

LEASE AGREEMENT
1062 South "K" Street, Tulare, CA

LESSOR: County of Tulare,
a political subdivision of the State of California

LESSEE: Family Healthcare Network
a California Corporation

Portion of APN: 181-030-001 .

County Contract Number: _____

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PREMISES
TENANT IMPROVEMENTS
INSURANCE REQUIREMENTS

LEASE AGREEMENT

This lease agreement ("Lease") is made and entered into effective as of _____ ("Commencement Date"), by and between the County of Tulare, a political subdivision of the State of California ("County"), and Family Healthcare Network, a California Corporation ("Lessee").

ARTICLE 1 LEASE OF PREMISES

County leases to Lessee and Lessee leases from County, for the rent and upon the covenants and conditions set forth in this Lease, approximately 16,046 square feet of interior space and surrounding landscaped area ("Leased Premises") together with non-exclusive parking rights situated in the City of Tulare, County of Tulare, California and further identified as a portion of Assessor Parcel Number (APN 181-030-001) ("Premises") and as depicted in Exhibit A of this Lease.

ARTICLE 2 TERM

2.1 Term. The term ("Term") of this Lease is seven (7) years, commencing on the Commencement Date. If the Commencement Date is not the first day of a calendar month, then the Term shall include the partial calendar month from and including the Commencement Date through the last day of the partial calendar month at the beginning of the Term, plus the number of months of the full Term, so that the Term shall expire on the last day of a calendar month. If the Commencement Date is the first day of a calendar month, the term "Lease Year" as used in this Lease shall mean the 12-month period beginning on the Commencement Date and each succeeding 12-month period thereafter during the Term. If the Commencement Date is not the first day of a calendar month, the term "Lease Year" as used in this Lease shall mean the twelve (12) month period commencing on the first day of the calendar month following the Commencement Date and each succeeding twelve (12) month period thereafter during the Term.

Further, the Lessee shall have the option, upon 180 days written notice, to renew this lease for an additional two (2), five (5) year terms.

2.2 Termination of Lease. County may terminate this Lease upon the following:

- a. Lessee's failure to make any payment required under this Lease when due;
- or
- b. Lessee's default in the performance of any covenants, conditions, representations, warranties or other obligations under this Lease, other than those requiring payment to County, and Lessee's failure to cure the default within ten (10) days following written

notice from County; or if any default, other than those not requiring payment to County, is not curable within ten (10) days, and Lessee fails to commence to cure the default within ten (10) days and diligently pursue the cure to completion; or

c. Lessee voluntarily files any petition under any bankruptcy or insolvency act or law; or

d. Lessee has involuntarily filed against it any petition under any bankruptcy or insolvency act or law and the matter is not dismissed by a court of competent jurisdiction within ninety (90) days of filing; or

e. Lessee is adjudicated as bankrupt; or

f. Lessee makes a general assignment for the benefit of creditors; or

g. Lessee uses the Premises for any unauthorized purpose.

County shall notify Lessee of a default in writing pursuant to Article 17 NOTICES of this Lease. If Lessee fails to cure the default, County shall have all rights accorded by law, including the right to terminate this Lease by providing a thirty (30) day notice of termination. Any failure by County to promptly notify Lessee of a default in accordance with this Lease shall not be deemed a waiver by County of County's rights on default of Lessee or any subsequent default.

2.3 Holding Over. If Lessee holds over in occupancy of the Premises after the expiration of the Term without County's consent, Lessee shall become a tenant from month to month at a rate of one hundred twenty-five percent (125.0%) of the Monthly Rent in effect prior to the holdover. Any holdover shall be subject to the terms and conditions of this Lease, as applicable, and shall be subject to termination by County with thirty (30) days written notice to Lessee.

2.4 Vacation of Premises. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably vacate and deliver the Premises to County in the same condition as Lessee enjoyed upon the Commencement Date, ordinary wear and tear excepted. Upon the expiration or earlier termination of this Lease, Lessee shall provide a written statement to County that contains Lessee's forwarding address and contact information, and deliver any keys to the Premises to County.

2.5 Removal of Personal Property. Prior to the expiration or earlier termination of this Lease, Lessee shall remove all its personal property from the Premises. If Lessee fails to remove all its personal property from the Premises, the personal property shall be deemed to have a value of less than \$100.00 and County may dispose of the property as provided in Chapter 5.5 (commencing with Section 1993), Title 5, Part 4, Division 3 of the Civil Code of the State of California.

