ELECTRONICALLY FILED Garland County Circuit Court Jeannie Pike, Garland Co. Circuit Court Clerk 2021-Oct-18 13:39:06 26CV-21-1107 C18ED04 : 34 Pages

# IN THE CIRCUIT COURT OF GARLAND COUNTY, ARKANSAS \_\_\_\_\_ DIVISION

## HOT SPRINGS HEALTH PROVIDERS, LLC

PLAINTIFF

DEFENDANT

V.

CASE NO. \_\_\_\_\_

#### SHILOH PLACE MANOR, LLC

#### **COMPLAINT**

Comes now Plaintiff, Hot Springs Health Providers, LLC ("Health Providers"), by and through its attorneys, Gill Ragon Owen, P.A., and for its cause of action against Defendant, Shiloh Place Manor, LLC ("Shiloh Place"), states and alleges:

#### PARTIES AND JURISDICTION

1. Health Providers is a limited liability company organized and existing under the laws of the State of Arkansas.

2. Shiloh Place is a limited liability company organized and existing under the laws of the State of Arkansas.

3. Shiloh Place is the owner of the following described real property located in Garland County, Arkansas: 835 Central Avenue, Hot Springs, Arkansas 71901(the "Property"). Shiloh Place is Health Providers' landlord at the Property.

4. This is an action for breach of contract. A substantial part of the events and omissions giving rise to Health Providers' claims occurred in Hot Springs, Arkansas.

5. This Court has jurisdiction over this matter and the parties. Venue is proper with this Court.

#### **FACTS**

6. On or about April 9, 2015, Health Providers entered a Lease Agreement with Shiloh Place's predecessor in interest, Summit Properties, LLC ("Summit"), for possession of approximately 13,000 rentable square feet of office space on the third floor (the "Premises") of the Property. The Lease Agreement is for a ten-year term. A copy of the Lease Agreement, including exhibits, is attached hereto as **Exhibit 1** and incorporated by reference herein.

7. On or about July 5, 2016, the Lease Agreement was amended. A copy of the Amendment to Lease, including exhibits, is attached hereto as **Exhibit 2** and incorporated by reference herein.

8. On or about August 14, 2017, Summit assigned its interest in the Lease Agreement, as amended, to Shiloh Place. A copy of the Assignment of Leases, including exhibits, is attached hereto as **Exhibit 3** and incorporated by reference herein.

9. Since taking over as Health Provider's landlord, Shiloh Place has defaulted on several material obligations contained within the Lease Agreement with respect to the Property despite Health Provider's numerous and repeated requests, both orally and in writing, for remediation—in plain breach contract.

10. These breaches include, but are not limited, the following: (1) a rat infestation; (2)
HVAC does not operate effectively; (3) dangerous levels of mold; (4) elevator malfunctions; and
(5) various water leaks.

11. Specifically, pursuant to Section 3.9 of the Amendment to Lease, Shiloh Place agreed to warrant a "Covenant of Quiet Enjoyment" to Health Providers and said clause contains, in pertinent part, the following: "Interior common areas will be temperature controlled in a matter reasonable for that particular time of year, it being understood that unless otherwise

directed by Tenant, 70 degrees Fahrenheit is a reasonable temperature at all times." *See* Exhibit 2 at p. 3.

12. Further, Section 4.1 of the Amendment to Lease provides, in pertinent part, the following: "Landlord [Shiloh Place] shall provide at its sole cost and expense. . . central heating and air condition in season, and, subject to Section 3.9, at temperatures and in amounts as are considered by Tenant [Health Providers] to be standard or in compliance with any governmental regulations."

13. Since at least April of 2018, Health Providers has frequently informed Landlord, both orally and in writing, that the temperature within the Property and the Premises regularly exceeds 80 degrees Fahrenheit during business hours. Despite demand for compliance with the Covenant of Quiet Enjoyment facet of the Lease Agreement, Shiloh Place has failed and refused to adequately address the problems at the Property with the HVAC and several other issues mentioned above, and therefore, is in breach of contract.

14. Moreover, prior to Shiloh Place taking over as landlord at the Property, Health Providers had numerous subtenants at the Property. As of February of 2021, all subtenants have vacated the Property and found other commercial office space to lease due to the horrid conditions at the Property brought on by Shiloh Place's failure and refusal to provide regular, commercially reasonable, general maintenance and HVAC services at the Property.

15. The conditions at the Property and the Premises have greatly disrupted Health Provider's business and constitute a constructive eviction. Health Providers is in the process of relocating but has continued to pay rent and otherwise meet its obligations under the Lease Agreement, as amended, up until the month of the filing of this Complaint.

#### **COUNT I: BREACH OF CONTRACT**

16. Health Providers restates and reiterates the allegations otherwise set forth in this Complaint.

17. The Amendment to Lease provides *inter alia* a Covenant of Quiet Enjoyment as quoted *supra*. *See* Exhibit 2 at p. 3.

18. Shiloh Place has failed and refused to honor the Covenant of Quiet Enjoyment,

and therefore, is in breach of contract.

19. Health Providers has suffered general damages as a result of Shiloh Place's

breach of the Lease Agreement, as amended, in an amount to be proven at trial.

20. Regarding special damages, the Amendment to Lease provides as follows:

Upon the occurrence of **any default** by Landlord under the Lease, in addition to any other remedy available to Tenant under the Lease or applicable law, **Tenant shall have the right to terminate the Lease**. If the Tenant exercises its right to terminate the Lease, in addition to any other damages to which it might be entitled, **Tenant shall be specifically entitled to receive damages equal to all costs of relocating its business operations** to the Premises from its prior premises ("Prior Premises"), including, without limitation, the cost of moving Tenant's personal property from the Prior Premises, the difference between the rent for the Prior Premises and the rent for the Premises, the cost of advertising the Premises and the cost of any capital improvements made to the Premises and paid for by the Tenant. **The parties stipulate that as of the Effective Date, the total cost of these special damages is approximately \$500,000**.

21. In light of Shiloh Place's numerous defaults under the Lease Agreement, Health

Providers has exercised its right to terminate, is currently in the process of relocating its business, and therefore, in addition to any other damages it is entitled to, is by stipulation of the parties entitled to special damages in the amount of \$500,000.

22. Under Arkansas law and the language of the Lease Agreement, Shiloh Place's breach of the Lease Agreement excuses Health Providers' further performance under same.

23. Health Providers is also entitled to a reasonable attorney's fee pursuant to Ark.Code Ann. § 16-22-308.

WHEREFORE, Plaintiff, Hot Springs Health Providers, LLC, prays for judgment against Defendants, Shiloh Place Manor, LLC, in an amount not less than \$500,000, plus costs, attorney's fees pursuant to Ark. Code Ann. § 16-22-308, and all available pre- and post-judgment interest, and for all other relief to which it may be entitled.

