

COMMERCIAL LEASE AGREEMENT

THIS AGREEMENT, entered into this ____ day of April, 2019, between **BROADWATER COUNTY**, herein referred to as Landlord, and **DR. NICHOLAS CAMPBELL, d/b/a FAMILY MEDICAL CLINIC**, herein referred to as Tenant.

W I T N E S E T H

That in consideration of the covenants herein contained, Landlord shall lease to Tenant the following property located in the City of Townsend, Broadwater County, Montana:

1. **Description of Premises:** Landlord shall lease to Tenant the premises and improvements described as the Medical Clinic Building, a modular office building and parking spaces, located on the County Courthouse property at 100 North Oak St., Townsend, MT.
2. **Purpose:** Tenant shall use the demised premises for the exclusive purpose of operating a medical clinic and related business activities.
3. **Restrictions on Use:** Tenant shall not conduct any activity that is unlawful, ultra-hazardous, or that would increase the premiums for liability insurance on the premises. Tenant shall not store any hazardous materials on the premises. All advertising materials that are to be affixed to the exterior portions of the building by Tenant shall be submitted to Landlord for approval prior to installation, and all materials installed shall be removed by Tenant on surrender of the premises. All advertising materials currently displayed are hereby approved.
4. **Reservations by Landlord:** Landlord shall have the right to enter the premises to inspect the premises and make repairs, alterations, or modifications as required, by providing reasonable notice to Tenant.
5. **Term of Lease:** The term of the lease shall commence April 15, 2019, until

December 31, 2020, unless terminated earlier in accordance with the terms of this contract. The lease shall not be automatically renewed. If the parties agree to continue the Tenant's occupation of the premises beyond the Term of this Agreement, they must do so by a new agreement or written modification of this Agreement. The Tenant shall notify the Landlord not later than September 1, 2020, if he seeks to negotiate a renewal or extension of the Lease, including on a month-to-month basis, beyond the Term of this Agreement.

6. **Rental:** Tenant shall pay basic rental for the demised premises at the following rates:

a. The sum of \$1,000.00 per month from April 15, 2019 through December 31, 2019. The half-month sum of \$500.00 shall be payable for the period of April 15-30, 2019.

b. The sum of \$1,200.00 per month each month for calendar year 2020.

c. All monthly rental payments shall be due on the 10th day of each month for the succeeding month's rental. If the rent is not paid within ten (10) days of being due, a late charge of Fifteen Dollars (\$15.00) per day will be owed by Tenant.

7. **Damages:** Tenant shall give notice to Landlord of damages caused by natural disasters or causes other than the negligence of Tenant, and Landlord shall repair the damages within thirty (30) days, during which time Tenant shall be entitled to abatement on the rental. Where the estimated cost to repair any damage, regardless of cause, exceeds the total monetary value of the lease as described in Paragraph 6 Supra, Landlord shall have the option of refusing to repair or replace the premises, and the duty to pay rental under this lease shall terminate as of the date of the damage. Tenant shall be liable for the costs of all damages caused by the

negligence of the Tenant, and there will be no abatement of rent or termination of this lease for these damages.

8. **Utility Charges:** Tenant is responsible to pay the costs of all water, sewer, heat, electricity, or any other utility used on or consumed in the leased premises. In no event shall Landlord be liable for an interruption or failure in the supply of any such utility in the leased premises.

9. **Encumbrances and Liens:** Tenant shall promptly pay when due, all taxes and assessments upon Tenant's equipment and trade fixtures and upon Tenant's stock in trade, and shall not permit any costs of any business conducted on the leased premises to remain unpaid beyond the due date thereof. Tenant shall not suffer or permit any liens or charges to accrue against or to be levied upon or claimed against the premises, and if any liens or encumbrances are levied upon or asserted or claimed against the premises or any improvements thereon, Tenant shall cause the same to be satisfied or released within fifteen (15) days after the levy of any such lien or encumbrance or the claiming of the same by any filing, recording, posting, process or other overt act. Provided nothing contained herein shall terminate or restrict Tenant's right to contest and oppose any such lien or encumbrance in good faith and Tenant shall not be in default hereunder during the period of any such contest. Nothing herein shall prevent Tenant from leasing equipment or fixtures for its own use.

10. **Assignment and Sublease:** Tenant shall not assign this lease or sublet the premises to another party without the express written approval of Landlord.

11. **Compliance with Laws, Fees, Etc.:** Tenant shall comply with all laws, ordinances, regulations, and rules of the United States, the State of Montana, and any agencies, bureaus,

officers, and subdivisions thereof, and of any municipalities, including, but not limited to the Americans with Disabilities Act and regulations and guidelines promulgated thereunder as the same may be amended and supplemented from time to time (ADA). Tenant shall be solely responsible for any and all costs and expenses required to bring the premises into conformance with any federal, state or local law or as required by any federal, state or local authority regarding occupancy of the premises, conduct of business thereon, and condition of the premises. Tenant shall further keep the premises and surrounding areas neat, clean, and sanitary at all times. All fees which may be levied or charged by any government or governmental agency or subdivision with respect to inspection of the premises or for the purpose of insuring compliance with, or arising by virtue of a violation of any laws, ordinances, regulations, or rules shall be paid promptly by Tenant.