ARTICLE 3
RENT

3.1 **Base Rent.** During the Term of this Lease, Lessee shall pay base rent (“Base Rent”) as follows.:

Lease Year 1	\$ 220,118.64	(\$ 18,343.22 per month)
Lease Year 2	\$ 224,739.84	(\$ 18,728.32 per month)
Lease Year 3	\$ 229,453.56	(\$ 19,121.13 per month)
Lease Year 4	\$ 234,261.48	(\$ 19,521.79 per month)
Lease Year 5	\$ 239,165.64	(\$ 19,930.47 per month)
Lease Year 6	\$ 244,167.84	(\$ 20,347.32 per month)
Lease Year 7	\$ 249,270.00	(\$ 20,772.50 per month)

Base Rent for each renewal option shall be as follows:

Renewal Option 1:

Lease Year 8	\$ 265,418.07	(\$ 22,118.17 per month)
Lease Year 9	\$ 270,726.43	(\$ 22,560.54 per month)
Lease Year 10	\$ 276,140.96	(\$ 23,011.75 per month)
Lease Year 11	\$ 281,663.78	(\$ 23,471.98 per month)
Lease Year 12	\$ 287,297.05	(\$ 23,941.42 per month)

Renewal Option 2:

Lease Year 13	\$ 293,042.99	(\$ 24,420.25 per month)
Lease Year 14	\$ 298,903.85	(\$ 24,908.65 per month)
Lease Year 15	\$ 304,881.93	(\$ 25,406.83 per month)
Lease Year 16	\$ 310,979.57	(\$ 25,914.96 per month)
Lease Year 17	\$ 317,199.16	(\$ 26,433.26 per month)

Lessee shall pay Rent in advance, beginning on the date upon which Lessee takes occupancy of the premises or upon substantial completion of Lessee’s improvements, but no later than eight (8) months after execution of the lease by County. The Rent shall be payable in advance upon the first of each month, during the Term (“Rent Due Date”), without setoff, deduction, prior notice or demand. Rental escalator shall be at 2% annually.

3.1.1 **Common Area Maintenance (CAM).** In addition to the base rent, Lessee shall pay County the pro-rata share of Common Area Maintenance of approximately \$0.35 per square foot per month. CAM charges are subject to annual reconciliation.

3.1.2 **Landscaping Maintenance.** Lessee shall be responsible for the landscaping/maintenance of the leased area. Lessee must maintain the landscaping to be paid directly by Lessee and not part of the common area costs and not part of the \$0.35 estimate. Landscaping must meet or exceed County standards. Lessee’s boundaries are reflected in Exhibit A of this lease.

3.2 Additional Consideration. Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery, the County will seek to recover the full cost of all services provided to other agencies or individuals.

3.3 Address for Rent Payments, Additional One-Time Consideration and Additional Annual Consideration. All Rent, Additional One-Time Consideration and any Additional Annual Consideration due under this Lease shall be made payable to the County of Tulare, and shall be considered paid when delivered to:

COUNTY: **General Services Agency – Property Management**
 County of Tulare
 2637 W. Burrel Ave., Ste. 200
 Visalia, CA 93291

County may, at any time, by written notice to Lessee, designate a different address for the Rent payments. County may, but is not obligated to, send Rent invoices to Lessee.

3.4 Failure to Pay Rent: Late Charge.

a. If Lessee fails to pay Rent at the time it is due and payable, any unpaid amounts shall bear interest at the rate of ten percent (10.0%) per year from the Rent Due Date to the date of payment, calculated on the basis of monthly compounding with actual days elapsed compared to a 360-day year. In addition to the interest, the late payment by Lessee of any Rent will cause County to incur costs and expenses not contemplated under this Lease, the exact amount of which is difficult or impracticable to determine. These costs and expenses include, without limitation, administrative and collection costs, and processing and accounting expenses. If any Rent is not received by County within ten (10) days following the Rent Due Date, Lessee shall immediately pay to County a late charge equal to five percent (5.0%) of the overdue amount. This late charge represents a reasonable estimate of the costs and expenses and is fair compensation to County for its loss caused by Lessee's nonpayment. If Lessee pays the late charge but fails to pay all unpaid amounts of Rent due under this Lease, County's acceptance of the late charge shall not constitute a waiver of Lessee's default with respect to the nonpayment by Lessee nor prevent County from exercising all other rights and remedies available to County under this Lease or under law.

b. If a dispute arises between County and Lessee as to the correct amount of Rent owed by Lessee, County may accept any sum tendered by Lessee as payment, without prejudice to County's claim as to the proper amount of Rent owed. If it is subsequently determined that Lessee has not paid the full amount of Rent owed, the late charge specified in this Lease shall apply only to that portion of Rent still due and payable from Lessee. Notwithstanding any provision of this Lease to the contrary, County's Lease Administrator (defined in Section 19.4) may in its sole discretion waive any delinquency payment or late charge upon written application of Lessee.

ARTICLE 4
POSSESSION AND USE

4.1 **Permitted Use.** Lessee shall use the Premises solely for medical/dental clinic with lab, and pharmacy ("Permitted Use") and for no other use, unless previously approved in writing at the sole discretion of County. No one other than Lessee, its agents, volunteers and employees, or any sublessee of Lessee approved by County as provided in Article 13 ASSIGNMENT AND SUBLETTING is permitted to use the Premises for the purposes described in this Lease, and Lessee shall be fully responsible for the activities of its agents, volunteers and employees and sublessees, if any, on the Premises.

