Project:

DSS/La Morada Lease

APN:

061-040-015 (portion)

Folio: Agent: 003531 DG

## **LEASE AGREEMENT**

THIS LEASE AGREEMENT is made by and between the

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY";

and

FAMILY CARE NETWORK, INC. A California non-profit corporation, hereinafter referred to as "CONTRACTOR";

with reference to the following:

WHEREAS, COUNTY is the fee owner of that certain real property located at 66 South San Antonio Road, in the County of Santa Barbara, more particularly described as a portion of Santa Barbara County Assessor's Parcel number 061-040-015 (hereinafter "Property"). The Property is shown as the diagonally slashed areas of Exhibit "A", attached hereto and incorporated herein by this reference; and

**WHEREAS,** the Property includes an approximately 6400 square foot residential building with a kitchen, laundry facility, storage shed, and the surrounding grounds, shown as the cross-hatched area of Exhibit "B"; and

WHEREAS, COUNTY and CONTRACTOR are concurrently executing a Service Agreement wherein CONTRACTOR will operate for COUNTY a Transitional Housing Placement – Plus Program ("THP-Plus") which will assist youths who are transitioning from the State's foster care system by providing safe, affordable housing as well as comprehensive support services to help the youths transition from out-of-home placements to independent living; and

WHEREAS, the Service Agreement provides CONTRACTOR with a suitable facility to operate such a program, rent-free, with CONTRACTOR being responsible for on-going maintenance of the facility as well as all utilities serving the facility; and

WHEREAS, California Government Code Section 26227 allows a board of supervisors of a county to fund programs deemed necessary to meet the social needs of the population of the county and to make available any real property of the county which will not be needed for county purposes during the time of possession, to be used to carry out such programs; and

WHEREAS, COUNTY is funding the THP-Plus program through the Service Agreement, and has determined that the Property, identified as the cross hatched area of Exhibit "B", attached hereto and incorporated herein by this reference, will not be needed for county purposes during the time of possession; and

**WHEREAS,** CONTRACTOR desires to lease the Property for the purpose of providing its services to COUNTY; and

WHEREAS, COUNTY desires to grant a Lease Agreement (hereinafter "Lease"), to CONTRACTOR for a period of one year, with one two-year option to extend, subject to the terms and conditions contained herein.

**NOW, THEREFORE,** in consideration of the provisions, covenants, and conditions, contained herein, the parties agree as follows:

- 1. <u>ADMINISTRATION AND ENFORCEMENT</u>: The provisions of this Lease shall be administered and enforced for the COUNTY by the Director of COUNTY'S Social Services Department, and for CONTRACTOR by the Regional Director of CONTRACTOR (hereinafter collectively referred to as the "Directors"), or designees.
- 2. <u>LEASED AREA</u>: For and in consideration of the covenants to be performed by CONTRACTOR under this Lease, and the Service Agreement, COUNTY hereby leases to CONTRACTOR and CONTRACTOR hereby takes from COUNTY, the Property, consisting of the approximately 6400 square foot facility, including the surrounding grounds and appurtenances, as shown and described on Exhibit B hereof, to be occupied by CONTRACTOR.
- 3. **PARKING:** CONTRACTOR shall have exclusive use of the 4 parking spaces identified on Exhibit B. CONTRACTOR shall not park vehicles on the Property except in those designated spaces.
- 4. **PURPOSE AND USE:** CONTRACTOR shall use the Property solely to maintain the Property and to provide the services described in the Service Agreement and all other operations approved by COUNTY which are incidental thereto. CONTRACTOR shall not use the Property for any other purposes without the express written consent of COUNTY. In addition, CONTRACTOR shall comply with all COUNTY security programs and policies regarding the Property.
- 5. <u>TERM</u>: The term of this Lease shall commence November 1, 2007, and shall continue for ONE (1) year, subject to such provisions for extension and termination as contained herein; so long as the Property is used only for CONTRACTOR'S operations, those operations are consistent with the purposes and uses set forth in this Lease, and CONTRACTOR is in compliance with the THP Plus Service Agreement.
- 6. **EXTENSION OF LEASE:** In the event this Lease has not otherwise been terminated and CONTRACTOR is in good standing at the end of the above-referenced term, such term may be extended for ONE (1) additional term of TWO (2) years upon mutual agreement of CONTRACTOR and COUNTY. CONTRACTOR shall request all extensions in writing at least sixty (60) days prior to the termination of the then-current term. The Director of Social Services, or designee, may approve the extension on behalf of COUNTY.
- 7. **RENT:** In accordance with Government Code Section 26227 and the Santa Barbara County Board of Supervisors determination that the operations of CONTRACTOR are a

