptionist (part time)	None	12,000	13,200
	Totals	74,000	96,500	108,700

Dentist salaries will be capped near the average annual income for full time dentists in the Twin Cities area as reported by agencies conducting reputable dental income surveys. (Currently the average annual income for a full time dentist in the Twin Cities area is approximately \$54,000).

Line 14	Interest:	10,805	9,003	6,918
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Based on a \$77,000 loan, (\$47,000 capital, \$30,000 cash flow) at 15% interest with a five year payback, the interest paid by the end of year one, two and three are listed above. Monthly payments are \$1,832. The principal payments are \$11,180, \$12,981, and \$15,066 respectively.

Line 15	Rent:	5,400	6,600	7,260
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The first year estimate of \$450 per month is based on approximately 350 sq. ft. of office space including a security parking space for the van. The second year is estimated at \$550 per month and the third year at \$605 per month.

Line 16	Depreciation and depletion	8,973	8,973	8,973
	Business office	6,850		
	Operating room	9,455		
	Filling Materials	560		
	<u>X-ray Unit</u>	<u>3,000</u>		
	Subtotal	19,865		
	Depreciate \$19,865 over 5 years (straight line)		3,973	
	Van		15,000	
	<u>Depreciate \$15,000 over 3 years (straight line)</u>		<u>5,000</u>	
	Total depreciation per year for first three years		8,973	

Line 17	Other expenses:	77,875	107,553	106,571
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The list below shows how the totals above were derived.

A	Payroll taxes	6,642	8,800	9,850
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These estimates are based on married dentists and single assistants, with paydays on the 15th and 30th of each month.

1. FICA

Dentist A	1,763	2,002	2,320
Dentist B	1,763	2,002	2,320
Assist A	846	952	1,080
Assist B	846	952	1,080
Assist C	0	952	1,080
<u>Total FICA</u>	<u>5218</u>	<u>6,860</u>	<u>7,880</u>

2. Federal UC

Dentist A	56	63	69
Dentist B	56	63	69
Assist A	56	63	69
Assist B	56	63	69
Assist C	0	63	69
<u>Total Federal UC</u>	<u>224</u>	<u>315</u>	<u>345</u>

3. State UC

Dentist A	300	325	325
Dentist B	300	325	325
Assist A	300	325	325
Assist B	300	325	325
Assist C	0	325	325
<u>Total State UC</u>	<u>1,200</u>	<u>1,625</u>	<u>1,625</u>

<u>Payroll Tax Totals</u>	<u>6,642</u>	<u>8,800</u>	<u>9,850</u>
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B.	Lab Fees (12% of production)	17,640	27,930	33,810
C.	Office and Dental Supplies (9% of production)	13,230	20,948	25,358
D.	Professional Dues and Continuing Education	2,400	2,500	2,600
E.	Utilities	1,200	1,320	1,452
F.	Phone	1,200	1,320	1,452
G.	Travel	1,820	3,580	3,580
H.	Laundry	400	440	484
I.	Yearly IRS Audit	1,500	1,650	1,815

J. Advertising		1,200	1,320	1,452
K. Accountant		1,200	1,320	1,452
L. Lawyer		1,000	1,100	1,210
M. Medical Insurance		1,960	2,825	3,100
N. Other Insurance		4,794	5,280	5,768
1 Professional Liability	2,100	2,310	2,541	
2 Van Insurance	694	770	827	
3 Umbrella	<u>2,000</u>	<u>2,200</u>	<u>2,420</u>	
Other Insurance Total	4,794	5,280	5,768	
O. Debts from Previous Year (Line 30)		0	12,459	0
P. Free Care (Uncollectable) (See Line 3)		7,350	7,758	4,695
Q. Startup Costs		9,929	0	0
1. Salaries	7403			
2. Payroll Taxes	730			
3. Rent	900			
4. Utilities	200			
5. Travel	150			
6. Insurance	283			
7. Accountant	100			
8. Medical Insurance	<u>163</u>			
Total:	9,929			
R. Miscellaneous Expenses (3% of Gross Production)		4,410	6,983	8,453
<b>Line 17 Other Expenses Grand Total</b>		<b>77,875</b>	<b>107,533</b>	<b>106,571</b>
<b>Line 18 Total Expenses</b>		<b>177,533</b>	<b>229,159</b>	<b>239,027</b>
<b>Line 19 Excess of support over revenue</b>		<b>&lt;25,553&gt;</b>	<b>9,091</b>	<b>48,773</b>