4.2 **Duties and Prohibited Conduct.** If Lessee is reasonably in doubt as to the propriety of any particular use of the Premises, Lessee may request a written determination regarding the use from the County's Lease Administrator, and Lessee will not be in breach or default under this Lease if Lessee abides by the determination. Lessee shall not use nor permit the use of the Premises in any manner that will create waste or a nuisance. Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, laws, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements that regulate Lessee's use of the Premises. Lessee shall not use, or permit any person or persons to use, the Premises for the sale or display of any goods and/or services, which, in the sole discretion of County, are inconsistent with the permitted uses of the Premises pursuant to this Lease. Lessee shall keep the Premises in a decent, safe and sanitary condition, free from any objectionable noises or odors, except as may be typically present for the permitted uses specified in this Lease.

4.3 **Possession of Premises.** Lessee to take possession of Premises upon execution of this lease agreement by the County.

4.4 **Occupancy of Premises.** Upon substantial completion of Lessee's improvements, but no later than eight (8) months after execution of the Lease by County.

ARTICLE 5
UTILITIES

Lessee shall provide and pay for all utilities and services, if any, necessary for the use and occupancy of the Premises. If Lessee does not separate metered power, utilities will be billed through common area maintenance charges.

ARTICLE 6
MECHANICS' LIENS

Lessee shall pay, or cause to be paid, all costs for work performed by Lessee, or caused to be performed by Lessee, on the Premises, and for all materials furnished for or in connection with any work. If any lien is filed against the Premises, Lessee shall cause the lien to be discharged of record within ten (10) business days after it is filed. Lessee shall indemnify, defend and hold County harmless from any and all liability, loss, damage, costs, attorneys' fees and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Lessee or persons claiming under Lessee.

ARTICLE 7 SECURITY

Lessee shall be responsible for and shall provide for the security of the Premises.

ARTICLE 8 TAXES, ASSESSMENTS AND FEES

8.1 Responsibility for Payment of Taxes and Assessments. County shall not pay any taxes or assessments accruing against Lessee on the Premises or any interest of Lessee in the Premises before, during or after the Term of this Lease. All tax payments shall be the sole responsibility of Lessee. Lessee shall be solely responsible for payment of any taxes or assessments levied upon any Improvements, fixtures or personal property located on the Premises, to the extent that the taxes or assessments result from the business or other activities of Lessee upon, or in connection with, the Premises.

8.2 Definition of Taxes. As used in this Lease, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Lessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Lessee's leasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make Improvements to the Premises.

8.3 Creation of Possessory Interest. Pursuant to the provisions of the State of California Revenue and Taxation Code Section 107.6, Lessee is advised that the terms of this Lease may result in the creation of a possessory interest. If a possessory interest is vested in Lessee, Lessee may be subjected to the payment of real property taxes levied on the possessory interest. Lessee shall be solely responsible for the payment of any real property taxes. Lessee shall pay all taxes when due, and shall not allow any taxes, assessments or fees to become a lien against the Premises or any improvement on the Premises. Lessee shall not be prevented or prohibited from contesting the validity of any tax, assessment or fee in a manner authorized by law.

ARTICLE 9
REPAIRS; MAINTENANCE

9.1 Acceptance of Premises. Lessee acknowledges that Lessee has made a thorough inspection of the Premises prior to the Commencement Date of this Lease, and accepts the condition of the Premises as of the Commencement Date. Lessee acknowledges that County has made no oral or written representations or warranties to Lessee regarding the condition of the Premises, and that Lessee is relying solely on its inspection of the Premises with respect to the condition of the Premises.

9.2 Lessee's Maintenance Obligations. During the Term of this Lease, Lessee shall at its sole cost and expense, repair and maintain the Premises in good and tenantable condition. Upon surrender of the Premises, Lessee shall deliver the Premises to County in good order, condition and state of repair, ordinary wear and tear excepted. Lessee shall provide for trash removal, at its expense. No trash shall be left or stored on the Premises. Lessor shall be responsible only for structural repairs upon the building in which the Premises is located. Lessee shall be responsible for all repairs to fixtures, trade fixtures, furniture, and additions or improvements which are the Lessee's responsibilities under this Lease.

9.3 Lessee's Failure to Maintain. County may terminate this Lease with thirty (30) days written notice if Lessee refuses or neglects to repair, replace, or maintain the Premises in a manner reasonably satisfactory to County.

9.4 Right to Enter. County, or its authorized representatives, may enter the Premises at all times during usual business hours to conduct inspections, and to perform any work in the Premises that (a) may be necessary to comply with any laws, ordinances, rules or regulations of any public authority, (b) County may deem necessary to prevent waste or deterioration in connection with the Premises if Lessee does not make, or cause to be made, the repairs or perform, or cause to be performed, the work promptly after receipt of written demand from County, or (c) County may deem necessary in connection with the expansion, reduction, remodeling, protection or renovation of any County-constructed or owned facilities on or off of the Premises. Nothing in this Lease shall imply any duty on the part of County to do any work which, under any provision of this Lease, Lessee may be required to do, nor shall County's performance of any repairs on behalf of Lessee constitute a waiver of Lessee's default in failing to do the work. If County exercises any of its rights under this Lease, Lessee shall not be entitled to any compensation, damages or abatement of rent from County for any resulting injury or inconvenience.