benefit to the community, and in consideration of CONTRACTOR'S maintenance of the Property and performance of the Service Agreement, base rent shall be waived during the term.

Should, for any reason, the Santa Barbara County Board of Supervisors determine that the services provided by CONTRACTOR are no longer a benefit to the community, or, should the afore-mentioned Government Code Section be repealed or replaced such that CONTRACTOR no longer qualifies for the rights granted hereunder, CONTRACTOR shall pay fair market rent for the Property, or terminate this Lease upon SIXTY (60) days written notice to COUNTY.

8. **PROPERTY SUITABILITY:** CONTRACTOR has investigated the Property and has determined that it is suitable for CONTRACTOR'S intended operations, and therefore, CONTRACTOR hereby accepts, by way of executing this Lease, the Property, as described in Exhibit B hereof, in its existing condition.

CONTRACTOR ACKNOWLEDGES THAT, EXCEPT AS STATED HEREIN, COUNTY HAS MADE NO REPRESENTATIONS OR WARRANTIES ABOUT THE CONDITION OF THE PROPERTY, OR THE SUITABILITY OF SAME FOR THE INTENDED USE BY CONTRACTOR.

9. **PERMITS, CONSTRUCTION AND IMPROVEMENTS:** In the event CONTRACTOR wishes to alter or improve the Property, CONTRACTOR shall obtain advance written approval from COUNTY, through COUNTY'S Director, or designee; and shall comply with all requirements of the County Architect and all permits. Copies of any required Land Use Permit(s) and/or Building Permit(s) shall be delivered to the County Architect.

CONTRACTOR shall give COUNTY no less than ten (10) days written notice prior to the commencement of any work in, on, or about the Property and shall keep the Property free and clear of liens for labor and materials. Nothing in this Lease shall be construed to entitle CONTRACTOR to undertake alterations or improvements to the Property, nor additional future improvements, without complying with all permitting required by COUNTY in its governmental capacity.

- 10. <u>TITLE:</u> During the term of this Lease, title to the Property shall remain vested in COUNTY. CONTRACTOR shall have no right to waste, destroy, or demolish the Property or any improvements thereon.
- ABANDONMENT OF THE PROPERTY: CONTRACTOR shall not abandon, vacate, surrender or assign use of the Property at any time during the term of this Lease. If CONTRACTOR does abandon, vacate, surrender or assign use of the Property, this Lease and all of CONTRACTOR'S rights thereto shall terminate at the option of COUNTY. In the event of such termination, the Property and any personal property belonging to CONTRACTOR and left on the Property more than thirty (30) days shall be deemed abandoned at the option of COUNTY, and title to such shall pass to COUNTY. This provision shall also apply to property left after the termination, or other expiration of this Lease.
- 12. **NONINTERFERENCE:** CONTRACTOR agrees not to use, nor permit those under its control, including, but not limited to, its employees, tenants, invitees, agents and/or contractors, to use any portion of the, Property in any way which interferes with other COUNTY

operations in the vicinity. Such interference shall be deemed a material breach, and CONTRACTOR shall terminate said interference immediately upon notice from COUNTY. In the event CONTRACTOR fails to stop such interference promptly, this Lease shall terminate at the option of COUNTY.

