



**COMMISSIONERS COURT
COMMUNICATION**

COURT ORDER NUMBER _____

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DATE: 12/3/2024

SUBJECT: CONSIDERATION OF A DENTAL OFFICE LEASE BETWEEN TARRANT COUNTY HOSPITAL DISTRICT, D/B/A JPS HEALTH NETWORK AND BRAVO DENTAL, PLLC

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court consider a Dental Office Lease between Tarrant County Hospital District, d/b/a JPS Health Network (TCHD) and Bravo Dental, PLLC.

BACKGROUND

As the Tarrant County population grows, TCHD is continuously working towards expanding care to fit patient needs. Through this Lease, Bravo Dental will lease five (5) JPS Dental Clinics for the provision of low-cost dental services. The lease will begin on January 1, 2025, for an initial term of five (5) years with the option to renew for an additional five (5) years beyond the initial term.

The District's Board of Managers approved the attached Dental Office Lease at its November 14, 2024, Board of Managers meeting. TCHD Counsel reviewed the Lease and approved it as to form.

FISCAL IMPACT

TCHD will receive a revenue of \$1,346,775.10 over a possible 10-year contract term (initial 5-year term with one, 5-year renewal option).

SUBMITTED BY	JPS Health Network - Administration	PREPARED BY:	Lani Taylor
		APPROVED BY:	Daphne Walker

Exhibit C

Contract Terms

RFP #20241215508 Lease of JPS Clinical Space for the Provision of Low Cost Dental Services

Please note: The District is a taxpayer-supported government entity. The District will not agree to indemnify the vendor, limit the vendor's liability, shorten the statute of limitations for any claim, submit to binding arbitration, waive its right to a jury trial, or waive its existing governmental immunity. DO NOT include any such provisions in your contract form or redline, as they will not be accepted.

Dental Office Lease

This Lease is between **Tarrant County Hospital District d/b/a JPS Health Network**, a Texas local government entity and hospital district formed under section 281, Health & Safety Code, of 1500 S. Main St., Fort Worth, TX 76104 ("District") and **Bravo! Dental**, Dental Care provider of 4001 McEwen Rd. Suite 408, Dallas TX, 75244 and together referred to as "Parties."

District desires to lease to Lessee, and Lessee desires to lease from the District, the Leased Premises described in attached **Exhibit 1** for the purpose of carrying on the practice of dentistry, specifically the operation of a low-cost dental clinic.

The parties agree as follows:

1. Leased Premises. District, in consideration of the rents to be paid and the covenants and agreements to be performed by Lessee, leases to Lessee that certain office spaces located in the professional medical office buildings situated at the sites listed in Section 1(a) below (the "Property"), more fully described in **Section 2** and **Exhibit 1**, consisting of approximately 7,089 square feet of rentable area (the rentable area, the "Leased Premises"). The parties agree that the rentable area may not equal the actual or usable area within the Leased Premises and may include an allocation of common areas in the Property. The rentable area will not be adjusted if remeasured. Lessee is responsible for obtaining any certificate of occupancy for the Leased Premises if required by any governmental body. **Lessee Obligations.** Lessee represents and warrants that it will fulfill the following performance obligations pursuant to this Lease:

- a. **Clinic sites.** Lessee will provide dental services in five (5) JPS Dental Clinic locations as given below, with the possibility of additional sites to be added upon mutual agreement between the Parties:
 - i. Southeast Medical Home, located at 1050 W. Arkansas Lane, Arlington, TX 76013.
 - ii. Northeast Medical Home, located at 3200 W. Euless Blvd. Euless, TX 76040.
 - iii. Stop Six Clinic, located at 4701 Bryant Irvin Road N., Fort Worth, TX 76107.
 - iv. Diamond Hill Clinic, located at 3308 Deen Road, Ft. Worth, 76106.
 - v. Viola Pitts Clinic, located at 4701 Bryant Irvin Road N., Fort Worth, TX 76107.
- b. **Construction and Modification.** Lessee is permitted to modify any leased space and/or enter into minor construction projects to modify such space, provided that Lessee presents its plans to the District prior to commencement of any such project. Lessor must approve any construction or modification project in advance, in writing, and such approval will not be unreasonably withheld.

2. Lessor Obligations. Lessor must fulfill the following performance obligations pursuant to this Lease:

- a. Lessor will notify Lessee at least sixty (60) days in advance of site closures when possible. The District's planned holiday schedule is attached here as Exhibit 2.
- b. Lessor will notify Lessee as soon as practicable of site closures for inclement weather or other unplanned closures.
- c. Lessor bears sole responsibility for connection and payment of utilities; provision of environmental services, including waste and hazardous waste removal; paper shredding services; general building maintenance; and security services.