Ability to access the premises must satisfy the California State Board of Pharmacy requirements regarding Business & Professions Code 4116 and Title 16, Section 1714 (d) of the California Code of Regulations;

Business & Professions Code 4116, no person shall be permitted entry into leased premises unless a registered pharmacist is present at all times.

Title 16, Section 1714(d) of the California Code of Regulations, only a licensed pharmacist may have a key to the area where dangerous drugs and controlled substances are stored on the leased premises.

Nothing in the lease should be inconsistent with Business & Professions Code 4116 and/or Title 16, Section 1714 (d) of the California Code of Regulations.

9.5 County Not Obligated to Repair or Maintain; Lessee's Waiver of California Civil Code Section 1942. To the extent that any remedies specified in this Lease conflict or are inconsistent with any provisions of California Civil Code Section 1942 ("CC §1942"), or any successor statute CC §1942, the provisions of this Lease shall control. Lessee specifically waives any right it may have pursuant to CC §1942 to effect maintenance or repairs to the Premises and to abate any resulting costs from the Rent due to the County under this Lease.

ARTICLE 10

LESSEE'S PERSONAL PROPERTY; IMPROVEMENTS AND ALTERATIONS

10.1 Lessee's Personal Property. Lessee may bring onto the Premises Lessee's personal property required for the Permitted Use.

10.2 Improvements and Alterations. Lessee shall not make any permanent replacements, additions, changes, and/or improvements to the Premises, without the prior written approval of County, which may be withheld at County's sole discretion. Refer to Exhibit B outlining scope of replacements, additions, changes, and/or improvements to the premises.

10.2.1 Exemption from Prevailing Wage Law: Lessee's improvements shall not be subject to the Prevailing Wage Laws of California Labor Code 1770 et. seq., including without limitations, any requirement to pay to contractors or subcontractors of their employees or others involved in construction of the Improvements prevailing rates or wages as determined therein.

ARTICLE 11

INDEMNITY AND INSURANCE

11.1 Lessee's Indemnity. County shall not be liable for, and Lessee shall defend and indemnify County and its elected officials, employees and agents (collectively "County Parties"), against any and all claims, demands, liability, judgments, awards, fines, mechanics liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (collectively "Claims"), related to this Lease or Lessee's occupancy of the Premises and arising either directly or indirectly from any act, error, omission or negligence of Lessee or its contractors, licensees, agents, volunteers, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission,

whether active or passive, of County Parties. Lessee shall have no obligation, however, to defend or indemnify County Parties from a Claim if it is determined by a court of competent jurisdiction that the Claim was caused by the sole negligence or willful misconduct of County Parties.

11.2 Lessee's Insurance Obligations. Without limiting Lessee's indemnification obligations to County under this Lease, Lessee shall provide and maintain, during the Term and for other period required in this Lease, at its sole expense, insurance in the amounts and form specified in Exhibit C INSURANCE REQUIREMENTS.

ARTICLE 12 HAZARDOUS MATERIALS

12.1 Hazardous Materials Laws. As used in this Lease, the term "Hazardous Materials Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including "common law"), including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C., §1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C., §6901 et seq.), and the California Environmental Quality Act of 1970, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions.

12.2 Hazardous Materials. As used in this Lease the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that:

- a. Is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;
- b. Is controlled, referred to, designated in or governed by any Hazardous Materials Laws;
- c. Gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws; or
- d. Is any other material or substance giving rise to any liability, responsibility or duty upon the County or Lessee with respect to any third person under any Hazardous Materials Law.

12.3 Lessee's Representations and Warranties. Lessee represents and warrants that, during the Term or any extension of the Term of this Lease, or for a longer period as may be specified in this Lease, Lessee shall comply with the following provisions unless otherwise specifically approved in writing by County's Lease Administrator:

a. Lessee shall not cause or permit any Hazardous Materials to be brought, kept or used in or about the Premises by Lessee, its agents, employees, sublessees, assigns, contractors or invitees, except as required by Lessee's permitted use of the Premises, as described in Section 4.1 Permitted Uses of this Lease.

b. Any handling, transportation, storage, treatment or usage by Lessee of Hazardous Materials that occurs on the Premises following the Commencement Date shall be in compliance with all applicable Hazardous Materials Laws.

c. Any leaks, spills, release, discharge, emission or disposal of Hazardous Materials which occur on the Premises following the Commencement Date shall be promptly and thoroughly cleaned and removed from the Premises by Lessee at its sole expense, and any Hazardous Materials discharge shall be promptly reported in writing to County, and to any other appropriate governmental regulatory authorities.

d. No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by Lessee in the Premises.

e. No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by Lessee on the Premises without County's prior written consent.

f. Lessee shall conduct and complete all investigations, studies, sampling, and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Premises in accordance with all applicable Hazardous Materials Laws and to the satisfaction of County.

g. Activities proposed by Lessee that involve disturbing asbestos materials on site shall only be conducted in accordance with all federal, state and local asbestos rules and regulations including, but not limited to, the California Occupational Safety and Health Administration (Cal/OSHA), Environmental Protection Agency (EPA) and Air Pollution Control District (APCD), with prior written consent of the County, as follows:

Prior to conducting asbestos related activities, Lessee shall notify County of the proposed work at least one (1) month in advance. The notification shall include the location of work, type of asbestos containing material (ACM) to be removed and a work plan indicating the work practices and methods of control to be used during the abatement activity to control asbestos fiber release. The County shall review the work plan and may modify the plans as necessary.