- 13. <u>UTILITY CHARGES</u>: COUNTY shall provide utilities to CONTRACTOR, subject to COUNTY'S right to reimbursement from CONTRACTOR. COUNTY shall give CONTRACTOR monthly notice of CONTRACTOR'S proportionate share of utility charges for the Property, and shall invoice CONTRACTOR for such charges. Upon such notice, CONTRACTOR shall pay its proportionate share of utility charges, as such charges are reasonably established by COUNTY; in advance, on the first calendar day of each month thereafter.
- 14. MAINTENANCE AND REPAIR: During the term of this Lease, including any extensions, CONTRACTOR agrees to keep the Property in good maintenance and repair, at its sole expense. In the event that the Property, any of the improvements on the Property, any equipment, furniture, appliances, or other items supplied by COUNTY are in need of maintenance or repair, CONTRACTOR shall contact the designated representative for COUNTY, as described below. COUNTY shall have the maintenance or repair completed in a timely manner and shall invoice CONTRACTOR for the actual cost of such maintenance or repair. CONTRACTOR shall pay the invoices within TEN (10) days of receipt.

In the event of an emergency such that the Property requires immediate maintenance or repair, or such that CONTRACTOR'S operations thereon will be negatively impacted by any delay, CONTRACTOR may independently contract for such maintenance or repair, at its sole cost and expense. In such an event, CONTRACTOR shall ensure that any maintenance or repair will conform to COUNTY maintenance standards, to be determined by COUNTY.

Emergency Contact Information:

County of Santa Barbara Department of Social Services Attn: Operations Division Chief 234 Camino Del Remedio Santa Barbara, CA 93101-1369 (805) 681-4588

COUNTY, its agents, employees and contractors reserve the right to enter the Property at all reasonable times to perform maintenance and repair, as needed, on the Property. This right extends to public utilities in regard to repair, maintenance, construction and demolition of utility infrastructure on the Property, including appurtenances.

15. ASSIGNMENT/ SUBLEASE: CONTRACTOR shall not assign, license, or sublease the Property without COUNTY'S written consent. A consent by COUNTY to one assignment shall not be deemed to be a consent to any subsequent assignment. Any assignment made contrary to this Section shall be null and void. In the event CONTRACTOR is not utilizing or occupying the entire Property and chooses to sublease or allow occupancy of the unused portion, then COUNTY shall have first right to use that unused portion without charge. If COUNTY

chooses not to occupy and the unused portion is subleased, the revenue generated thereby shall be paid entirely to COUNTY.

- 16. <u>SUCCESSORS IN INTEREST</u>: This Lease and the covenants contained herein shall be binding upon and inure to the benefit of the respective parties and to any government or private organization into which CONTRACTOR may be merged.
- 17. <u>INDEMNIFICATION</u>: CONTRACTOR shall defend, indemnify, and save harmless COUNTY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments, or liabilities arising out of this Lease or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of CONTRACTOR or its agents, employees, or other independent contractors directly responsible to CONTRACTOR; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the COUNTY.

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Lease.

- 18. <u>INSURANCE</u>: Without limiting CONTRACTOR'S indemnification of the COUNTY, CONTRACTOR shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Lease. Failure to comply with the insurance requirements shall place CONTRACTOR in default. Upon request by the COUNTY, CONTRACTOR shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.
- A. <u>Workers' Compensation Insurance</u>: Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR'S staff while performing any work incidental to the performance of this Lease. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Lease and CONTRACTOR submits a written statement to the COUNTY stating that fact.
- B. General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by CONTRACTOR in the indemnity and hold harmless provisions [above] of the Indemnification Section of this Lease between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR'S activities hereunder. CONTRACTOR shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its

officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

If the policy providing liability coverage is on a 'claims-made' form, CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this Lease. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

C. <u>Property Insurance</u>. The Property Insurance shall provide all risk property coverage on a replacement cost basis for the Property. COUNTY shall be included as a loss payee on any Property Insurance policy. Said Property Insurance shall contain an Lease under which the insurance company or companies supplying said policy shall notify COUNTY in writing at least thirty (30) days prior to cancellation of all or any part of such policy.