3. Term and Rent. For a term of **five (5) years**, commencing on *January 1, 2025*, and ending on *December 31st, 2029*] (the “Initial Term” and together with any Renewal Term as described below, the “Term”). The sites will be phased in over time in the order given in Table 1 below, and Lessee will pay rent, as given below by site, on or before the first day of each month of the Term. The rent may increase 2% annually over the course of the contract. The total rent amount per site is calculated based on the following formula:

Per square foot:

(Fair Market Value (“FMV”) of \$13) + (\$6 administrative fee)* = \$19 per square foot

* The \$6 administrative fee includes environmental services (“EVS”), paper shredding services, routine building maintenance, utilities, security, waste management and parking.

Total lease amount:

\$19 per square foot x square feet = monthly lease

Table 1

Order of Acquisition	JPS Dental Clinic	Square Feet	Price per Square Foot	Annual Lease	Monthly Lease
1	Viola Pitts	1,982.12	\$19	\$37,660.28	\$3,138.36
2	Northeast	1,640.60	\$19	\$31,171.40	\$2,597.62
3	Diamond Hill	1,366.99	\$19	\$25,972.81	\$2,164.40
4	Southeast	1,104.25	\$19	\$20,980.75	\$1,748.40
5	Stop Six	994.33	\$19	\$18,892.27	\$1,574.36
Total		7088.29	\$19	\$134,677.51	\$11,223.14

This rent is consistent with fair market value as determined by CBRE Group, Inc. based on comparative market analysis; commercially reasonable for each party; and not determined in any manner that considers the volume or value of any referrals or other business generated between the parties. If the Effective Date is on a day other than the first day of a month, Lessee will pay District as prorated rent an amount equal to the base monthly rent multiplied by the following fraction: the number of days from the Effective Date to the first day of the following month divided by the number of days in the month in which this lease commences. The prorated rent is due on or before the Effective Date. At the end of the Initial Term, this lease will automatically be renewed for an additional **five (5) years** (the “Renewal Term”), on the same terms and conditions, provided, however, that either party may terminate this lease on giving written notice of termination at least **one hundred and eighty days** prior to the end of the Initial Term. In the event notice of termination is given by either party, the termination will be effective at the end of the Initial Term.

4. Place for Payment of Rent. All payments of rent or other sums to be paid to District will be paid by check or certified funds delivered to the attention of: JPS Health Network Attention: Accounting Director 1350 South Main St. Suite, #4000, Fort Worth, Texas 76104, or in such manner and at such place as District shall otherwise designate in writing from time to time.

5. Late Charges and Returned Checks. Lessee must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If District does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Lessee will pay District a late charge equal to 10% of the amount due. In this paragraph, the mailbox is not the agent for receipt for District. The late charge is a cost associated with the collection of rent and District’s acceptance of a late charge does not waive District’s right to exercise remedies otherwise provided in this lease or under applicable law. Lessee will pay \$30.00 for each check Lessee tenders to District which is returned by the institution on which it is drawn for any reason, plus any late charges until District receives payment. If any check or instrument of Lessee is returned to District by the institution on which it was drawn, District by providing written notice to Lessee may require Lessee to pay any subsequent amounts that become due under this lease in certified funds.

6. Assignment or Sublet. Lessee will not assign this lease or sublet the Leased Premises without the prior written consent of District, which consent shall be at District’s sole discretion. Lessee will notify District of any proposed assignment or

sublet in writing and District will then have thirty (30) days to either accept or reject the proposed assignment or subletting. If District does not respond within the thirty-day period, it will be considered that District has rejected the proposed assignment or subletting.

7. Right to Mortgage. District reserves the right to subject and subordinate this lease at all times to the lien of any mortgage or mortgages on District's interest in the Leased Premises. Lessee covenants and agrees to execute and deliver on demand any further instrument or instruments subordinating this lease to the lien of any such mortgage or proposed mortgage, and Lessee irrevocably appoints District its attorney-in-fact to execute and deliver any such instrument or instruments for and in the name of Lessee.

8. Use and Occupancy. During the term of this lease, the Leased Premises will be used and occupied only for professional dental office purposes and for no other purpose without the prior written consent of District. Lessee will not use the Leased Premises for any purpose in violation of any law, municipal ordinance, or regulation. Upon any breach of this section, District may, at its option, terminate this lease immediately and/or reenter and repossess the Leased Premises.