Any asbestos related activities shall be performed by a contractor that is registered with Cal/OSHA and certified by the California Contractors State Licensing Board to perform asbestos work. Any asbestos related activities shall be overseen by a California Certified Asbestos Consultant (CAC), or a Certified Site Surveillance Technician under the direction of a CAC.

Replacement products used in tenant improvements or other construction activities shall not contain asbestos. Any replacement products used by Lessee shall be verified as non-asbestos products by using Material Safety Data Sheets (MSDS) and/or having the architect or project engineer verify that ACMs were not used.

h. Lessee shall provide County with copies of all notices, reports, correspondence, and submissions made by Lessee to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials Laws. Lessee shall retain all such records for five (5) years.

i. Lessee shall promptly notify County of any liens threatened or attached against the Premises pursuant to any Hazardous Materials Law. If a lien is filed against the Premises, then within twenty (20) days following the filing or before any governmental authority commences proceedings to sell the Premises pursuant to the lien, whichever occurs first, Lessee shall either: (a) pay the claim and remove the lien from the Premises; or (b) furnish either (1) a bond or cash deposit reasonably satisfactory to County in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to County in an amount not less than that which is sufficient to discharge the claim from which the lien arises. Upon the expiration or earlier termination of this Lease, Lessee shall surrender the Premises to County free of any and all Hazardous Materials and in compliance with all Hazardous Materials Laws affecting the Premises.

12.4 Indemnification by Lessee. Lessee (and, if applicable, each of its general partners) and its successors, assigns, and guarantors, if any, jointly and severally agree to protect, indemnify, defend (with counsel selected by County), reimburse and hold County and its elected officials, officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, costs or expenses (known or unknown, contingent or otherwise), liabilities (including sums paid in settlement of claims), personal injury (including wrongful death), property damage (real or personal) or loss, including any attorneys' fees, consultant fees, and expert fees (consultants and experts to be selected by County) which arise during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials, including the soil, ground water or soil vapor on or under the Premises. The indemnification provided by this section shall cover all costs incurred in connection with investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Hazardous Materials Laws because of the presence of Hazardous Materials in the soil, ground water or soil vapor on the Premises, and the release or discharge of Hazardous Materials by Lessee during the course of Lessee's alteration or improvement of the Premises.

12.5 Remedies Cumulative: Survival. The provisions of this Lease shall be in addition to any and all common law obligations and liabilities Lessee may have to County, and any remedies and the environmental indemnities provided for in this Lease shall survive the expiration or earlier termination of this Lease and/or any transfer of all or any portion of the Premises, or of any interest in this Lease, and shall be governed by the laws of the State of California.

12.6 Inspection. County and County's agents, servants, and employees including, without limitation, legal counsel and environmental consultants and engineers retained by County, may (but without the obligation or duty so to do), at any time and from time to time, inspect the Premises to determine whether Lessee is complying with Lessee's obligations set forth in this Lease, and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during any other hours agreed to by County and Lessee. If Lessee is not in compliance with Lessee's obligations set forth in this Lease, County shall have the right, in addition to County's other remedies available at law and in equity, to enter the Premises immediately and take any action that County in its sole judgment deems appropriate to remediate any actual or threatened contamination caused by Lessee's failure to comply. County will use reasonable efforts to minimize interference with Lessee's use of Premises but shall not be liable for any interference caused by County's entry and remediation efforts. Upon completion of any sampling or testing County will (which will be conducted at Lessee's expense if County's actions are a result of Lessee's default under this Lease) restore the affected area of the Premises from any damage caused by County's sampling and testing.

ARTICLE 13 **ASSIGNMENT AND SUBLETTING**

Lessee shall not voluntarily or involuntarily assign, sublease, mortgage, encumber, or otherwise transfer all or any portion of the Premises or its interest in this Lease, or enter into any management agreements, concessions and licenses or any other arrangement that allows the use and occupancy of the Premises by anyone other than Lessee (collectively, a "Transfer"), without County's prior written consent. County may reasonably withhold its consent to any Transfer. Any attempted Transfer without County's consent shall be void and shall constitute a material breach of this Lease.