In the event of any loss to any property that is subject to this Lease which is caused by any occurrence that is covered by such all risk property insurance, CONTRACTOR shall be responsible for any payment of any deductible. All property insurance carried by CONTRACTOR shall include provisions denying to the insurer, acquisition by subrogation of rights of recovery against the other party to the extent the rights have been waived by the insured prior to occurrence of loss or injury.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Program Administrator is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Lease that results in an increase in the nature of COUNTY's risk and such change of provisions will be in effect for the term of the amended Lease. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Lease. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

19. **NONDISCRIMINATION:** CONTRACTOR shall comply with COUNTY laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Lease and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Lease and the interest hereby created without liability therefor. CONTRACTOR shall also comply with applicable State or Federal laws, rules and regulations regarding nondiscrimination.

20. **ENVIRONMENTAL IMPAIRMENT:** CONTRACTOR shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of COUNTY.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Property due to CONTRACTOR'S use and occupancy, CONTRACTOR shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction therefore. CONTRACTOR shall indemnify, hold harmless, and defend COUNTY from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by COUNTY as a result of CONTRACTOR'S breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to CONTRACTOR'S use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Lease, and regardless of negligence, active or passive, of COUNTY.

- 21. **TOXICS:** CONTRACTOR shall not manufacture or generate hazardous wastes on the Property unless specifically authorized by this Lease. CONTRACTOR shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by CONTRACTOR, its agents, employees, or designees on the Property during the term of this Lease and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. CONTRACTOR shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.
- 22. <u>COMPLIANCE WITH THE LAW</u>: CONTRACTOR shall comply with all applicable laws, rules, and regulations affecting the Property now or hereafter in effect.
- 23. TAXES AND ASSESSMENTS, POSSESSORY INTEREST: CONTRACTOR shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, which, due to CONTRACTOR'S operations, may be levied upon the Property during the term of this Lease.

POSSESSORY INTEREST: CONTRACTOR acknowledges and agrees that this Lease may create a possessory interest subject to property taxation and that CONTRACTOR may be required to pay any tax levied on such interest.

24. **NOTICES:** Any notice to be given to the parties shall be in writing and shall be served, either personally or by mail, to the following:

COUNTY:

County of Santa Barbara

Department of Social Services Attn: Operations Division Chief

234 Camino Del Remedio

Santa Barbara, CA 93101-1369

(805) 681-4588

CONTRACTOR:

Vincent S. Giordano

Regional Director

Family Care Network, Inc.

222 West Carmen Lane, Suite 102

Santa Maria, CA 93458

(805) 349-9600

or to the parties at such other place as may be designated in writing. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail, reliable overnight courier, or by personal delivery. The date of mailing, or in the event of personal delivery, the date of delivery shall constitute the date of service.

- 25. **DEFAULT:** Except as otherwise required herein, should CONTRACTOR at any time be in material default hereunder with respect to any covenant contained herein, COUNTY shall give notice to CONTRACTOR specifying the particulars of the default and CONTRACTOR shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, this Lease shall terminate at the option of COUNTY; unless the cure of such default shall reasonably take more than thirty (30) calendar days in which case CONTRACTOR shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.
- 26. **REMEDIES:** In the event of a default or breach, either party may exercise any right or remedy at law or in equity which such party may have by reason of such default or breach including but not limited to the following:
- A. The nondefaulting party may waive the default or breach in accordance with Section 27, *WAIVER*, herein below.
- B. The nondefaulting party may maintain this Lease in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.
- C. Where CONTRACTOR is the nondefaulting party, CONTRACTOR may terminate the Lease and surrender use of the Property.
- D. Where COUNTY is the nondefaulting party, COUNTY may terminate the Lease and CONTRACTOR shall vacate within THIRTY (30) days of written notice from COUNTY.