## Balance Sheets

### Assets

Line	Description	Year 1	Year 2	Year 3
Line 20a	Cash - Interest Bearing Accounts	0	4,266	53,071

These amounts reflect the difference between out-of-pocket expenses and total cash income received during each year:

#### Cash Income

Accts. Rec. from Previous Year	0	14,700	15,517
Cash from Previous Year	0	0	4266
Collections	124,950	209,475	267,663
Cash Flow Loan	30,000	0	0
<u>Grant</u>	<u>5,000</u>	<u>5,500</u>	<u>6,050</u>
Total Cash Income	159,950	229,675	293,496

#### Expenses

Salaries	74,000	96,500	108,700
Loan payment (P & I)	21,984	21,984	21,984
Rent	5,400	6,600	7,260
Fund Raising	500	550	605
Other Expenses	77,875	107,533	106,571
<u>&lt;Minus Free Care&gt;</u>	<u>&lt;7,350.&gt;</u>	<u>&lt;7,758.&gt;</u>	<u>&lt;4,695.&gt;</u>
Total Cash Expenses	172,409	218,059	240,425
Net Cash Balance	<12,459>	4,266	53,071

Line 20b	Cash - Other	0	0	0
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Line 21	Accounts receivable, net (See Line 3c for explanation)	14,700	15,517	9,391
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Line 22	Inventories	12,135	12,135	12,135
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Our initial capital expenses totaled \$47,000, of which \$12,135 are non-depreciable supplies, inventories etc.

Line 23	Bonds and notes	0	0	0
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Line 24	Corporate Stocks	0	0	0
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Line 25	Mortgage loans	0	0	0
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Line 26	Other investments	0	0	0
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Line 27	Depreciable and depletable assets	25,891	16,919	7,946
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Of \$47,000 in capital expenses, \$34,865 is depreciable. See Line 16 for details.

Line 28	Land	0	0	0
Line 29	Other assets	0	0	0
Line 30	<b>Total assets</b>	52,726	48,837	82,543

### Liabilities

<u>Line</u>	<u>Description</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Line 31	Accounts payable	12,459	0	0
	See the table presented in the answer to Line 20a.			
Line 32	Contributions, gifts, grants, etc, payable	0	0	0
Line 33	Mortgages and notes payable	65,820	52,839	37,773
	Based on a \$77,000 loan, (\$47,000 capital, \$30,000 cash flow) at 15% interest with a five year payback, the principal balances at the end of years one, two and three are listed above.			
Line 34	Other liabilities	0	0	0
Line 35	<b>Total Liabilities</b>	78,279	52,839	37,773

### Fund Balances or Net Worth

<u>Line</u>	<u>Description</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Line 36	<b>Total fund balances or net worth</b>	<25,553>	<4,002>	44,770
Line 37	<b>Total liabilities and fund balances or net worth</b>	52,726	48,837	82,543

## Apple Tree Dental

### Part III: Question #3 -Narrative

#### Purposes

The primary purpose of Apple Tree Dental corporation is to overcome barriers to dental care for long-term care residents by providing non-profit portable dental services. Barriers to care for elderly and handicapped long-term care residents include difficulty transporting residents to dentists, lack of special equipment and training to bring dentists into long-term care facilities, mental and physical disabilities which prevent residents from obtaining care in community clinics, inadequate training or skills among nursing home staff members to detect and refer oral health problems, financial constraints of residents and their families, and limited coverage of dental services by Medical Assistance.