Respectfully submitted,

GILL RAGON OWEN, P.A. 425 West Capitol Avenue, Suite 3800 Little Rock, Arkansas 72201 (501) 376-3800 (501) 372-3359 potts@gill-law.com dennis@gill-law.com

By:/s/ Dylan H. Potts Dylan H. Potts, Ark. Bar No. 2001258 Mitchell S. Dennis, Ark. Bar No. 2017110



#### OFFICE LEASE AGREEMENT

This Office Lease Agreement (this "Lease") is entered into as of April 9<sup>th</sup>, 2015 by and between SUMMIT PROPERTIES, LLC, an Arkansas limited liability company, with an address at 835 Central Avenue, Hot Springs, Arkansas 71901 ("Landlord"), and HOT SPRINGS HEALTH PROVIDERS, LLC, ITS AGENT OR ASSIGNS, with an address at National Park Hospital, ATTN: Therapy Department, 1910 Malvern Avenue, Hot Springs Arkansas 71901 ("Tenant"). Landlord and Tenant, each intending to be legally bound, hereby mutually covenant and agree as follows:

#### **ARTICLE 1 – FUNDAMENTAL LEASE PROVISIONS**

The following terms shall have the meanings set forth below, subject to further definition and elaboration elsewhere in this Lease.

	Base Rent/RSF	Monthly		Annual	
"Base Rent"	\$7.27	\$ 7,741.00		\$ 92,889.00	
Base Rent	Commencement Date:				
	Rent Commencement Date:				
"Building"	835 Central Avenue Hot Springs, AR 7190	)1			
"Claims"	Any and all claims, losses, costs, injuries, damages, expenses, liabilities, liens, actions, causes of action (whether in tort or contract, law or equity, or otherwise), charges, assessments, fines, and penalties of any kind (including consultant and expert expenses, court costs, and attorneys' fees actually incurred).				
"Commencement Date"	Immediately upon the date Regions Bank terminates its current lease agreement and vacates the Premises (defined below). Tenant agrees to execute and deliver to Landlord, a Lease Date Certificate in order to set forth specific key dates contained in the Lease Agreement. Said Lease Date Certificate to be substantially in the form of Exhibit B herein attached.				
"Common Areas"	All areas in the Property (defined below) except those areas occupied by Landlord or leased to tenants or held for lease to tenants, including, without limitation, parking areas (if expressly provided for), streets, driveways, aisles, sidewalks, curbs, delivery passages, loading areas, lighting facilities, mechanical rooms, elevator areas, common areas (such as corridors, bathrooms and similar areas) on multi-tenant floors, other Building common areas and all other areas situated on or in the Property which are designated by Landlord, from time to time, for use by, or for benefit of, all tenants and occupants of the Property in common.				
"Default Rate"	The lesser of the maximum annual rate of interest permitted by applicable law or 12% per annum				

"Early Access Date"	The date Landlord delivers access to the Premises to Tenant prior to the Commencement Date, provided Tenant has complied with the requirements of the Lease.
"Expiration Date"	Ten (10) years from the Commencement Date, unless earlier terminated or extended by the Tenant, each as provided for herein, in which case the Expiration Date will be the date of such termination or the last of such Option Term, as applicable.
"Hazardous Material"	Any substance that is toxic, ignitable, reactive, or corrosive and that is now or hereafter regulated by any local government, the state where the Property is located, or the United States Government, including without limitation, asbestos, polychlorobiphenyls ("PCB's"), petroleum products or distillates, any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal, or local governmental law.
"Landlord Notice Address"	Attn: Lease Administration
"Late Charge"	5%
"Leasehold Improvements"	Improvements to the Premises made to meet the needs of Tenant whether installed prior to or during the Term and whether paid for by Landlord, a prior tenant, Tenant, or any combination thereof. Leasehold Improvements shall include, but are not limited to, carpeting, wall coverings and draperies.
"Permitted Use"	Any and all uses permitted by the local governing authorities.
"Premises"	That portion of the third (3rd) floor of the Building, as indicated on the floor plan Attached hereto as Exhibit "A", known as Suites 301 and 302, containing an aggregate of approximately 12,777 rentable square feet.
"Property"	The Building, real property and all common area upon which the Building is situated.
"Rent Commencement Date"	Same as the Commencement Date.
"Riders"	The following Riders, if any, are attached to and form a part of this Lease. In the event of a conflict between the terms of the Rider and the terms of this Lease, the terms of the particular Rider shall control: N/A
"Tenant Notice Address"	National Park Hospital Attn: Therapy Department 1900 Malvern Avenue, Suite 205 Hot Springs, Arkansas 71901 Attn: Glenn Borkowski
"Term"	The period commencing on the Commencement Date and ending on the Expiration Date. The original Term of this Lease shall be for a period of ten (10) years.

"Option Term"	Ten (10) periods of five (5) years pursuant to terms and conditions as set forth in Article 2.3 Options to Extend.
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#### **ARTICLE 2 - GRANTING CLAUSE AND RENT PROVISIONS**

**2.1 Grant of Premises.** In consideration of the obligation of Tenant to pay the rent and other charges as provided in this Lease and in consideration of the other terms and provisions of this Lease, Landlord hereby leases the Premises to Tenant during the Term, subject to the terms and provisions of this Lease.

**2.2 Term**. The Term shall commence on the Commencement Date and end on the Expiration Date. The Commencement Date shall constitute the commencement of the Term for all purposes, whether or not Tenant has actually taken possession. Notwithstanding the foregoing, from and after the date that Tenant first enters the Premises, Tenant shall be bound by and observe all of the terms, covenants and provisions of this Lease. If the Commencement Date is delayed and Landlord shall deliver to Tenant a Commencement Date Letter and Tenant shall fail to object to any information contained in the Commencement Date Letter within ten (10) days after delivery of such Commencement Date Letter, Tenant shall be deemed to have agreed with the matters set forth in the Commencement Date Letter.

**2.3 Options to Extend:** Except as provided herein below, Tenant shall have the right of extending the Term of this Lease for ten (10) – five (5) year terms, upon the same terms and conditions as the Initial Term, except as otherwise provided herein. Tenant shall notify Landlord in writing of its intent to extend the Lease Term at least one hundred twenty (120) days prior to the date of commencement of the Option Period and thereupon the Term of this Lease shall be extended without the requirement of any further documentation.

Rent During the options period shall be as follows:

Years 11-15: \$7,895.57/mo. or \$94,746.78 annually Years 16-20: \$8,053.48/mo. or \$96,641.72 annually Years 21-25: \$8,214.55/mo. or \$98,574.55 annually Years 26-30: \$8,378.84/mo. or \$100,546.04 annually Years 31-35: \$8,546.41/mo. or \$102,556.96 annually Years 36-40: \$8,717.34/mo. or \$104,608.10 annually Years 41-45: \$8,891.69/mo. or \$106,700.26 annually Years 46-50: \$9,069.52/mo. or \$108,834.27 annually Years 51-55: \$9,250.91/mo. or \$111,010.96 annually Years 56-60: \$9,435.93/mo. or \$113,231.18 annually

**2.4 Right to Terminate:** Tenant, for any reason or no reason in its sole and exclusive discretion, shall have the right to terminate this Lease by providing ninety (90) days written notice to the Landlord. Upon termination of this Lease, Tenant shall have no further obligation to Landlord whatsoever.