ARTICLE 14 **COUNTY'S RIGHT OF ACCESS**

a. County, its agents, employees, and contractors may enter the Premises at any time in response to an emergency, and at reasonable hours to (a) inspect the Premises, (b) exhibit the Premises to prospective purchasers or Lessees, (c) determine whether Lessee is complying with its obligations under this Lease (including its obligations with respect to compliance with Hazardous Materials Laws), (d) supply cleaning service and any other service that this Lease requires County to provide, (e) post notices of non-responsibility or similar notices, or (f) make repairs that this Lease requires County to make, or make repairs to any adjoining space or utility services, or make repairs, alterations, or improvements to any other portion of the Premises. All work performed by County will be done as promptly as reasonably possible and so as to cause as little interference to Lessee as reasonably possible.

b. Lessee waives any claim of injury or inconvenience to Lessee's business, interference with Lessee's business, loss of occupancy or quiet enjoyment of the Premises, or any

other loss occasioned by County's entry onto the Premises. Lessee shall provide County with keys to unlock all of the doors in the Premises (excluding Lessee's vaults, safes, and similar areas designated in writing by Lessee in advance). County shall have the right to use any means that County may deem proper to open entry doors to the Premises and passage doors within the Premises in the event of an emergency. County's entry onto the Premises by any means shall not be considered to be a forcible or unlawful entry into the Premises or a detainer of the Premises or an eviction, actual or constructive, of Lessee from the Premises, or any part of the Premises, nor shall County's entry onto the Premises entitle Lessee to damages or an abatement of Rent or other charges that this Lease requires Lessee to pay.

ARTICLE 15
QUIET ENJOYMENT

Upon Lessee's paying Rent and performing its other obligations under this Lease, Lessee shall peacefully and quietly have, hold and enjoy the Premises throughout the Term, without hindrance, ejection or molestation by County, or any person lawfully claiming through or under County.

ARTICLE 16
NOTICES

16.1 Notices. All notices, demands, requests or other communication required or permitted to be given under this Lease ("Notices") shall be in writing, and (i) delivered in person to an officer or an authorize representative of the other party, (ii) sent by United States Postal Service First Class Mail, postage prepaid, (iii) sent by overnight delivery, or (iv) delivered by facsimile, with the original document subsequently sent by United States Postal Service First Class Mail, postage prepaid to the following addresses:

If to County:	Board of Supervisors County of Tulare Administration Building 2800 W. Burrel Ave. Visalia, CA 93291
Copy to:	General Services Agency – Property Management County of Tulare 2637 W. Burrel Ave., Ste. 200 Visalia, CA 93291
If to Lessee:	Family Healthcare Network 305 E. Center Avenue Visalia, CA 93291

Notices mailed by the United States Postal Service or sent by overnight delivery shall be deemed to have been given, delivered and received three (3) business days after the date the notice or other communication is postmarked by the United States Postal Service or dated by the overnight delivery service. All other Notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this section, at any time designate a different address to which Notices shall be sent.

16.2 Default Notices. Notwithstanding anything to the contrary in this Lease, any Notice County is required or authorized to deliver to Lessee in order to advise Lessee of alleged violations of Lessee's covenants under this Lease must be in writing but shall be deemed to have been duly given or served upon Lessee by County attempting to deliver at the Premises during normal business hours a copy of the notice to Lessee or its managing employee and by County mailing a copy of the notice to Lessee in the manner specified in Section 16.1.

ARTICLE 17

WAIVER OF RELOCATION ASSISTANCE BENEFITS

17.1 Relocation Assistance Benefits. Lessee is informed and acknowledges the following:

a. By entering into this Lease and becoming a tenant of County, Lessee may become entitled to receipt of "relocation assistance benefits" ("Relocation Benefits") pursuant to the Federal Uniform Relocation Assistance Act (42 U.S.C. § 4601 et seq.) and/or the California Relocation Assistance Law (Cal. Gov. Code § 7270 et seq.) (collectively, the "Relocation Statutes"), should County at some time make use of the Premises in such a way as to "displace" Lessee from the Premises. Pursuant to the Relocation Statutes, County may then become obligated to make payments to Lessee even where the displacement of Lessee does not otherwise constitute a breach or default by County of its obligations pursuant to this Lease.

b. Under the Relocation Statutes in effect as of the Commencement Date of this Lease, Relocation Benefits may include payment to a "displaced person" of (i) the actual and reasonable expense of moving himself or herself and a family, business, or farm operation, including personal property, (ii) the actual direct loss of reestablishing a business or farm operation, but not to exceed ten thousand dollars (\$10,000), or (iii) payment in lieu of moving expenses of not less than one thousand dollars (\$1,000) or more than twenty thousand dollars (\$20,000).

17.2 Lessee's Waiver and Release of Relocation Benefits. In consideration of County's agreement to enter into this Lease, Lessee waives any and all rights it may now have, or may subsequently obtain, to Relocation Benefits arising out of the County's assertion or exercise of its contractual rights to terminate this Lease pursuant to its terms, whether or not the rights are contested by Lessee or any other entity, and releases County from any liability for payment of Relocation Benefits. Lessee does not waive its rights to Relocation Benefits to the extent that Lessee's entitlement to Relocation Benefits may arise out of any condemnation or pre-

condemnation actions taken by the County or any other public agency with respect to the Premises. Lessee shall in the future execute any further documentation of the release and waiver provided by this article as reasonably required by County.

ARTICLE 18

GENERAL PROVISIONS

18.1 Authority. Lessee represents and warrants that it has full power and authority to execute and fully perform its obligations under this Lease pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Lease on behalf of Lessee are the duly designated agents of Lessee and are authorized act on behalf of Lessee.

18.2 Brokers. Lessee warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation and/or execution of this Lease. If any broker other than the brokers acknowledged in writing by County make a claim for monies owed, Lessee shall indemnify, defend and hold County harmless from the claim.