- 27. <u>WAIVER</u>: It is understood and agreed that any waiver, express or implied of any term of this Lease shall not be a waiver of any subsequent breach of a like kind or of any other provision of this Lease.
- 28. <u>AMENDMENTS</u>: This Lease may only be amended by written consent of the parties and such changes shall be binding upon the heirs or successors of the parties. Amendments to the Lease that do not alter the purpose of the Lease may be approved and executed by the Directors.
- 29. **TERMINATION:** This Lease shall terminate and all rights of CONTRACTOR shall cease and CONTRACTOR shall quietly and peacefully deliver to COUNTY, possession, interest and title to the Property:
- A. Upon expiration or earlier termination of the Lease as provided in Section 5, *TERM*; or
  - B. Upon ninety (90) day written notice from CONTRACTOR; or
- C. Upon termination of the THP Plus Service Agreement described in Section 5, *TERM*; or
- D. Upon abandonment of the Property as provided in Section 11, ABANDONMENT OF THE PROPERTY; or
- E. Upon the failure of CONTRACTOR to satisfy, observe or perform any of the covenants, conditions or reservations set forth in this Lease and the expiration of the cure period as provided in Section 25, *DEFAULT*; or
  - F. As provided in Section 30, *DESTRUCTION*; or
- G. In the event CONTRACTOR is found to be in non-compliance with any permits associated with this Lease and such non-compliance is not resolved in a timely fashion.
- 30. <u>DESTRUCTION</u>: If the Property is partially or totally destroyed by fire or other casualty, this Lease, at the option of CONTRACTOR, shall terminate. If CONTRACTOR chooses to terminate the Lease then CONTRACTOR, at COUNTY'S option, shall return the Property to its original condition as near as is practical.
- 31. **HOLDING OVER:** Should CONTRACTOR occupy the Property after the expiration date of this Lease or any extension thereof, with the consent of the COUNTY, expressed or implied, such possession shall be construed to be a tenancy from month to month.
- 32. <u>AGENCY DISCLOSURE</u>: CONTRACTOR acknowledges that the General Services Department, Facilities Services Division of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for CONTRACTOR nor a dual agent in this transaction.
- 33. <u>SURRENDER OF PREMISES</u>: Upon expiration or termination of this Lease, CONTRACTOR shall vacate and surrender possession of, and any claim to the Property, leaving it in good condition, except for ordinary wear and tear.
- 34. **CONDEMNATION:** In the event the Property or any part thereof is taken by condemnation, eminent domain, or any such proceeding that precludes access to or use of the

Property, COUNTY shall have the exclusive right to control the defense of any such action in condemnation or eminent domain and to defend any such action and settle the same in COUNTY'S absolute discretion. CONTRACTOR agrees that COUNTY shall have the right, but not the obligation, to defend or settle any such action of condemnation or eminent domain affecting any of CONTRACTOR'S operations at the Property.

CONTRACTOR shall receive from COUNTY such proportionate amount of the judgment, award, or settlement as shall be attributable to CONTRACTOR'S interests.

In the event possession of the Property or partial possession of the Property is obtained by a public agency or other agency empowered to take by eminent domain, in a manner which precludes CONTRACTOR'S intended use, this Lease shall terminate as of the effective date of possession and upon such termination, any obligation of CONTRACTOR to pay rent shall cease with the payment of the prorated portion of rental obligations up to said termination date. Any prepaid rent shall be returned to CONTRACTOR from the effective date of possession.

In the event of a partial taking, this Lease may continue at COUNTY'S option.