**2.5 Base Rent: Late Payment; NSF Charge.** Tenant agrees to pay the Base Rent to Landlord in equal monthly installments in advance, commencing on the Rent Commencement Date and continuing during the Term, without demand, offset or reduction. The first installment of Base Rent shall be due and payable on the Rent Commencement Date and each monthly installment of Base Rent thereafter shall be due and payable on or before the first day of each

calendar month succeeding the Rent Commencement Date during the Term. If the Rent Commencement Date should be a date other than the first day of a calendar month, the monthly rent for the first partial month shall be prorated on a per diem basis. Tenant shall pay, as additional rent, all other sums due under this Lease. Base Rent and additional rent are sometimes collectively called "rent". All rent due under the terms of this Lease shall be payable to Landlord and forwarded to Landlord at the address set forth in Article 1, or to such other address as Landlord may designate by written notice to Tenant. If Landlord receives a check from Tenant that is dishonored by Tenant's bank, then, in addition to any late fees due in accordance with Section 2.6 below, Tenant shall pay to Landlord any bank service charges resulting from dishonored checks, plus a \$25.00 processing fee.

**2.6 Late Payment Charge.** Other remedies for nonpayment notwithstanding, if any monthly rental payment is not received by Landlord on or before the fifteenth (15th) day of the month for which the rent is due, or if any other payment hereunder due Landlord by Tenant is not received by Landlord within fifteen (15) days of the date such amount became due, Tenant shall pay the Late Charge multiplied by such past due amount, which shall become due and payable in addition to such amounts owed under this Lease. All amounts more than thirty (30) days past due shall accrue interest at the Default Rate.

**2.7 Holding Over.** If Tenant does not vacate the Premises upon the expiration or earlier termination of this Lease, Tenant shall be a tenant at sufferance for the holdover period and all of the terms and provisions of this Lease shall be applicable during that period, except that Tenant shall pay Landlord (in addition to any other sums payable under this Lease) as Base Rent for the period of such holdover an amount equal to the Base Rent which would have been payable by Tenant had the holdover period been a part of the immediately preceding year of the Term (without waiver of Landlord's right to recover damages as permitted by law). The rent payable during the holdover period shall be payable to Landlord on demand. No holding over by Tenant, whether with or without the consent of Landlord, shall operate to extend the Term. Tenant shall indemnify Landlord against all claims made by any tenant or prospective tenant against Landlord resulting from delay by Landlord in delivering possession of the Premises to such other tenant or prospective tenant.

## **ARTICLE 3 – OCCUPANCY, USE AND OPERATIONS**

**3.1 Use.** Tenant warrants and represents to the Landlord that the Premises shall be used and occupied only for the Permitted Use. Tenant shall occupy the Premises, conduct its business and control its agents, employees, invitees and visitors in such a manner as is lawful. Tenant shall neither permit any waste on the Premises nor allow the Premises to be used in any way which would be extra hazardous on account of fire or which would in any way increase or render void the fire insurance on the Property. Tenant has inspected the Premises and the Building and accepts them in their present "AS-IS" "WHERE-IS" condition.

**3.2 Signs**. Any and all signs of any type or description may be erected, placed or painted in or about the Premises or Building so long as such signs are approved by the City of Hot Springs. Tenant reserves the right to remove, at Tenant's expense, all signs. All such permitted signs shall, at the sole cost and expense of Tenant, be maintained and repaired by Tenant throughout the Term.

**3.3 Compliance with Laws, Rules and Regulations**. Tenant, at Tenant's sole cost and expense, shall comply with all laws, ordinances, orders, rules and regulations of the City of Hot Springs, Arkansas. With respect to any alteration or installation of improvements, fixtures or

facilities required by any legal requirement (including the Americans with Disabilities Act of 1990), Tenant shall be responsible for compliance at its expense to the extent such requirement is applicable to the Premises. Landlord will, at its expense comply with any such requirement to the extent applicable to the Common Areas.

**3.4 Environmental Matters**. Tenant shall not use, store or transport any hazardous substances, waste and material on the Property. Tenant shall be in compliance with all applicable federal, state and local laws, regulations and ordinances in reference to hazardous substances, waste and material. Tenant additionally warrants and represents that to the best of its knowledge no release, leak, discharge, spill, disposal or emission of hazardous substances, waste and material shall occur in, on or under the Property, and that the Property will remain free of hazardous substances, waste and material during the Term of this Lease.

**3.5 Warranty of Possession**. Landlord and Tenant each warrants that it has the right and authority to execute this Lease, and Landlord warrants to Tenant, that upon payment of the required rents by Tenant and subject to the terms, conditions, covenants and agreements contained in this Lease, Tenant shall have possession of the Premises during the Term, without hindrance from Landlord or any person or persons lawfully claiming the Premises by, through or under Landlord (but not otherwise).

**3.6 Personal Property Taxes**. Tenant shall be liable for all taxes levied against leasehold improvements, merchandise, personal property, trade fixtures and all other taxable property located in the Premises.

## **ARTICLE 4 - BUILDING SERVICES**

**4.1 Building Services.** During the Term, Landlord shall provide at its sole cost and expense (a) water at those points of supply provided for general use of other tenants in the Building and electricity for use in the Premises, (b) central heating and air conditioning in season, and at temperatures and in amounts as are considered by Tenant to be standard or in compliance with any governmental regulations, (c) self-operated passenger elevator service, (d) janitorial service for the Building and Common Areas which shall only include, however, the sweeping and cleaning of floors, the cleaning of lavatories and toilets located in the Common Areas, the washing of exterior windows, the dusting of light fixtures and air grills, and the disposal of trash from the Building and Common Areas, and (e) janitorial services for the Premises. Tenant acknowledges that janitorial services to the Premises do not include cleaning of kitchens and restrooms located within the Premises. Landlord may, in its sole discretion, provide additional services not enumerated herein. If any of the equipment or machinery useful or necessary for provision of utility services, and for which Landlord is responsible, breaks down, or for any cause ceases to function properly, Landlord shall use reasonable diligence to repair the same promptly.

**4.2 Theft or Burglary.** Landlord shall not be liable to Tenant for losses to Tenant's property or personal injury caused by criminal acts or entry by any person into the Premises or the Property, except to the extent that same results from the gross negligence or willful act of Landlord.

#### **ARTICLE 5 - REPAIRS AND MAINTENANCE**

**5.1 Landlord Repairs.** Landlord shall maintain at its sole cost and expense only the roof, foundation, parking (if any) and Common Areas, the structural soundness of the exterior walls, doors, corridors, windows and other structures or equipment serving the Premises, including the

electrical system (which shall include repair, replacement and maintenance of the lighting fixtures, bulbs and ballasts within the Premises) and HVAC systems.

**5.2 Tenant Repairs.** Tenant, at its sole cost and expense, shall perform such maintenance, repairs and replacements as are required in order to comply with all ordinances, orders, rules and regulations of the City of Hot Springs, Arkansas (except only for those items that are the responsibility of Landlord under Section 5.1) and shall repair or replace any damage or injury to all or any part of the Premises and/or the Property, caused by any act or omission of Tenant or Tenant's agents, employees, invitees, licensees or visitors.

**5.3 Tenant Damages**. Tenant shall not allow any damage to be committed on any portion of the Premises or Property, and at the termination of this Lease, by lapse of time or otherwise, Tenant shall deliver the Premises to Landlord in as good condition as existed at the Commencement Date of this Lease, ordinary wear and tear excepted.