18.3 Captions. The captions, headings and index appearing in this Lease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Lease.

18.4 Lease Administration. This Lease shall be administered on behalf of County by the Director, Department of General Services or a designee (collectively, the "County's Lease Administrator"), and on behalf of Lessee by Kerry Hydash, President & CEO or by another person designated in writing by Lessee (collectively, the "Lessee's Lease Administrator").

18.5 County Approval. Except where stated in this Lease to the contrary, the phrases "County's approval" and "County's written approval" or similar phrases shall mean approval of County's Lease Administrator.

18.6 Lessee's Lease Administration. Lessee confirms that Lessee's Lease Administrator has been given full operational responsibility for compliance with the terms of this Lease. Lessee shall provide County with a written schedule of its normal hours of business operation on the Premises, and Lessee's Lease Administrator or a representative designated by Lessee shall be (i) available to County on a twenty-four (24) hour a day, seven (7) days a week, basis, and (ii) present on the Premises during Lessee's normal business hours, to resolve problems or answer question pertaining to this Lease and Lessee's operations on the Premises.

18.7 Business Days. The term "business days" as used in this Lease means any calendar day other than a Saturday, Sunday, or official County holiday.

18.8 Cumulative Remedies. If a default under this Lease occurs, each party's remedies shall be limited to those remedies set forth in this Lease. The remedies under this Lease are cumulative and not exclusive of any other remedies under this Lease to which the non-defaulting

party may be entitled.

18.9 Entire Agreement. This Lease, together with all attached addenda, exhibits and riders attached to this Lease, constitutes the entire agreement between County and Lessee with respect to the subject matter of this Lease, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

18.10 Estoppel Certificate. Lessee shall at any time during the term of this Lease, within five (5) business days of written notice from County, execute and deliver to County a statement in writing certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of the modification. Lessee's statement shall include other details requested by County, such as the date on which the Rent and other charges are paid, the current ownership and name of Lessee, Lessee's knowledge concerning any outstanding defaults with respect to County's obligations under this Lease and the nature of any defaults. Lessee's statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Lessee's failure to deliver the statement within five (5) business days of written notice from County shall be conclusively deemed to mean that this Lease is in full force and effect, except to the extent any modification has been represented by County, that there are no uncured defaults in the County's performance, and that not more than one (1) year of Rent has been paid in advance.

18.11 Force Majeure. If County or Lessee is prevented or delayed from performing any act or discharging any obligation under this Lease, except for the payment of Rent by Lessee, because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormal adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Lease or the Lessee's occupancy of the Premises, or any other casualties beyond the reasonable control of either party except casualties resulting from Lessee's negligent operation or maintenance of the Premises ("Force Majeure"), performance of the act shall be excused for the period of the delay, and the period for performance of the act shall be extended for a period equivalent to the period of the delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability by Lessee.

18.12 Governing Law. This Lease shall be governed, construed and enforced in accordance with the laws of the State of California.

18.13 Interpretation. The language of this Lease shall be construed simply according to its plain meaning and shall not be construed for or against either party.

18.14 Joint and Several Liability. If more than one person or entity executes this Lease as Lessee, each of them is jointly and severally liable for all of the obligations of Lessee under this Lease.

18.15 Liquidated Damages. Any payments by Lessee to County under this Lease described as liquidated damages represent the parties' reasonable estimate of County's actual

damages under the described circumstances, the actual damages being uncertain and difficult to ascertain in light of the impossibility of foreseeing the state of the leasing market at the time of the various deadlines set forth in this Lease. County may, at its election, take any of the liquidated damages assessed in any portion of this Lease as direct monetary payments from Lessee and/or as an increase of Rent due from Lessee under this Lease.

18.16 Modification. The provisions of this Lease may not be modified, except by a written instrument signed by both parties.

18.17 Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected by the determination. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

18.18 Payments. Except as otherwise be expressly stated in this Lease, each payment required to be made by Lessee shall be in addition to, and not a substitute for, other payments to be made by Lessee under this Lease.

18.19 Successors and Assigns. This Lease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided in this Lease.

18.20 Time of Essence. Time is of the essence for each and every provision of this Lease.

18.21 Counterparts. This Lease may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

18.22 Waiver. No provision of this Lease or the breach of any provision of this Lease shall be deemed waived, except by written consent of the party against whom the waiver is claimed. The waiver by County of any breach of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of the term, covenant or condition of any subsequent breach of the term, covenant or condition, or of any other term, covenant or condition contained in this Lease. County's subsequent acceptance of partial Rent or performance by Lessee shall not be deemed to be an accord and satisfaction or a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease or of any right of County to a forfeiture of the Lease by reason of the breach, regardless of County's knowledge of the preceding breach at the time of County's acceptance. The failure on the part of County to require exact or full and complete compliance with any of the covenants, conditions of agreements of this Lease shall not be construed as in any manner changing or waiving the terms of this Lease or as estopping County from enforcing in full the provisions of this Lease. No custom or practice which may arise between County and Lessee in the course of administering this Lease shall be construed to waive, estop or in any way lessen County's right to insist upon Lessee's full performance of, or compliance with, any term, covenant or condition of this Lease or to inhibit or prevent County's exercise of its rights with respect to any default, dereliction or breach of this Lease by Lessee.