9. Tenant Improvements. The District will make available to the Tenant for the construction of Tenant's leasehold improvements in the Expansion Premises, subject to the Landlord's consent to Tenant's plans a maximum amount of \$4 per square foot for the first three years (the "Tenant Improvement Allowance"), to be applied towards all hard and soft costs associated with any alterations, additions, installations, changes, improvements, and/or other renovation to the Expansion Premises, including but not limited to actual construction costs, architectural, design, and engineering fees, and compensation for Tenant's project manager or other consultants ("Tenant Improvements"). If the costs for the Tenant Improvements exceeds the Tenant Improvement Allowance, Tenant shall bear and pay the cost of such excess. If the actual cost of the Tenant Improvements is less than the Tenant Improvement Allowance, Tenant may use the balance of the unused Tenant Improvement Allowance to pay out-of-pocket costs actually incurred by Tenant in connection with Tenant's installation of its furniture, fixtures, equipment, telephone and data cabling, installation costs and moving.

10. Effect of Damage to Leased Premises. If the Leased Premises are damaged or destroyed in whole or in part by fire or other casualty during the term of this lease, District will repair and restore the Leased Premises to good tenantable condition with reasonable dispatch, and the rent provided for in this lease will abate entirely in case the entire Leased Premises are untenable and will abate on a prorated basis for any portion of the Leased Premises rendered untenable until the Leased Premises will be restored to a tenantable condition; provided however, that if Lessee shall fail to adjust its own insurance or to remove its damaged goods, wares, equipment, or property within a reasonable time, and as a result the repair or restoration is delayed, there will be no abatement of rent during the period of such resulting delay; and provided further, that there will be no abatement of rent if such fire or other cause damaging or destroying the Leased Premises resulted from the negligence or willful acts or omissions of Lessee, its officers, agents, or employees. If Lessee uses any part of the Leased Premises for storage during the period of repair, a reasonable charge will be made for that storage. If the Leased Premises shall be destroyed to the extent of more than one-half of the value of the Leased Premises, District may at its option terminate this lease immediately by written notice to Lessee.

11. Maintenance and Repairs. Lessee agrees to maintain and keep in good order and repair the interior of the Leased Premises including the doors and walls, and any glass or windows located in interior walls. Lessee further covenants and agrees that at the expiration of the Term of this lease, it will yield and deliver the Premise in like condition as when taken, reasonable use and wear and damage by the elements excepted. District shall be responsible for maintaining the exterior walls, roof, and all mechanical, electrical, HVAC, plumbing, and other structural systems and components of the Leased Premises. District will provide general janitorial and cleaning services to the Leased Premises that are customary and ordinary for the property use and type. District will be responsible for replacing light bulbs in the Leased Premises and common areas. Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.

12. Common Areas. District will maintain any common areas in the Property in a manner as District determines to be in the best interest of the Property. District will maintain any signs in the common area. District may change the size, dimension, and location of any common areas, provided that such change does not materially impair Lessee's use and access to the leased premises. Lessee has the non-exclusive license to use the common areas in compliance with District's rules and regulations. Lessee may not solicit any business in the common areas or interfere with any other person's right to use the common areas.

13. Parking. Lessee shall have access to general parking at each clinic.

14. Alterations. Lessee may not alter (including making any penetrations to the roof, exterior walls, or foundation), improve, or add to the Property or the leased premises without District's written consent. District will not unreasonably withhold consent for the Lessee to make reasonable non-structural alterations, modifications, or improvements to the leased premises. Lessee may not alter any locks or any security devices on the Property or the leased premises without District's consent. If District authorizes the changing, addition, or rekeying of any locks or other security devices, Lessee must immediately deliver the new keys and access devices to District. Any alterations, improvements, fixtures, or additions to the Property or leased premises installed by either party during the term of this lease will become District's property and must be surrendered to District at the time this lease ends, except for those fixtures District requires Lessee to remove under Section 25 or if the parties agree otherwise in writing.

15. Compliance with Texas Government Code Section 2252.909. In compliance with Section 2252.909 of the Texas Government Code (added by the 88th Legislature, H.B. 2518), if Lessee intends to enter into a contract for the construction, alteration, or repair of an improvement to the Leased Premises, the Lessee's contract with said contractor must include a condition that the contractor (a) execute a payment bond that conforms with Section 53.202 of the Texas Property Code; and (b) execute a performance bond in an amount equal to the amount of the contract for the protection of the District and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents. The Lessee must provide to the District a written notice of commencement for the construction, alteration, or repair of an improvement to Leased Premises (the "Notice of Commencement") consistent with Section 2252.909 and the statutes incorporated therein at least 90 days before the date the construction, alteration, or repair of any improvement to the Leased Premises begins. The required Notice of Commencement must (1) identify the public property where the work will be performed; (2) describe the work to be performed; (3) state the total cost of the work to be performed; (4) include copies of the performance and payment bonds required under Section 2252.909(b); and (5) include a written acknowledgment signed by the contractor stating that copies of the required performance and payment bonds will be provided to all subcontractors not later than the fifth day after the date a subcontract is executed. On or before the 10th day after the date the District receives a written Notice of Commencement required under Section 2252.909(b)(2), the District may notify the Lessee/leaseholder that the construction, alteration, or repair may not proceed. Be advised that Section 2252.909(e) provides as follows: "A person commits an offense if the person materially misrepresents information in a notice of commencement. An offense under this subsection is a Class A misdemeanor." For purposes of any notice required by Section 2252.909, including the Notice of Commencement and copies of required bonds, any communications regarding the construction, alteration, or repair of an improvement to Leased Premises shall be provided in writing to the District in accordance with Section 37.