## ARTICLE 6 - ALTERATIONS AND IMPROVEMENTS

**6.1 Construction**. Tenant acknowledges and agrees that Landlord has not undertaken to perform any modification, alteration or improvements to the Premises, and Tenant further waives any defects in the Premises and accepts (1) the Premises as suitable for the purpose for which they are leased and (2) the Property and every part and appurtenance thereof as being in good and satisfactory condition.

**6.2 Tenant Improvements**. Tenant shall notify Landlord prior to making any alterations, physical additions or improvements in or to the Premises (each an "Alteration"). Any Alterations made by or installed by either party hereto shall remain upon and be surrendered with the Premises and become the property of Landlord upon the expiration or earlier termination of this Lease without credit to Tenant. This clause shall not apply to moveable equipment, furniture or moveable trade fixtures owned by Tenant, which may be removed by Tenant at the end of the Term.

#### 6.3 Performance of Alterations.

(a) Tenant, at Tenant's expense, prior to the performance of any Alteration, shall obtain all permits, approvals and certificates required by any governmental authorities in connection therewith. If required, Landlord shall join in any applications for any permits, approvals or certificates required to be obtained by Tenant in connection with any permitted Alteration and shall otherwise cooperate with Tenant in connection therewith.

(b) Prior to performing any Alteration, Tenant shall also furnish to Landlord duplicate original policies of, or, at Tenant's option, certificates of, (1) worker's compensation insurance in amounts not less than the statutory limits (covering all persons to be employed by Tenant, and Tenant's contractors and subcontractors, in connection with such Alteration), and (2) commercial general liability insurance (including property damage and bodily injury coverage), in each case in customary form, and in amounts that are customary in the local market.

(c) Upon completion of each Alteration, Tenant, at Tenant's expense, shall (1) obtain certificates of final approval for each Alteration to the extent required by any governmental authority, (2) furnish Landlord with copies of such certificates, and (3) give to Landlord copies of the "as-built" plans and specifications, if available, for such Alterations.

**6.4 Contractors and Supervision**. Subject to the provisions of this Section 6.4, Tenant shall perform all Alterations using, contractors, subcontractors or mechanics that in each case are designated by Tenant and approved by Tenant.

**6.5 Common and Service Area Alterations**. So long as there is no material adverse effect on Tenant's occupancy of the Premises, Tenant shall have the right to decorate and to make repairs, alterations, additions, changes or improvements, whether structural or otherwise, in, about or on the Property or any part thereof, and to change, alter, relocate, remove or replace service areas and/or Common Areas, to place, inspect, repair and replace in the Premises (below floors, above ceilings or next to columns) utility lines, pipes and the like to serve other areas of the Property outside the Premises and to otherwise alter or modify the Property, and for such purposes to enter upon the Premises and, during the continuance of any such work, to take such measures for safety or for the expediting of such work as may be required, in Tenant's judgment, all without affecting any of Tenant's obligations hereunder.

#### **ARTICLE 7 - CASUALTY AND INSURANCE**

**7.1 Lease Termination Due to Casualty.** If the Premises should be totally destroyed by fire or other casualty, or if in the determination of Tenant the Premises should be damaged so that rebuilding cannot reasonably be completed substantially within three hundred sixty-five (365) days after Landlord's receipt of written notification by Tenant of the destruction, or if the Premises are damaged or destroyed by casualty not covered by the standard broad form of fire and extended coverage insurance then in common use in the state where the Premises are located, or if the insurance proceeds received by Landlord from its insurance are not sufficient to completely restore the damage or destruction, or if all or any portion of such insurance proceeds are required by its lender to be applied against debt owed to such lender, or if the damage occurs during the last twelve (12) months of the Term, then, at Landlord's sole option, this Lease may be terminated and, in such event, the rent shall be abated for the unexpired portion of the Lease, effective as of the date of the damage.

**7.2 Lease Continuation After Casualty**. If following damage or destruction to the Premises by fire or other casualty, this Lease is not terminated pursuant to Section 7.1 hereof, Landlord shall proceed with reasonable diligence to rebuild or repair the Building or other improvements to substantially the same conditions in which they existed prior to the damage. If the Premises are to be rebuilt or repaired and are untenantable in whole or in part following the damage, and the damage or destruction was insured under Landlord's Property Insurance, the Base Rent payable under this Lease during the period for which the Premises are untenantable shall be reduced to an amount determined by multiplying the Base Rent that would otherwise be payable but for this provision by the ratio that the portion of the Premises not rendered untenantable bears to the total area of the Premises prior to the casualty, Landlord's obligation to rebuild or restore under this Section shall be limited to restoring to substantially the condition in which the same existed prior to the casualty.

**7.3 Landlord Insurance.** Landlord shall at all times during the Term at its sole cost and expense insure the Property against special perils of direct physical loss in an amount and with such deductibles as Landlord and Tenant consider appropriate, as commercially available and generally acceptable for similar exposures.

**7.4 Waiver of Subrogation or Recovery.** NOTWITHSTANDING ANYTHING IN THIS LEASE TO THE CONTRARY NOTWITHSTANDING LANDLORD (INCLUDING LANDLORD RELATED PARTIES) AND TENANT HEREBY WAIVE AND RELEASE EACH OTHER (FOR

THEMSELVES AND THEIR RESPECTIVE INSURERS) OF AND FROM ANY AND ALL RIGHT OF RECOVERY, CLAIM, ACTION OR CAUSE OF ACTION, AGAINST EACH OTHER, FOR ANY LOSS OR DAMAGE THAT MAY OCCUR TO THE PREMISES, IMPROVEMENTS TO THE PROPERTY, OR TENANT'S PERSONAL PROPERTY INCLUDING BUT NOT LIMITED TO TENANT'S TRADE FIXTURES, FURNISHINGS, TENANT IMPROVEMENTS, EQUIPMENT, ELECTRONIC EQUIPMENT AND MEDIA WITHIN THE PROPERTY, BY REASON OF FIRE OR THE ELEMENTS OR ANY CAUSE THAT IS INSURED AGAINST, IS INSURABLE AGAINST AT REGULAR RATES, OR IS REQUIRED BY THE TERMS OF THIS LEASE TO INSURE AGAINST (WHETHER OR NOT ACTUALLY INSURED) REGARDLESS OF CAUSE OR ORIGIN, INCLUDING NEGLIGENCE OF LANDLORD OR TENANT AND THEIR RELATED PARTIES AND STRICT LIABILITY OF ANY KIND, REGARDLESS OF THE AMOUNT OF THE PROCEEDS, IF ANY, PAYABLE UNDER SUCH INSURANCE. LANDLORD AND TENANT AGREE IMMEDIATELY TO HAVE THE INSURANCE POLICIES PROVIDE SUCH WAIVERS OF SUBROGATION TO EFFECTUATE THE FOREGOING.