A secondary purpose of the corporation is to provide continuing education in geriatric dentistry and dentistry for the handicapped to dentists, dental hygienists, and dental assistants and to provide externship opportunities for dental, dental hygiene, and dental assisting students providing care to long-term care patients. Dental education services to staff members at long-term care facilities such as regular inservice education presentations are also planned.

A final purpose of the corporation is to maintain detailed patient records scientifically suitable for ongoing epidemiologic research into the dental needs of long-term care patients. Developing and improving on-site dental care delivery systems, and improving the diagnosis and the treatment of oral diseases of patients in long-term care facilities is our ultimate goal.

#### Past, Present, and Future Activities

Apple Tree Dental corporation will be administered by the Board of Directors, which will be expanded as needed. When we become operational, we plan to have at least three directors. Currently there are two directors: Dr. Michael Gavino, Treasurer and Secretary, and Dr. Michael Helgeson, President.

Dr. Helgeson is currently in his final year in a Master's Degree program in Oral Health Services for Older Adults at the University of Minnesota, Graduate School. He has both clinical and academic experience treating long-term care residents, and plans a career practicing and teaching geriatric dentistry with emphasis on oral health care for long-term care residents.

Dr. Gavino currently is in private practice in Minneapolis, and is also a part-time clinical instructor in Oral Radiology at the University of Minnesota, School of Dentistry.

Presently, the corporation is seeking capital and cash flow grants or loans with which to begin operations. At present we have no assets, but are hoping to receive start-up funds within the next several months. We plan to complete both

capital acquisitions and equipment modifications, and be ready to provide services within two months of receiving start-up funding.

Apple Tree Dental's initial phase of operations will be developed in the Minneapolis - St. Paul area. This initial phase will involve purchasing and modifying a van and portable dental equipment. Long-term care facilities will be informed of our new service during this time, and initial contracts for dental services will be sought. Dental care will be provided by moving all the necessary equipment out of the van and into a suitable working space within each long-term care facility.

In the second phase of operations, the corporation plans to provide educational opportunities for dentists, dental students, hygienists, hygiene students, nurses and nurses aids in oral health care for long-term care residents. Finally, the corporation plans to accumulate computerized data which can be used for epidemiological research into the oral health needs of long-term care residents.

### **Services to be Provided**

The primary service provided by Apple Tree Dental will be comprehensive dental care within long-term care facilities using a van and portable dental equipment. Long-term care residents (e.g. elderly, handicapped or retarded patients) who do not or cannot receive needed dental care from community dentists are the target population. The majority of these residents are Medicaid (welfare) recipients. We also plan to act as "dental consultant" for each facility. This involves providing assistance in formulating and implementing dental care policies, and providing yearly inservice presentations to nursing staff on oral health care. As mentioned previously, educational and scientific services are planned for the future.

**BYLAWS OF**  
**APPLE TREE DENTAL**  
(A Minnesota nonprofit corporation)  
(hereinafter referred to as the "Corporation")

**ARTICLE I**

**Purpose**

**Purposes:**

**Charitable Purposes:**

1. To reduce barriers to routine dental care for long-term care patients. Such barriers include difficulty transporting patients to dentists, lack of special equipment and training to bring dentists into long-term care facilities, mental and physical disabilities which prevent patients from obtaining care in community clinics, inadequate training or skills among nursing home staff members to detect and refer oral health problems, financial constraints of patients and their families, and limited coverage of dental services and low provider reimbursements from Medical Assistance. The majority of long-term care residents are Medicaid (Medical Assistance) recipients.
2. To insure that all patients, without regard to race, sex, color, handicap, national and ethnic origin, or source of income, receive needed dental care, especially when such care cannot be paid for by the patient, his or her family, or is not covered under Medical Assistance rules and might not otherwise be obtained.
3. To provide routine comprehensive dental care within long-term care facilities using specially designed portable dental equipment. All residents shall be assured free choice of dental provider without prejudice, and residents will be encouraged to continue care with community dental providers when possible.
4. To fulfill the role of dental consultant to long term care facilities. Medicare/Medicaid regulations require all participating long-term care facilities to retain dental consultants. See "Conditions of Participation for Skilled Nursing and Intermediate Care Facilities," 42 CFR Parts 405, 442, and 483.