16. Care of Leased Premises. Lessee will not perform any acts or carry on any practices which might injure the Leased Premises or be a nuisance or menace to others. Lessee agrees not to burn papers, cartons, or trash of any kind in the area about and around the Leased Premises. Lessee will keep both the interior of the Leased Premises in a safe condition and clean and free from rubbish, dirt, and other hazards at all times. In the event Lessee will not comply with the provisions of this section, District may enter upon the Leased Premises and have rubbish removed and the areas cleaned, in which event, Lessee agrees to pay all charges that District shall pay for hauling rubbish or cleaning. Any such charges will be paid to District by Lessee as soon as the bill is presented to Lessee.

17. Security Deposit. Upon execution of this lease, Lessee will deposit with District the sum equivalent to one month's rent at each location (the "Security Deposit") as security for the full and faithful performance by Lessee of all of Lessee's obligations hereunder. No interest shall be paid upon the Security Deposit nor shall District be required to maintain the deposit in a segregated account, unless required by applicable law in which event District will comply with such legal requirement. The Security Deposit shall not be construed as prepaid rent. In the event that Lessee shall default in the full and faithful performance of any of the terms hereof, then District may, without notice, either retain the Security Deposit as liquidated damages, or District may retain the same and apply it toward any damages sustained by District, including but not limited to actual damages sustained by the District by reason of the default of Lessee, including any past due rent. In the event of bankruptcy or other debtor-creditor proceedings, either voluntarily or involuntarily instituted by or against Lessee, the Security Deposit shall be deemed to be applied in the following order: to actual damages, obligations and other charges, including any damages sustained by District, other than unpaid rent, due to District for all periods prior to the filing of such proceedings; to accrued and unpaid rent prior to the filing of such proceeding; and thereafter to actual damages, obligations, other charges and damages sustained by District and rent due the District for all periods subsequent to such

filing. In the event of a sale of the Leased Premises or all or any portion of the Property, District shall have the right to transfer the Security Deposit to the buyer, and District shall thereupon be relieved of all obligations to return the Security Deposit to Lessee, and Lessee agrees to look solely to the buyer for the return of the Security Deposit. Within sixty (60) days after Lessee surrenders the Leased Premises and provides District written notice of Lessee's forwarding address, District will refund the Security Deposit less any amounts applied toward amounts owed by Lessee or other charges authorized by this lease.

18. Compliance with Laws. Lessee will at its own expense and under penalty of forfeiture and damages promptly comply with all laws, orders, regulations, or ordinances of all municipal, county, state, and federal authorities affecting the Leased Premises and the cleanliness, safety, occupation, and use of the Leased Premises. Lessee may not use or permit any part of the leased premises or the Property to be used for: (1) any activity which is a nuisance or is offensive, noisy, or dangerous; (2) any activity that interferes with any other tenant's normal business operations or District's management of the Property; (3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, Lessees' association rules, District's rules or regulations, or this lease; (4) any hazardous activity that would require any insurance premium on the Property or leased premises to increase or that would void any such insurance; or (5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters. District does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Lessee's intended use. Lessee must satisfy itself that the leased premises may be used as Lessee intends by independently investigating all matters related to the use of the leased premises or Property. Lessee agrees that it is not relying on any warranty or representation made by District, District's agent, or any broker concerning the use of the leased premises or Property.

19. Medical and Hazardous Waste. Per Section 2, the District will be responsible for removing all waste, including hazardous waste. However, Lessee shall not cause or permit the release or disposal of any hazardous substances, wastes or materials, or any medical, special, or infectious wastes, on or about the Leased Premises or the Property. "Hazardous substances" as such term is used in this Agreement means any hazardous or toxic substance, material or waste, regulated or listed pursuant to any federal, state or local environmental law, including without limitation, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and the Occupational Safety and Health Act. Lessee shall comply with all rules and policies set by District, and with all federal, state, and local laws, regulations and ordinances which govern the use, storage, handling and disposal of hazardous substances, wastes or materials and medical, special, or infectious wastes. Lessee shall indemnify, defend, and hold District harmless from and against any claims or liability arising out of or connected with Lessee's failure to comply with the terms of this Section which terms shall survive the expiration or earlier termination of this Lease. If District decides to provide medical, special, and infectious waste removal services for its Lessees (which decision may be made in District's sole discretion), Lessee may elect to contract separately with District for such services; provided that Lessee shall pay District a reasonable fee for the provision of such service, the amount of which shall be determined by District.