#### 7.5 Tenant's Insurance.

(a) **Liability Insurance**. Tenant at all times during the Term shall, at its own expense, keep in full force and effect commercial general liability (CGL) insurance and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this location. CGL insurance shall be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. Landlord and Landlord Related Parties shall be included as additional insureds under the CGL, using ISO additional insured endorsement CG 20 10 11 85 or a substitute providing equivalent coverage, and under the commercial umbrella, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to Landlord. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured. Tenant waives all rights against Landlord for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance. Tenant, shall continue at not less than the aforesaid limit until required to be changed by Landlord in writing by reason of changed economic conditions making such protection inadequate. Tenant shall carry Worker's Compensation coverage with minimum limits as required by applicable law and Employer's Liability coverage with minimum limits of \$1,000,000. Tenant may carry a portion of Tenant's insurance as an umbrella policy of insurance.

(b) **Property Insurance**. Tenant shall also carry insurance against fire and such other risks as are from time to time included in Standard Special Form Insurance (including coverage against vandalism and malicious mischief) for the full replacement cost of Tenant's trade fixtures, furnishings, Leasehold Improvements equipment and all items of personal property of Tenant located on or in the Premises and provide loss of rent coverage for a minimum period of 12 months.

(c) **Notifications**. Upon the occurrence of any accident, injury or personal property casualty in or about the Premises or Property, Tenant shall give immediate notice thereof to Landlord, and shall provide Landlord with evidence that such liability of Landlord relating thereto is covered by the insurance which Tenant is required by this Lease to carry. If the Leasehold Improvements, or any part thereof, are destroyed or damaged by any cause, Tenant shall give

immediate notice thereof to Landlord.

#### (d) General Provisions.

(i) All insurance required to be carried by Tenant under this Lease shall be in form and content, and written by insurers acceptable to Tenant, in its sole discretion, subject to a minimum A.M. Best's rating of A, Financial Strength

(ii) All policies of insurance shall contain clauses or endorsement to the effect that 30 days written notice will be given to Landlord if canceled or non-renewed.

#### **ARTICLE 8 - CONDEMNATION**

**8.1 Substantial Taking**. If in the determination of Tenant all or a substantial part of the Premises are taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and in the determination of Tenant the taking would prevent or materially interfere with the use of the Premises for the purpose for which it is then being used, this Lease shall, at the option of either Landlord or Tenant, terminate and the rent shall be abated during the unexpired portion of this Lease effective on the date physical possession is taken by the condemning authority.

**8.2 Partial Taking**. If in the determination of Tenant, a portion of the Property shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and this Lease is not terminated as provided in Section 8.1 above, Landlord shall restore and reconstruct, to the extent of condemnation proceeds (excluding any proceeds for land) actually received after the exercise by any mortgagee of the Property of an option to apply such proceeds against Landlord's debt to such mortgagee, the Property and other improvements on the Premises to the extent necessary to make it reasonably tenantable. The rent payable under this Lease during the unexpired portion of the term shall be reduced to an amount determined by multiplying the Base Rent that would otherwise be payable but for this provision by the ratio that the portion of the Premises not rendered untenantable due to such taking bears to the total area of the Premises prior to the taking. If Landlord fails to substantially complete such restoration and reconstruction within one hundred eighty (180) days of the date of physical possession by the condemning authority, Tenant may at its option terminate this Lease by delivering written notice of termination to Landlord, whereupon all rights and obligations of this Lease shall cease to exist.

**8.3 Condemnation Proceeds.** All compensation awarded for any taking (or the proceeds of private sale in lieu thereof), whether for the whole or a part of the Premises, shall be the property of Landlord (whether such award is compensation for damages to Landlord's or Tenant's interest in the Premises), and Tenant hereby assigns all of its interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for loss of business or for taking of Tenant's fixtures and other personal property within the Premises if a separate award for such items is made to Tenant.

#### **ARTICLE 9 - ASSIGNMENT OR SUBLEASE**

**9.1 Tenant Assignment/Sublease**. Tenant shall have the sole and exclusive right to sublet the Premises, in whole or in part, without the prior written consent of Landlord.

**9.2 Landlord Assignment.** Landlord shall have the right to sell, transfer or assign, in whole or in part, its rights and obligations under this Lease and in the Property, so long as it does not cause a material or adverse effect to Tenant or Tenant's operations.

#### ARTICLE 10 - LIENS

Tenant shall not suffer or permit the interest of Landlord in either the Premises or the Property to be subject to any construction, mechanics', materialman's liens or liens of any kind.

#### **ARTICLE 11 - DEFAULT**

**11.1 Default by Tenant.** The following shall be deemed to be events of default by Tenant under this Lease: (1) Tenant shall fail to pay within fifteen (15) calendar days of when due any installment of rent or any other payment required pursuant to this Lease; (2) Tenant or any guarantor of Tenant's obligations hereunder shall file a petition or be adjudged bankrupt or insolvent under any applicable federal or state bankruptcy or insolvency law or admit that it cannot meet its financial obligations as they become due, or a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations hereunder; (3) Tenant or any guarantor of Tenant's obligations hereunder shall make a transfer in favor of creditors or shall make an assignment for the benefit of creditors; (4) Tenant's violation of Article 10 hereunder; (5) the liquidation, termination, dissolution or (if the Tenant is a natural person) the death of any Tenant or any guarantor of Tenant's obligations hereunder; or (6) Tenant shall be in default of any other term, provision or covenant of this Lease. Notwithstanding the foregoing, no default shall exist until and unless such default is not cured or in the process of being cured within one hundred eighty (180) days thereafter of property notice by Landlord or Tenant. The Landlord's sole remedy for any uncured default by the Tenant shall be to terminate the Lease, recover possession of the Premises and seek recovery of any Base Rent due at the date of such termination.

**11.2 Default by Landlord.** The following shall be deemed to be events of default by Landlord under this Lease: (1) Landlord shall file a petition or be adjudged bankrupt or insolvent under any applicable federal or state bankruptcy or insolvency law or admit that it cannot meet its financial obligations as they become due, or a receiver or trustee shall be appointed for all or substantially all of the assets of Landlord's obligations hereunder; (2) Landlord shall make a transfer in favor of creditors or shall make an assignment for the benefit of creditors; (3) the liquidation, termination, or dissolution of the Landlord; or (4) Landlord shall be in default of any other term, provision or covenant of this Lease. Failure by Landlord to any extent to provide any services designated by this Lease, or any cessation thereof, shall render Landlord liable for damages and, to the extent Tenant is damaged, to work an abatement of Tenant rent. If any of the equipment or machinery useful or necessary for provision of utility services, and for which Landlord is responsible, breaks down, or for any cause ceases to function properly, Landlord shall use reasonable diligence to repair the same promptly. In the event Landlord fails to do same, Tenant may effectuate such repairs and make a corresponding claim for rebate of rent or damages on account of any interruption in service occasioned from the repairs, and the cost of same.

#### ARTICLE 12 — MISCELLANEOUS

**12.1 Successors.** This Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives, successors and assigns.

**12.2 Notices.** Whenever this Lease requires or permits any consent, approval, notice, request or demand from one party to the other (collectively, "Notice"), such Notice must be in writing and shall be effective if hand delivered, by a delivery receipt signed by the addressee or the addressee's agent or representative. The parties' respective addresses for delivery of any Notice shall be as set forth on page 1 of this Lease, or to such other address as any party may have designated by Notice to the other.