- 35. **CAPTIONS:** The title or headings to the sections of this Lease are not a part of this Lease, and shall have no effect upon the construction or interpretation of any part hereof.
- 36. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 37. **CERTIFICATION OF SIGNATORY:** The signatories of this Lease and each of them represent and warrant that they are authorized to execute this Lease and that no additional signatures are required to bind COUNTY and CONTRACTOR to its terms and conditions or to carry out duties contemplated herein.
- 38. **ENTIRE AGREEMENT:** The parties to this Lease intend that their negotiations, conversations and statements made prior to execution of this Lease are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.
- 39. **CONSTRUCTION:** The parties have negotiated the terms of this Lease. They have consulted an attorney as deemed necessary. The terms of this Lease reflect this negotiation and the intentions of both parties. These terms shall be interpreted with regard to each party equally.
- 40. **FACSIMILE SIGNATURES:** In the event that the parties hereto utilize facsimile transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided within seventy-two (72) hours of transmission of the facsimile, except that funds shall not be released upon facsimile signature nor shall facsimile signed documents be accepted for recordation by the Clerk Recorder of the County.

003531

**EXECUTION IN COUTERPARTS:** This Lease may be executed in any number such counterparts, or as many of them as the parties shall preserve undestroyed, shall together of counterparts and each such counterpart shall for all purposes be deemed to be an original; and all constitute one and the same instrument.

Project:

DSS/La Morada Lease 061-040-015 (portion)

APN: Folio:

003531

Agent:

DG

**IN WITNESS WHEREOF**, COUNTY and CONTRACTOR have executed this Lease by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

	"COUNTY" COUNTY OF SANTA BARBARA
ATTEST: MICHAEL F. BROWN CLERK OF THE BOARD	Chair, Board of Supervisors
By:	Date:
"CONTRACTOR" FAMILY CARE NETWORK, INC.  Joseph CEO Name and Title  R. Scott  Roberta Scott, CFO Name and Title	APPROVED AS TO FORM: STEPHEN SHANE STARK COUNTY COUNSEL  By: Deputy  APPROVED AS TO ACCOUNTING FORM: ROBERT W. GEIS, CPA AUDITOR-CONTROLLER  By: Lio Julia
APPROVED:  Ronn Carlentine SR/WA  Real Property Manager	APPROVED AS TO INSURANCE FORM:  Ray Aromatorio, ARM, AIC Risk Program Administrator

Project:

DSS/La Morada Lease

APN:

061-040-015 (portion)

Folio: Agent: 003531 DG

**IN WITNESS WHEREOF**, COUNTY and CONTRACTOR have executed this Lease b respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

	"COUNTY" COUNTY OF SANTA BARBARA
ATTEST:	
MICHAEL F. BROWN CLERK OF THE BOARD	Chair, Board of Supervisors
By:	Date:
Deputy	
"CONTRACTOR"	
FAMILY CARE NETWORK, INC.	APPROVED AS TO FORM: STEPHEN SHANE STARK COUNTY COUNSEL
Vim Reports, CEO  Name and Title	By: Deputy
R. Soft	
Probleta Scott, CFO Name and Title	APPROVED AS TO ACCOUNTING FORM: ROBERT W. GEIS, CPA AUDITOR-CONTROLLER
	By: Theo Tallot
APPROVED:	APPROVED AS TO INSURANCE FORM:
Ronn Carlentine SR/WA	Ray Aromatorio, ARM, AIC
Real Property Manager	Risk Program Administrator