20. Liens. Lessee may not do anything that will cause the title of the Property or Leased Premises to be encumbered in any way. If Lessee causes a lien to be filed against the Property or Leased Premises, Lessee will within 20 days after receipt of District's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Lessee will provide District a copy of any release Lessee obtains pursuant to this paragraph.

21. Liability. District will not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the Leased Premises, including any act, omission, or neglect of Lessee or Lessee's agent, guest, employee, patron, or invitees, or for any loss or damage resulting to Lessee or Lessee's property from the bursting, stoppage, or leaking of water, gas, or sewer pipes, fire, flood, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.

22. Utilities. Lessee will pay all charges imposed against the Leased Premises for telephone, internet, or any other utilities Lessee wishes to install during the Term of this lease, as the same will become due, including, without limitation, the cost of installation or expansion of such utilities. Lessee will coordinate installation, access, and alterations to the Leased Premises necessary for such utilities with the District's Facilities Management and other appropriate personnel. **District**

makes no representations about the availability of utilities. Lessee should determine if all necessary utilities are available to the Leased Premises and adequate for Lessee's intended use. District is obligated to provide heating, ventilation, and air conditioning of the Leased Premises only during normal operating hours of 8:00 am to 5:00 pm, Monday through Saturday.

23. Signs. All signs and advertising displays in and about the Leased Premises will be only such as advertise the business carried on upon the Leased Premises or other areas of the Property, and District will control the character and size of any signs. No sign will be displayed by Lessee unless it has been approved in writing by District, which approval will not be unreasonably withheld. Any signs must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the Leased Premises or Property. District may temporarily remove any authorized sign to complete repairs or alterations to the Leased Premises or the Property. By providing written notice to Lessee before this lease ends, District may require Lessee, upon moveout and at Lessee's expense, to remove, without damage to the Property or Leased Premises, any or all signs or decorations that were placed on the Property or Leased Premises by or at the request of Lessee. Any signs or decorations that District does not require Lessee to remove and that are fixtures, become the property of the District and must be surrendered to District at the time this lease ends.

24. Access to Leased Premises. District will have the right to enter the Leased Premises at all reasonable hours for the purpose of inspecting the Leased Premises. If District deems any repairs necessary, it may demand that Lessee make such repairs, and if Lessee refuses or neglects immediately to commence such repairs and complete the same within a reasonable time, District may make or cause to be made such repairs and will not be responsible to Lessee for any loss or damage that may occur to its property or business by reason of such repairs. If District makes or causes to be made such repair, Lessee agrees that it will immediately upon demand pay to the appropriate party the cost of such repairs.

Move-In Condition. Lessee has inspected the Leased Premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease or in an addendum. Some of the sites may have supplies and various pieces of equipment already in the space. Lessee bears the sole responsibility, as applicable, for the use, maintenance and repair, and/or disposition of these assets as appropriate. At the termination of this Lease, Lessee bears the responsibility for removal and/or disposition of all such aforementioned items within the Leased Premises. District and any agent have made no express or implied warranties as to the condition or permitted use of the Leased Premises or other areas of the Property.

25. Move-Out Condition and Forfeiture of Lessee's Personal Property. At the time this lease ends, Lessee will surrender the Leased Premises in the same condition as when received, except for normal wear and tear. Lessee will leave the Leased Premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants. If Lessee leaves any personal property in the Leased Premises after Lessee surrenders possession of the Leased Premises, District may: (1) require Lessee, at Lessee's expense, to remove the personal property by providing written notice to Lessee; or (2) retain such personal property as forfeited property to District. "Surrender" means vacating the Leased Premises in a broom swept condition and returning all keys and access devices to District. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse. By providing written notice to Lessee before this lease ends, District may require Lessee, upon moveout and at Lessee's expense, to remove, without damage to the Property or Leased Premises, any or all fixtures that were placed on the Property or Leased Premises by or at the request of Lessee. Any fixtures that District does not require Lessee to remove become the property of the District and must be surrendered to District at the time this lease ends.