**12.3 Broker Indemnification**. Landlord represents and warrants to Tenant that no broker or agent engaged or contacted by Landlord either negotiated or was instrumental in negotiating or consummating this Lease other than the Landlord Broker, who shall be paid pursuant to a separate written agreement between Landlord and Landlord Broker, and Landlord agrees to indemnify Tenant against any loss, expense (including reasonable attorneys' fees and costs), cost or liability incurred by Tenant as a result of Claims by any broker or finder who was contacted by or is attributed to Landlord. Tenant represents and warrants to the Landlord that no broker or agent engaged or contacted by Tenant either negotiated or was instrumental in negotiating or consummating this Lease, and Tenant agrees to indemnify Landlord against any loss, expense (including reasonable attorneys' fees and costs), cost or liability incurred by Tenant either negotiated or was instrumental in negotiating or consummating this Lease, and Tenant agrees to indemnify Landlord against any loss, expense (including reasonable attorneys' fees and costs), cost or liability incurred by Landlord as a result of Claims by any broker or finder who was contacted by or is attributed to Tenant.

**12.4 Interpretation**. The captions appearing in this Lease are for convenience only and in no way define, limit, construe or describe the scope of intent of any Section. Grammatical changes required to make the provisions of this Lease apply (a) in the plural sense where there is more than one tenant, and (b) to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed. The laws of the state where the property is located shall govern the validity, performance and enforcement of this Lease. This Lease shall not be construed more or less favorably with respect to either party as a consequence of the Lease or various provisions hereof having been drafted by one of the parties hereto.

**12.5 Rent Tax**. Tenant shall not pay and not be liable for additional rental, sales and use taxes or other similar taxes, if any, levied or imposed by any city, state, county or other governmental body having authority.

**12.6 Naming Rights of the Building**. During the term of this Lease, Landlord hereby grants to Tenant, the sole and exclusive right to rename the building. Said right shall commence upon the Commencement Date and end upon expiration of the lease term unless extended or terminated in accordance with the terms hereof. Tenant shall provide written notice of its intent to rename the building to the Landlord at any time during the term of Lease. Tenant agrees to pay all costs associated with replacement of signage on the exterior and interior of the building. Tenant agrees that any such signage installed on the building shall comply with any and all local governing authority(ies).

#### 12.7 Tenant Designated Parking Area.

(a) Tenant has been granted by Landlord, the sole and exclusive right to the use of parking spaces as illustrated on the attached Exhibit "C" as Tenant Designated Parking Area at no cost to Tenant.

(b) Tenant shall be allowed to install signage and/or designated parking spaces at its sole cost and expense. Tenant may designate the parking spaces in any manner of its choosing in its sole and exclusive discretion.

(c) In no event shall this Lease restrict Tenant from the use of any other parking spaces which are not specifically designated in this Lease.

**12.8 Severability**. If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. Each covenant and agreement contained in this Lease shall be construed to be a separate and independent covenant and agreement, and the breach of any such covenant or agreement by Landlord shall not discharge or relieve Tenant from Tenant's obligation to perform each and every covenant and agreement of this Lease to be performed by Tenant.

**12.9 Time is of the Essence.** The timely performance of all of the covenants, conditions and agreements of this Lease is of the essence.

**12.10 Exhibits/Riders**. All exhibits/riders to this Lease are attached hereto and incorporated herein by this reference.

**12.11 Waiver of Jury Trial**. The parties waive trial by jury in any action or proceeding to which they may be parties arising out of, in connection with, or in any way pertaining to this Lease. It is agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such actions or proceedings, including, claims against parties who are not parties to this Lease. This waiver is knowingly, willingly and voluntarily made by Tenant and Tenant hereby represents that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury or to in any way modify or nullify its effect. Tenant further represents that it has been represented in the signing of this Lease and in the making of this waiver by independent legal counsel, or has had the opportunity to be represented by independent legal counsel.

**12.12 Surrender**. Tenant shall, on the Expiration Date of the Term, or upon any earlier termination of this Lease, or upon any termination of Tenant's right to possess the Premises pursuant to the provisions of this Lease, well and truly surrender and deliver up the Premises into the possession and use of Landlord, without fraud or delay and in the condition in which Tenant has herein agreed to maintain them, broom clean and free and clear of all lettings, occupancies, liens and encumbrances, other than those existing immediately prior to the commencement of the Term. Any personal property which shall remain on the Premises after the expiration of the Term or earlier termination of this Lease or Tenant's right to possess the Premises may, at the option of Landlord, be deemed to have been abandoned by Tenant and may be retained by Landlord as Landlord's property or be disposed of, without liability of Landlord, in such manner as Landlord may see fit, or Landlord, at its option, may require Tenant to remove the same at Tenant's expense. In case of such removal, all costs of removal and of repairing any damage to the Premises arising from such removal shall be paid by Tenant upon Landlord's demand. Tenant shall pay to Landlord on demand (a) a reasonable fee for storing and disposing of any such personal property, and (b) all costs and expenses incurred by Landlord in storing and disposing of any such personal property (including, without limitation, counsel fees relating to claims against Landlord by any and all parties claiming interests in such personal property).

**12.13 Nondiscrimination**. Tenant herein covenants by and for itself, its heirs, executors, administrators, personal representatives, successors and assigns, and all persons claiming under

or through it, and this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, sex, national origin, or ancestry in the leasing, subletting, transferring, use or occupancy of the Premises. Neither Tenant nor any person claiming under or through Tenant shall establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in or on the Premises.

**12.14 Entire Agreement**. IT IS EXPRESSLY AGREED BY TENANT, AS A MATERIAL CONSIDERATION FOR THE EXECUTION OF THIS LEASE, THAT THIS LEASE, WITH THE SPECIFIC REFERENCES TO EXTRINSIC DOCUMENTS, IS THE ENTIRE AGREEMENT OF THE PARTIES WITHIN THE SUBJECT CONTAINED HEREIN; THAT THERE ARE, AND WERE, NO VERBAL REPRESENTATIONS, WARRANTIES, UNDERSTANDINGS, STIPULATIONS, AGREEMENTS OR PROMISES PERTAINING TO THE SUBJECT MATTER OF THIS LEASE OR OF ANY EXPRESSLY MENTIONED EXTRINSIC DOCUMENTS THAT ARE NOT INCORPORATED IN WRITING IN THIS LEASE. ALL EXHIBITS/RIDERS TO THIS LEASE ARE ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.

**12.15 Amendment.** THIS LEASE MAY NOT BE ALTERED, WAIVED, AMENDED OR EXTENDED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY LANDLORD AND TENANT.

**12.16 Limitation of Warranties.** LANDLORD AND TENANT EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS LEASE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TENANT EXPRESSLY ACKNOWLEDGES THAT LANDLORD HAS MADE NO WARRANTIES OR REPRESENTATIONS CONCERNING ANY HAZARDOUS MATERIALS OR OTHER ENVIRONMENTAL MATTERS AFFECTING ANY PART OF THE PROPERTY, AND LANDLORD HEREBY EXPRESSLY DISCLAIMS AND TENANT WAIVES ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY SUCH MATTERS.