County and Lessee have duly executed this Lease as of the day and year first above written.

LESSEE

FAMILY HEALTHCARE NETWORK

Date: 7/9/18

By 

Date: _____

By _____

***Corporations Code Section 313 requires that contracts with a corporation shall be signed by the (1) chairman of the Board, the president or any vice-president and (2) the secretary, any assistant, the chief financial officer, or any assistant treasurer; unless the contract is also accompanied by a certified copy of the Board of Directors resolution authorizing the execution of the contract.**

COUNTY

County of Tulare

Date: _____

By _____
Chairman, Board of Supervisors

ATTEST: JASON T. BRITT
County Administrative Officer/
Clerk of the Board of Supervisors

By _____, Deputy

Approved as to form:
County Counsel


, Deputy
7/11/18 2019225

EXHIBIT A
DESCRIPTION OF PREMISES

Location Map

County of Tulare's Hillman Complex



Assessor's Parcel No. 181-030-001 situated South of Bardsley Ave., West of "K" St, North of O'Neal Ave., and East of "O" St., in the City of Tulare.

EXHIBIT A
DESCRIPTION OF PREMISES

Leased Premises



16,046 square feet of interior office space including surrounding landscaped area situated at the northwest corner of Assessor's Parcel No. 181-030-001.

EXHIBIT B
TENANT IMPROVEMENTS

AREAS FOR MINOR IMPROVEMENT

1. Pharmacy
2. Reception
3. Reception Counter
4. Restrooms (multi-stall only)
5. Lab
6. Remaining Space

AREAS FOR MAJOR IMPROVEMENT

1. Interior Renovation (including demo and hazmat abatement)
2. ADA Parking Stalls
3. ADA Ramp at entry and pathway
4. New fire water service and backflow
5. Exterior window upgrades for T-24 and Misc. Ext.

EXHIBIT C
INSURANCE REQUIREMENTS

Without limiting Lessee's indemnification obligations to County under this Lease, Lessee shall provide and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the Premises. The cost of the insurance shall be borne by the Lessee.

1. **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils, including Replacement Cost coverage, without deduction for depreciation, for Lessee's merchandise, fixtures owned by Lessee, any items identified in this Lease as improvements to the Premises constructed and owned by Lessee, and the personal property of Lessee, its agents and employees.

2. **Minimum Limits of Insurance**

Lessee shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of the County of San Tulare.

D. Property: Full replacement cost with no coinsurance penalty provision.

3. Deductibles and Self-Insured Retention's

Any liability deductible or self-insured retention must be declared to and approved by County Risk Management. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Lessee.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement. Any general liability policy provided by Lessee shall contain an additional insured endorsement applying coverage to the County of Tulare, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

B. Primary Insurance Endorsement. For any claims related to this Lease, the Lessee's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

C. Notice of Cancellation. Notice of Cancellation shall be provided in accordance with policy provisions.

General Provisions

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A-, VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County Risk Management.

6. Evidence of Insurance

No later than the Commencement Date of this Lease, Lessee shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this Lease. Renewal certificates and amendatory endorsements shall be furnished to

County within thirty (30) days of the expiration of the term of any required policy. Lessee shall permit County at all reasonable times to inspect any required policies of insurance.

7. Failure to Obtain or Maintain Insurance: County's Remedies

Lessee's failure to provide insurance specified or failure to furnish certificates of insurance and amendatory endorsements or failure to make premium payments required by the insurance, shall constitute a material breach of this Lease, and County may, at its option, terminate this Lease for any default by Lessee.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Lessee, and any approval of the insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Lessee pursuant to this Lease, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required in this Lease and may require Lessee to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Self-Insurance

Lessee may, with the prior written consent of County's Risk Management, fulfill some or all of the insurance requirements contained in this Lease under a plan of self-insurance. Lessee shall only be permitted to utilize such self-insurance if in the opinion of County's Risk Management, Lessee's (i) net worth, and (ii) reserves for payment of claims of liability against Lessee, are sufficient to adequately compensate for the lack of other insurance coverage required by this Lease. Lessee's utilization of self-insurance shall not in any way limit liabilities assumed by Lessee under this Lease.

11. Sublessees' Insurance

Lessee shall require any sublessee, and any sub-sublessee, of all or any portion of the Premises to provide the insurance coverage described in this Lease prior to occupancy of the Premises.

12. Waiver of Subrogation

Lessee and County waive all rights to recover against each other or against any other

tenant or occupant of the Premises, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the Premises from any Claims (as defined in Article 12 of this Lease) against either of them and from any damages to the fixtures, personal property, Lessee's improvements, and alterations of either County or Lessee in or on the Premises, to the extent that the proceeds received from any insurance carried by either County or Lessee, other than proceeds from any program of self-insurance, covers any Claim or damage. Included in any policy or policies of insurance provided by Lessee shall be a standard waiver of rights of subrogation against County by the insurance company issuing the policy or policies.