26. Default and Termination. If District does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Lessee will be in default. If Lessee fails to comply with this lease for any other reason within 10 days after District notifies Lessee of its failure to comply, Lessee will be in default. If Lessee is in default, District may, with at least 3 days written notice to Lessee: (i) terminate this lease and reenter and repossess the Leased Premises, or (ii) terminate Lessee's right to occupy the Leased Premises without terminating this lease and may accelerate all rents which are payable during the remainder of this lease or any renewal period, and may reenter the Leased Premises without further notice. District will attempt to mitigate any damage or loss caused by Lessee's breach by using commercially reasonable means. If Lessee is in default, Lessee will be liable for: (1) any lost rent; (2) District's cost of reletting the Leased Premises, including brokerage fees, advertising fees, and other fees necessary to relet the Leased Premises; (3) repairs to the Leased Premises for use beyond normal wear and tear; (4) all District's costs associated with eviction of Lessee, such as attorney's fees, court costs, and prejudgment interest; (5) all District's costs associated with collection of rent such as collection fees, late charges, and returned check charges; (6) cost of removing any of Lessee's equipment or fixtures left on the Leased Premises or Property; (7) cost to remove any trash, debris, personal property, hazardous materials, or environmental

contaminants left by Lessee or Lessee's employees, patrons, guests, or invitees in the Leased Premises or Property; (8) cost to replace any unreturned keys or access devices to the Leased Premises, parking areas, or Property; and (9) any other recovery to which District may be entitled under this lease or under law.

27. Abandonment, Interruption of Utilities, Removal of Property, Lockout. Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the Leased Premises; (b) interruption of utilities; (c) removal of Lessee's property; and (d) "lock-out" of Lessee.

28. Holdover. If Lessee fails to vacate the Leased Premises at the time this lease ends, Lessee will become a Lessee-at-will and must vacate the Leased Premises immediately upon receipt of demand from District. No holding over by Lessee, with or without the consent of District, will extend this lease. Lessee will indemnify District and any prospective Lessees for any and all damages caused by the holdover. Rent for any holdover period will be 150% of the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.

29. Possession and Quiet Enjoyment. District covenants and agrees that Lessee, upon payment of the rent and performance of all the covenants and agreements of Lessee contained in the lease, will and may peacefully and quietly have, hold, and enjoy the Leased Premises for the term of this lease.

30. Expenses or Damages upon Reentry. In the event that District shall obtain possession of the Leased Premises by reentry or otherwise, Lessee agrees to pay District the expense incurred in obtaining possession of the premise and also all expenses and commissions which may be paid by District in connection with the repairing, altering, or reletting of the Leased Premises, together with all other damages. The Lessee will be liable to the District for any loss and damage sustained by the District on account of the Leased Premises remaining unleased or being let for less than the rent specified herein.

31. Remedies Cumulative. It is agreed that each and every one of the rights, remedies, and benefits provided by this lease will be cumulative, and will not be exclusive of any other rights, remedies, and benefits, whether provided by this lease or allowed by law.

32. District's Lien and Security Interest. To secure Lessee's performance under this lease, Lessee grants to District a lien and security interest against all of Lessee's nonexempt personal property that is in the Leased Premises or on the Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. District may file a financing statement to perfect District's security interest under the Uniform Commercial Code.

33. Assignment and Subletting. District may assign this lease to any subsequent owner of the Property. Lessee may not assign this lease or sublet any part of the Leased Premises without District's written consent. An assignment of this lease or subletting of the Leased Premises without District's written consent is void. If Lessee assigns this lease or sublets any part of the Leased Premises, Lessee will remain liable for all of Lessee's obligations under this lease regardless of whether the assignment or sublease is made with or without the consent of District.

34. Estoppel Certificate. Within ten (10) days following receipt of District's written request, Lessee shall deliver, executed in recordable form, a declaration to any person designated by District: (a) ratifying this Lease; (b) stating the commencement and termination dates of the Lease; and (c) certifying (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated); (ii) that all conditions under this Lease to be performed by District have been satisfied (stating exceptions, if any); (iii) that no defenses, credits or offsets against the enforcement of this Lease by District exist (or stating those claimed); (iv) the sum of advance Rent, if any, paid by Lessee; (v) the date to which Rent has been paid; (vi) the amount of the Security Deposit, if any, held by District; and (vii) such other information as District reasonably requires. Persons receiving such statements of Lessee shall be entitled to rely upon them.

35. Taxes and Assessments. District will be responsible for the payment of all real property taxes with respect to the Leased Premises.

36. Eminent Domain. If the Leased Premises or any part of the Leased Premises will be taken or condemned for a public use, this lease shall, as to the part so taken, terminate as to the date title vests in the condemning authority, and the rent will abate in proportion to the number of square feet of the Leased Premises taken or condemned, or the total rent will abate if the entire Leased Premises shall be taken. In any event, the entire condemnation award will belong to District without any

deduction for any estate or interest in the Leased Premises now or hereafter vested in Lessee, and Lessee hereby assigns to District all its rights, title, and interest in and to any or all such award or awards.

37. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given (a) when received by the party to whom directed; (b) when sent by fax transmission to the following fax numbers or (solely with respect to Lessee) by email to the following email; or (c) when deposited in the United States mail when sent by certified mail, postage prepaid to the following addresses (or at such other addresses or fax numbers as shall be given in writing by either Party to the other):

If to the District: Tarrant County Hospital District
 Attn: Legal Department
 1500 S. Main St.
 Fort Worth, TX 76104
 Fax: (817) 924-1207

If to Lessee: Bravo! Dental
 4001 McEwen Road, Suite 408
 Dallas, TX 75244
 Fax: (214) 307-5681
 Email: me@bravodental.com

38. Insurance. Lessee will maintain its own general liability insurance on the Leased Premises in the amount of \$1,000,000 (one million dollars) each occurrence and \$3,000,000 (three million dollars) in the annual aggregate. Before the Effective Date, Lessee will provide District with a copy of insurance certificates evidencing the required coverage. Should Lessee's insurance coverage change or be renewed during the Term, Lessee will provide a copy of the updated insurance certificate within ten (10) days of such renewal or change. If Lessee fails to maintain the required insurance in full force and effect at all times this lease is in effect, District may: (1) purchase insurance that will provide District the same coverage as the required insurance and Lessee must immediately reimburse District for such expense; or (2) exercise District's remedies provided in this lease or by applicable law. Unless the parties otherwise agree, District will maintain replacement value fire and extended hazard insurance on the Premise and the improvements thereon. If there is an increase in District's insurance premiums for the Leased Premises or Property or its contents that is caused by Lessee, Lessee's use of the Leased Premises, or any improvements made by or for Lessee, Lessee will, for each year this lease is in effect, pay District the increase immediately after District notifies Lessee of the increase. Any charge to Lessee under this section will be equal to the actual amount of the increase in District's insurance premium.

39. INDEMNIFICATION. Lessee shall indemnify and hold harmless District from and against all claims, loss, damage, or expense (including, but not limited to, reasonable attorney's fees) resulting from injury or damage to any person or property on the Leased Premises caused by any act or omission of Lessee, its officers, employees, agents, or invitees.

40. Representations.

- A. Lessee's statements in this lease and its solicitation response are material representations relied upon by District. If Lessee makes any misrepresentation in this lease or in its solicitation response, Lessee is in default. District has not made and does not make any representations concerning the condition of the Property or the Leased Premises or whether there is any material defect on the Property that would affect the health and safety of an ordinary person or any environmental hazard on or affecting the Property that would affect the health or safety of an ordinary person, all of which are hereby disclaimed.
- B. Each party and each signatory to this lease represents that: (1) it is not a person named as a Specially Designated National and Blocked Person as defined in Presidential Executive Order 13224; (2) it is not acting, directly or indirectly, for or on behalf of a Specially Designated and Blocked Person; and (3) is not arranging or facilitating this lease or any transaction related to this lease for a Specially Designated and Blocked Person. Any party or any signatory to this lease who is a Specially Designated and Blocked person will indemnify and hold harmless any other person who relies on this representation and who suffers any claim, damage, loss, liability, or expense as a result of this representation.
- C. Neither party to this lease is represented by a broker in connection therewith, and no fees to any broker shall be due in connection with this lease.

41. MISCELLANEOUS

- A. *Entire Agreement:* This lease contains the entire agreement between District and Lessee and may not be changed except by written agreement.
- B. *Binding Effect:* This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.
- C. *Joint and Several:* All Lessees are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Lessees regarding any term of this lease, its renewal, or its termination is binding on all Lessees.
- D. *Controlling Law:* The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.
- E. *Severable Clauses:* If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.
- F. *Waiver:* District’s delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Lessee or any other term in this lease. One or more waivers of any covenant or condition of this lease by District shall not be construed as a waiver of any further breach of the same covenant or condition. No provision, covenant, term, or condition of this lease will be deemed to be waived by the District unless such waiver: (a) is in writing signed by the District; (b) identifies the breach; and (c) expressly states it is a waiver of the identified breach.
- G. *Force Majeure:* If District’s performance of a term in this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, epidemic or pandemic, or any cause outside District’s control, the time for District’s performance will be abated until after the delay.
- H. *Time:* Time is of the essence. The parties require strict compliance with the times for performance.

In witness, each party to this agreement has caused it to be executed on the date indicated below.