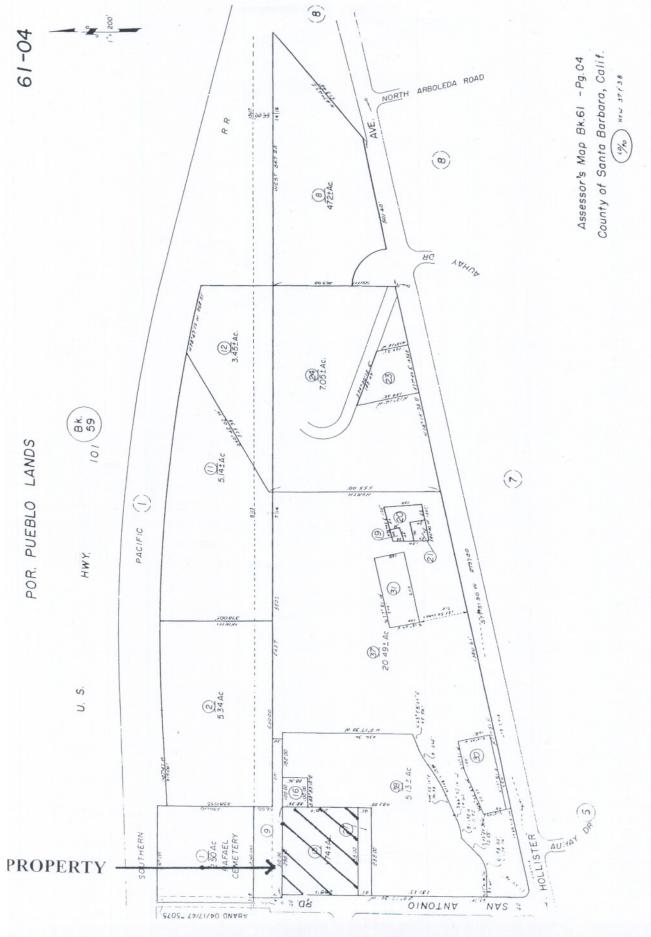
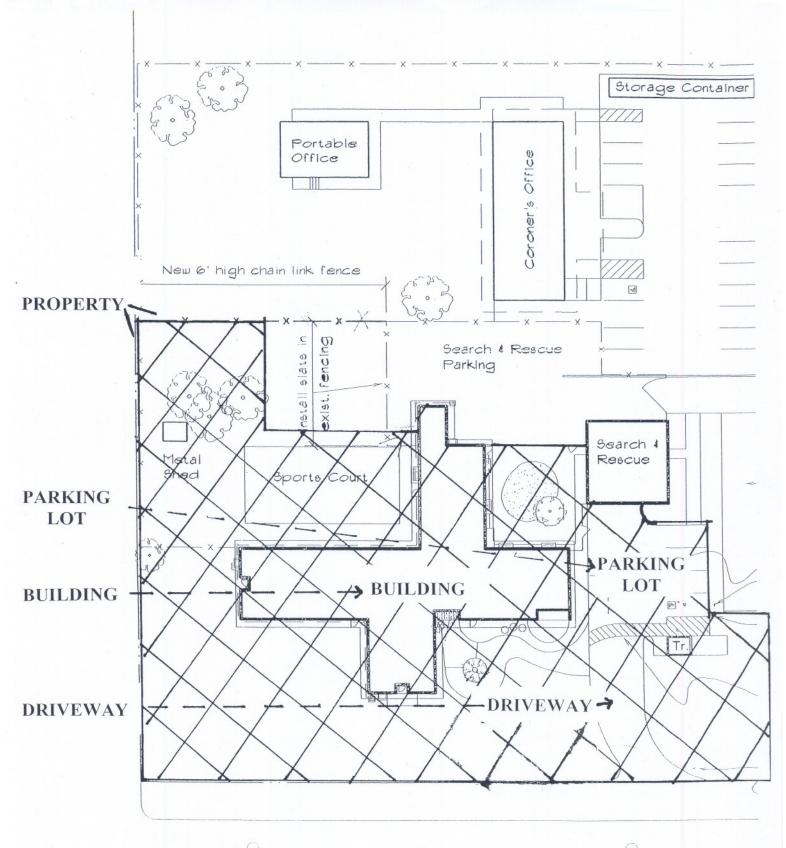


EXHIBIT A



SAN ANTONIO O ROAD