**12.17 Quiet Enjoyment**. So long as Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord. Furthermore, Landlord shall take no action that would have a material adverse effect, or is reasonably likely, to have any material adverse effect, on the Tenant's use and enjoyment of the Premises, including without limitation, altering any Common Areas in such a way that ingress or egress to the Building or the Premises is materially and adversely affected.

[This Space Intentionally Left Blank; Signatures to Follow]

# [Signatures to Office Lease Agreement]

This Office Lease Agreement is executed by the parties below as of the date first set forth on page 1 of this Office Lease Agreement.

#### LANDLORD:

SUMMIT PROPERTIES, LLC, an Arkansas limited liability company

1 A Well By:

Name: Title: Its Duly Authorized Agent

#### TENANT:

HOT SPRINGS HEALTH PROVIDERS, LLC, an Arkansas limited liability company

By:

Name: Glenn Borkowski Title: Its duly Authorized Agent

#### EXHIBIT A

Location of Premises



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Users of this document must verify the information and bears all risk for any inaccuracies

## EXHIBIT "B"

# Lease Date Certificate

This confirmation of Lease Dates is	made as of this	day of	_, 2015, with reference
to that certain Lease fully executed of	on theday of _	, 2015 be	etween
,	Landlord and		, Tenant.
Commencement Date:			_
Rent Commencement Date:			_
Lease Expiration Date:			
·			_
TENANT:			
Ву:			
Print Name:			
Its Duly Authorized Agent			
Dated:, 2015			



#### AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE (this "Amendment") is executed as of the 5<sup>th</sup> day of July, 2016 by and between 835 CENTRAL, LLC, ("Master Tenant") and HOT SPRINGS HEALTH PROVIDERS, LLC ("Sub-Tenant").

WHEREAS, Summit Properties, LLC ("Summit") and Sub-Tenant executed that certain Office Lease Agreement dated as of April 9<sup>th</sup>, 2015 (the "Original Lease");

WHEREAS, Summit conveyed the fee interest in the real estate (the "Property") which is the subject of the Original Lease to Shiloh Place Manor, LLC ("Shiloh");

WHEREAS, Shiloh executed that certain Master Office Lease Agreement dated as of May 29, 2015 pursuant to which Master Tenant administers all leasehold interests in the Property whether entered into before or after the execution of the Master Office Lease Agreement; and

WHEREAS, Master Tenant and Sub-Tenant desire to amend the Original Lease as set forth herein.

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. <u>Defined Terms</u>. Capitalized terms used in this Amendment but not otherwise defined herein shall have the meaning given thereto in the Original Lease.

2. <u>Amendment of Article 1- Fundamental Lease Provisions</u>. The following defined terms contained in Article 1 shall be amended as follows:

	<b>Base Rent/RSF</b>	Monthly	Annual
<u>"Base</u>	Primary Premises:	Primary Premises:	Primary Premises:
<u>Rent"</u>	\$6.98	\$7741	\$ 92,892
	Expansion Premises:	Expansion Premises:	Expansion Premises:
	\$5.89	\$2,549.39	\$30,592.66

"Primary Premises"	That portion of the third (3rd) floor of the Building, as indicated on the floor plan attached hereto as Exhibit "A", known as Suites 301 and 302, containing an aggregate of approximately 13,299 rentable square feet.
"Expansion Premises"	That portion of the two (2nd) floor of the Building, as indicated on the floor plan attached hereto as Exhibit "B", known as Suite 201, containing an aggregate of approximately 5194 rentable square feet.

Notwithstanding anything contained in this Lease to the contrary, Tenant, for any reason or no reason, in its sole and exclusive discretion, shall have the right to terminate this Lease with respect to the Expansion Premises by providing thirty (30) days written notice to the Landlord. Upon such partial termination, Tenant shall have no further obligation to Landlord with respect to the Expansion Premises but the Lease shall remain in full force and effect with respect to the Primary Premises.

3. <u>Amendment of Article 2 – Granting Clause and Rent Provisions</u>. Article 2 – Granting Clause and Rent Provisions shall be amended to add the following subsections:

"2.9 Self-Help. If Landlord fails to perform any obligation under the Lease with respect to the Premises which it is obligated to perform under the Lease within a reasonable period of time not to exceed three (3) days following transmission of written notice from Tenant, Tenant shall be permitted to perform such obligations in the Premises on Landlord's behalf, provided Tenant first delivers to Landlord an additional one (1) business days prior written notice indicating that Tenant will be perform its obligation(s) within such additional one (1) business day period or thereafter fails to diligently complete performance of such obligations having commenced performance within such one (1) business day period. Landlord shall reimburse Tenant within thirty (30) days following receipt from Tenant of a written statement of all reasonable and actual costs incurred by Tenant in performing such obligations on behalf of Landlord. In the event that Landlord fails to reimburse Tenant, Tenant's Rent shall be abated until the Rent offsets the actual repair costs."

"2.10 Subordination, Non-Disturbance, and Attornment. Landlord shall use commercially reasonable efforts to obtain, a non-disturbance agreement from any holder of any existing mortgagees, holders of deeds of trust, ground lessors, or any other holder of a superior interest, on the current lender's form SNDA without modification by Tenant which provides that so long as Tenant is not in default under the Amended Lease beyond any applicable notice and cure periods, Tenant's use, occupancy and possession of the Premises shall not be disturbed."

4. <u>Amendment of Article 3 – Occupancy, Use and Operations</u>. Article 3 – Occupancy, Use and Operations shall be amended to add the following subsections:

"3.9 Landlord's Covenant of Quiet Enjoyment. Landlord covenants and warrants that Tenant, and all those claiming through Tenant, shall have quiet and peaceable enjoyment of the Premises by and through Landlord and unlimited access to the Premises provided Tenant, and all those claiming through Tenant, are not in default of this Lease. Additionally, all common areas, parking, sidewalk, restrooms, elevators or any areas in which Tenant or its business invitees frequent, will be kept free from refuse, odor and generally in a clean state, normal working order and stocked with items normal and customary for such area (including, without limitation, toilet paper, hand soap and paper towels). Interior common areas will be temperature controlled in a manner reasonable for the particular time of year, it being understood that, unless otherwise directed by Tenant, 70 degrees Fahrenheit is a reasonable temperature at all times. All exterior areas will be well lit and free from any latent or overt dangers including but not limited to refuse remaining in these areas for an unreasonable period of time as well as not allowing loitering or vagrancy. Landlord shall also permit no other use in the building or exterior common areas which is inconsistent with the buildings use as an office building."