Lessee:

Bravo! Dental

By: _____

Name: _____

Title: _____

Date: _____

District:

Tarrant County Hospital District
d/b/a JPS Health Network

By: _____

Name: _____

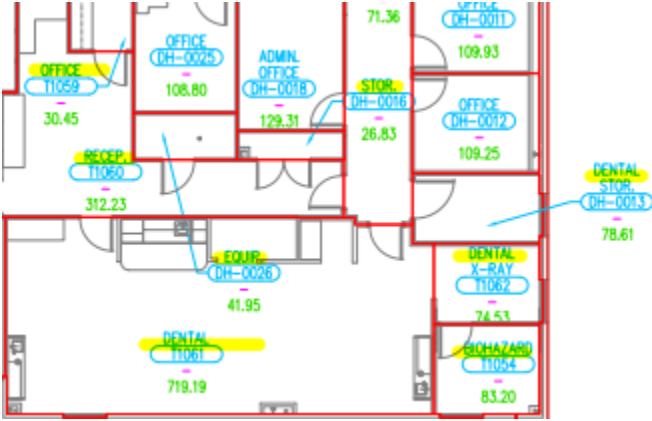
Title: _____

Date: _____

Exhibit 1

Description of the Leased Premises
Leased Dental Clinics are highlighted on floor plans

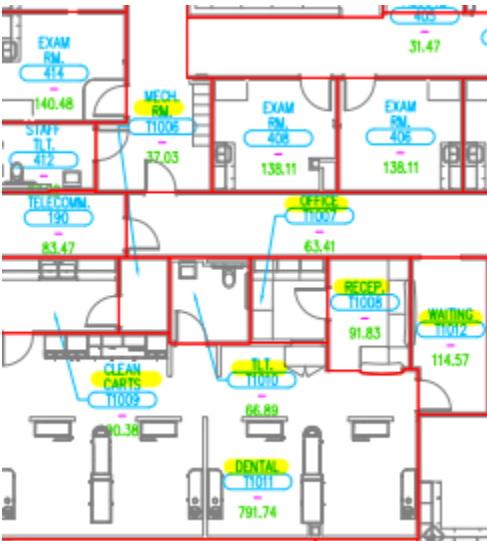
Diamond Hill Clinic



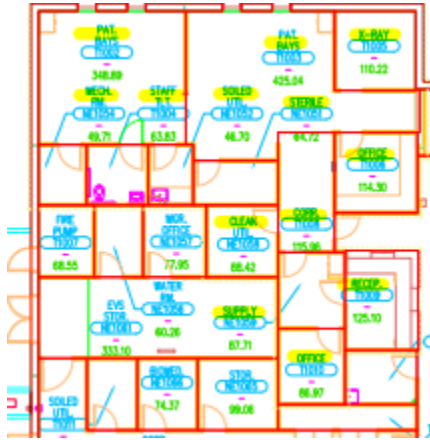
Stop Six Clinic



Southeast Medical Home



Medical Home Northeast Tarrant



Viola Pitts Clinic

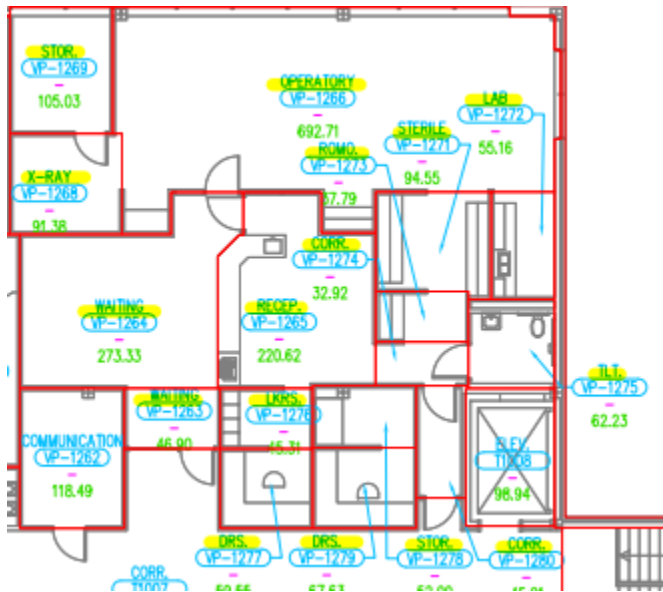


Exhibit 2

District Holiday Schedule

Community Health Holiday Schedule

Memorial Day	All clinics closed
Fourth of July	All clinics closed
Labor Day	All clinics closed
<u>Thanksgiving Holiday</u>	
Thanksgiving Day	All clinics closed
Day after Thanksgiving	Acute care only
<u>Christmas Holiday</u>	
Christmas Eve	Acute care only
Christmas Day	All clinics closed
<u>New Year Holiday</u>	
New Year's Eve	All clinics close at 3 p.m.
New Year's Day	All clinics closed