**Educational Purposes:**

1. To provide continuing education in geriatric dentistry and dentistry for the handicapped to dentists, dental hygienists, and dental assistants both within and without the corporation.
2. To provide externship opportunities for dental, dental hygiene, and dental assisting students providing care to long-term care patients.

3. To provide dental education services to staff members at long-term care facilities through regular inservice education and through one on one instructions for meeting the dental needs of particular patients.

**Scientific Purposes:**

1. To maintain detailed patient records scientifically suitable for ongoing epidemiologic research into the dental needs of long-term care patients.
2. To develop and improve on-site dental care delivery systems.
3. To improve both the diagnosis and the treatment of oral diseases of elderly and debilitated patients in long-term care facilities.

**ARTICLE II**

**Offices**

1. **Principal and Business Offices.** The principal and business office of the Corporation in the State of Minnesota shall be located at:

Apple Tree Dental  
13912 Fremont Ave S.  
Burnsville, Minnesota 55337

County of Dakota. The Corporation may have such other offices, either within or without the State of Minnesota as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

2. **Registered Office.** The Corporation shall have and continuously maintain in the State of Minnesota a registered office, and a registered agent whose office is identical with such registered office, as required by the Minnesota Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Minnesota, and the address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE III**

**Members**

1. **Classes of Members.** The Corporation shall have one class of membership, with each member entitled to one vote.
2. **Admission of Members.** Membership shall be defined in terms of membership on the Board of Directors. Upon acceptance as a member of the Board, an individual shall become a member of the corporation with all such rights and responsibilities.

3. Termination of Membership. Membership shall terminate upon termination of membership on the Board.
4. Term of Membership. Term of membership shall coincide with term as a member of the Board of Directors.
5. Annual Meetings. The membership shall not be required to hold an annual meeting.
6. Notice of Meetings. Any meetings of the membership shall be governed as to notice and quorum, etc., by Minnesota Statutes, Section 317.22.

#### ARTICLE IV

##### Board of Directors

1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors, and all the rights, powers, duties and responsibilities relative to the management and control of this Corporation's property and affairs are vested in the Board of Directors. These powers exist in the directors meeting as a group and not in individual directors, except as delegated by the Board. The directors have a duty to exercise reasonable care and prudence in the administration of the affairs of this Corporation and are responsible to disburse the funds and property received by the Corporation only for the purposes for which they were received. The Board shall require a regular accounting of all funds disbursed by the Corporation. Directors need not be residents of the State of Minnesota.
2. Number, Tenure and Qualifications. The number of Directors shall be three. Directors must be licenced to practice dentistry in any one U.S. state and must be members of the Corporation. Each director shall hold office for life and until such director's successor shall have been elected. The terms of the directors of the Corporation shall begin immediately following their election by the members or their appointment by the Board, as the case may be.
3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw at the same place as the annual meeting of the members. The Board of Directors may provide by resolution the time and place, either within or without the State of Minnesota, for the holding of additional regular meetings of the Board without other notice than such resolution.
4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Minnesota, as the place for holding any special meeting of the Board called by them.
5. Notice. Notice of any special meeting of the Board of Directors shall be given at least five days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the

records of the Corporation.