5. <u>Amendment of Section 4.1 – Building Services</u>. Section 4.1 – Building Services shall be amended and restated as follows:

"4.1 Building Services. During the Term, Landlord shall provide at its sole cost and expense (a) water at those points of supply provided for general use of other tenants in the Building and electricity for use in the Premises, (b) central heating and air conditioning in season, and, subject to Section 3.9, at temperatures and in amounts as are considered by Tenant to be standard or in compliance with any governmental regulations, (c) self-operated passenger elevator service, (d) janitorial service for the Building and Common Areas which shall only include, however, the sweeping and cleaning of floors, the cleaning of lavatories and toilets located in the Common Areas, the washing of exterior windows, the dusting of light fixtures and air grills, and the disposal of trash from the Building and Common Areas, (e) janitorial services for the Premises, and (f) security services or devices as are reasonably necessary to prevent unauthorized persons from loitering on or about the Common Areas or accessing the Building. Tenant acknowledges that janitorial services to the Premises do not include cleaning of kitchens and restrooms located within the Premises. Landlord may, in its sole discretion, provide additional services not enumerated herein. If any of the equipment or machinery useful or necessary for provision of utility services, and for which Landlord is responsible, breaks down, or for any cause ceases to function properly, Landlord shall use reasonable diligence to repair the same promptly."

6. <u>Amendment of Section 12.7 – Tenant Designated Parking Area</u>. Section 12.7 -Occupancy, Use and Operations shall be amended to replace the Exhibit "C" referenced therein with the document attached hereto as Exhibit "C".

7. <u>Special Damages</u>. The Original Lease is hereby amended by adding the following provision:

Upon the occurrence of any default by Landlord under the Lease, in addition to any other remedy available to Tenant under the Lease or applicable law, Tenant shall have the right to terminate the Lease. If the Tenant exercises its right to terminate the Lease, in addition to any other damages to which it might be entitled, Tenant shall be specifically entitled to receive damages equal to all costs of relocating its business operations to the Premises from its prior premises ("Prior Premises"), including, without limitation, the cost of moving Tenant's personal property from the Prior Premises, the difference between the rent for the Prior Premises and the rent for the Premises, the cost of advertising the Premises and the cost of any capital improvements made to the Premises and paid for by the Tenant. The parties stipulate that as of the Effective Date, the total cost of these special damages is approximately \$500,000.

8. <u>General Amendment</u>. The remaining provisions of the Original Lease are hereby amended as necessary to be consistent with the amendments specifically set forth herein but to the extent no so amended by this Amendment, the remainder of the Original Lease shall remain in full force and effect.

9. <u>Counterparts</u>. This Amendment may be executed multiple separate counterparts which when compiled will constitute one and the same document.

[This Space Intentionally Left Blank; Signatures to Follow]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Lease as of the date set forth in the preface.

MASTER TENANT:

835 Central, LLC, By: A. Lehni Title: Munagen

SUB-TENANT:

Hot Springs Health Providers, LLC

Ву:\_\_\_\_\_

Title: \_\_\_\_\_

#### [Signature Page to Amendment to Lease]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Lease as of the date set forth in the preface.

MASTER TENANT:

835 Central, LLC, By: Kill A. Wellin

Title: Munagen

SUB-TENANT:

Hot Springs Health Providers, LLC

By: Tod For Title: Anthorize Ayer



# EXHIBIT "B" EXPANSION PREMISES

835 CENTRAL AVENUE HOT SPRINGS, AR

# FLOOR 2

# LEASE PLAN



FLOOR SUMMARY	SQ.FT.					
Total Rentable	9,755		Suite #	Usable	Rentable	
Total Usable	7.557	100	200	1,503	1,784	
R/U	1.2909	10	201	3,993	5,194	
			203	507	651	
Floor Common	867		204	109	140	
Building Common	2,573		205	1,580	2,171	
Total Vertical	845					

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Users of this document must verify the information and hears all risk for any inaccuracies



For illustration purposes only

#### ASSIGNMENT OF LEASES

This ASSIGNMENT OF LEASES (the "Assignment") is made effective as of the 14<sup>th</sup> day of August, 2017, by and between 835 Central, LLC (the "Assignor") and Shiloh Place Manor, LLC (the "Assignee").

WHEREAS, Assignor and Assignee entered into that certain Master Office Lease Agreement dated May 29, 2015 (the "Lease"), pursuant to which Assignor leased from Assignee certain real property and improvements located at 835 Central Avenue, Hot Springs, AR 71901 (the "Property"); and

WHEREAS, Assignor has terminated the Lease and provided thirty (30) days written notice to the Landlord of such termination pursuant to Section 2.4 of the Lease; and

WHEREAS, in accordance with Section 2.4 of the Lease, Assignor desires to assign all subleases entered into by it and any sub-tenant to Assignee, including, without limitation, those described on EXHIBIT A, attached hereto (collectively, the "Subleases").

NOW, THEREFORE, for TEN DOLLARS (\$10) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. <u>Assignment of Lease</u>. Assignor, as of the date of this Assignment, does hereby absolutely and irrevocably BARGAIN, SELL, TRANSFER, ASSIGN, CONVEY, SET OVER AND DELIVER unto Assignee, its successors and assigns, all of Assignor's right, title and interest, claim and position in and to all Subleases.

2. <u>Assumption</u>. Assignee does hereby assume all obligations of Assignor in, to and under the Subleases and agrees to be bound by all terms thereof as of the Effective Date. In connection with such assumption, Assignee represents and warrants to assignor that it has had the opportunity to inspect the Property and the Subleases and has done so to the extent it deems necessary, is not relying on any written or oral statements or representations of Assignor or its agents with respect thereto and is accepting the Property and the Subleases, "AS IS", "WHERE IS" and "WITH ALL FAULTS". Assignor shall have no further obligation to Assignee whatsoever.

3. <u>Indemnification</u>. Assignee agrees to indemnify, defend and hold Assignor harmless with respect to any loss, liability or claim related to the Subleases arising after the date of this Assignment.

4. <u>Miscellaneous.</u>

a. <u>Counterparts</u>. This Assignment may be executed in any number of counterparts that together shall constitute the agreement of the parties hereto.

b. <u>Successors and Assigns</u>. The agreements, covenants, warranties, and representations contained in this Assignment are binding on and shall inure to the benefit of Assignor, Assignee and their respective successors and assigns, specifically including any Lessee interest holder.

[This area intentionally left blank; signatures to follow]

# [Signatures to Assignment of Leases]

IN WITNESS WHEREOF, the parties have set their hands and seals in their respective representative capacities effective the date first above written.

ASSIGNOR:

835 CENTRAL, LLC,

By: Richard A. Williams, its Manager

ASSIGNEE:

SHILOH PLACE MANOR, LLC,

By: 1 101 3/4/ Name: Juhn D. Mortonal Title: Menty

## EXHIBIT A

# Subleases

.

2

uites	Tenant
05	K&L POS
10A	John Selig
10 <b>B</b>	Fabern C. James
12	Tripcony Law Firm, P.A.
00	Gehrki Commercial Real Estate
01	Hot Springs Health Providers
01/302	Hot Springs Health Providers
02B	Tomsal Trust T. Jameson
02D	Steve DeMott
02F	Ark Community Foundation
02G	Maggie Haase
02H/L	West Ark Oil Co.
02K	Anderson Electric of Pine Bluff, Inc.
05	Eldercare Insurance Services, Inc
23	Ark. Society of Professional Surveyors
08	Cox Lumber Co., Inc,
09	Hot Springs Law Firm Services, LLC
11	Crass & Smith, PA
12	Lifenet, Inc.
	Summit -PD, LLC Master Lease Agreemen

Summit -PD, LLC [Master Lease Agreement for Parking Deck with ROFR and call option for Land Purchase]