6. **Quorum.** Two thirds of the Board of Directors shall constitute a quorum for the transaction of business at any regular meeting of the Board; but if the entire board is not present at said meeting the directors present may by unanimous consent adjourn the meeting from time to time without further notice.
7. **Manner of Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
8. **Vacancies.** Any vacancy occurring in the Board of Directors and in any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office.
9. **Compensation.** Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.
10. **Informal Action by the Directors.** Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.
11. **Resignation and Removal.** Any director may resign at any time by delivering a written resignation to the Board of Directors. The acceptance of such a resignation shall not be necessary to make it effective (unless acceptance is made a condition of the resignation). Any director may be removed at any time for cause, including conduct injurious to the best interests of the Corporation, by the affirmative vote of two-thirds of the all the directors, provided that the notice of the meeting where such action is taken specifies that one of the items on the agenda for said meeting shall be the proposed removal of such director.

## ARTICLE V

### Officers

1. **Officers.** The officers of the Corporation shall be a President, a Treasurer, a Secretary and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Vice Presidents, one or more Assistant Treasurers, one or more Assistant Secretaries, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. The officers of the Corporation shall be elected from the members of the Board of Directors. Any two or more offices may be held by the same person.

2. **Election and Term of Office.** The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.
3. **Removal and Resignation.** Any officer elected or appointed by the Board of Directors may be removed by two thirds vote of the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Any officer may resign at any time by giving written notice to the Corporation.
4. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.
5. **President.** The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation, contracts or other instruments which the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general he shall perform all duties incident to office of President and such other duties as may be prescribed by the Board of Directors from time to time.
6. **Treasurer.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and in general perform all the duties as from time to time may be assigned to him by the President or by the Board of Directors.
7. **Secretary.** The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post-office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

## ARTICLE VI

### Contracts, Checks, Deposits and Funds

1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
2. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such a manner as shall from time to time be determined by the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.
3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.
4. Gifts. The Board of Directors may accept on behalf of the Corporation any donation, contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.
5. Compensation of Employees and Directors.
  - a. The Board or Executive Committee shall fix the salaries and other compensation of the employees or other agents of the Corporation.
  - b. The directors of the Corporation shall serve as such without salary, but the Board of Directors may authorize the payment of the reasonable expenses incurred by the directors in the performance of their duties and reasonable compensation for special services rendered by any director.

## ARTICLE VII

### Conflicts of Interest

No officer or director of the Corporation shall be interested, directly or indirectly, in any contract relating to the operations conducted by the Corporation, nor in any contract for furnishing services or supplies to the Corporation, unless such contract is authorized by a majority of the Board of Directors at a meeting at which the presence of such interested director is not necessary for the purposes of a quorum or for the purposes of such majority, and the fact and nature of such interest is fully disclosed or known to the directors present at the meeting at which such contract shall be authorized.

**ARTICLE VIII**

**Books and Records**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any director, or his agent or attorney, for any proper purpose at any reasonable time during customary hours of operation of the principal office of the Corporation.

**ARTICLE IX**


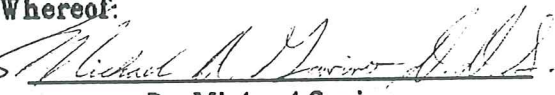
**Fiscal Year**

The fiscal year of the Corporation shall be January 1 to December 31, or as may be determined by the Board of Directors.

**Adoption of Bylaws**


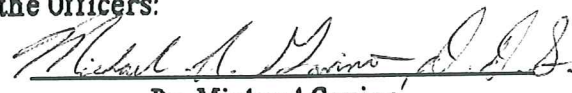
These Bylaws have been adopted by a unanimous vote of the Board of Directors of Apple Tree Dental corporation on this 3<sup>rd</sup> day of November, 1985.

In Witness Whereof:

	
<b>Dr. Michael Helgeson</b> President	<b>Dr. Michael Gavino</b> Treasurer and Secretary

As of this 10<sup>th</sup> day of November, 1985, this is a true and correct copy of the Bylaws of Apple Tree Dental corporation.

Signatures of the Officers:

	
<b>Dr. Michael Helgeson</b> President	<b>Dr. Michael Gavino</b> Treasurer and Secretary