12. **Repairs, Alterations and Modifications:** Landlord shall continue to conduct exterior landscape maintenance, to include winter snow and ice removal, and summer lawn maintenance. Tenant shall be responsible for all repairs required as a result of the negligence acts of Tenant or its agents. Normal maintenance of the premises will be carried out by Tenant, to include items such as lightbulbs, cleaning, minor interior repairs, interior painting, or other similar items. Tenant shall obtain approval from Landlord before material modifications of the premises; which shall be done at Tenant's expense. Structural or significant repairs shall be conducted by the Landlord.

a. The parties agrees that the Landlord shall undertake the following initial major repairs of the premises, based upon an inspection by the Landlord:

- Repair a known roof leak;

- Replace the exterior walk-in doors;
- Stabilize the exterior electrical box fixtures; and
- Replace a known siding / skirting deficiency.

b. The parties agree to defer maintenance on three possible deficiencies, which have been identified by the Landlord's inspection. The parties will continue to monitor these items, and will determine by mutual agreement whether the Landlord needs to make repairs in the future:

- Interior carpet;
- HVAC system; and
- Possible winter plumbing deficiencies.

13. **Liability Insurance:** Tenant shall maintain liability insurance in the amount of One Million Dollars (\$1,000,000.00) for any injury, accident, occurrence, or property damage, and shall provide proof of compliance to the Landlord. Landlord may purchase this policy and charge Tenant therefor if Tenant fails to comply with this requirement. Landlord and Tenant, together and separately, waive any right of subrogation or any right in tort against the other party, its agents, or assigns, for damages to the premises or to persons in excess of the insurance policy provisions herein.

14. **Examination of Premises:** Tenant shall examine the premises prior to execution of this lease and shall acknowledge that the demised premises are in satisfactory condition at the time Tenant enters into possession of the premises, and Tenant is taking such premises "as is". Landlord has made no representations to Tenant relating to the condition of the premises except as provided in this lease agreement.

16. **Breach or Default:** Tenant shall have breached this lease and shall be considered in default hereunder if: (i) Tenant files a petition for bankruptcy or insolvency or for reorganization under any bankruptcy act, or makes an assignment for the benefit of creditors; (ii) involuntary proceedings are institutes against Tenant under any bankruptcy act; (iii) Tenant fails to pay any rent when due and does not make the delinquent payment within 15 days after receipt of notice thereof from Landlord; or (iv) Tenant fails to perform or comply with any of the covenants or conditions of this lease and such failure continues for a period of 15 days after receipt of notice thereof from Landlord.

17. **Remedies for Landlord:** In the event Tenant is in default under this lease, Landlord, besides other rights or remedies it may have, shall have the immediate right of reentry and may remove all persons and property from the leased premises and such property may be removed and stored in a public warehouse or elsewhere at the costs of and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass becoming liable for any loss or damage which may be occasioned thereby. Should Landlord elect to reenter as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this lease or it may from time to time without terminating this lease, make such alterations and repairs as may be necessary in order to relet the premises and relet said premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this lease), and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable. If such rentals received from such reletting during any month are less than that to be paid during that month by Tenant under this lease, Tenant shall pay any such deficiency to

Landlord. Such deficiency shall be calculated and paid monthly. No such reentry or taking possession of the leased premises by Landlord shall be construed as an election on its part to terminate this lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this lease for such previous breach. Should Landlord at any time terminate this lease for any breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach, including the costs of recovering the leased premises, reasonable attorney's fees, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the stated term over the then reasonable rent value of the leased premises for the remainder of the stated term all of which amounts shall be immediately due and payable from Tenant to Landlord. Any all remedies provided to Landlord for the enforcement of the provisions of this lease are cumulative and not exclusive, and the Landlord shall be entitled to pursue either the rights enumerated in this lease or remedies authorized by law, or both. Tenant shall be liable for any costs or expenses incurred by Landlord in enforcing any terms of this lease, or in pursuing any legal action for the enforcement of Landlord's rights, including but not limited to attorney's fees.

18. **Indemnification by Tenant:** Tenant shall indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability, and expenses in connection with loss of life, personal injury, and/or damage to property arising from or out of any occurrence in , upon or at leased premises, or the occupancy or use by Tenant of the leased premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, Tenant's agents,

contractors, employees, servants, Tenants, or concessionaires. In case Landlord, without fault on its part, be made a party to any litigation commenced by or against Tenant, Tenant shall protect and hold Landlord harmless from all costs and expenses, including reasonable attorney's fees, incurred or paid in connection with such litigation by Landlord. Tenant shall also pay all costs, expenses, and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements in this lease.

19. **Attorney's Fees:** In the event that at any time during the term of this lease either Landlord or Tenant shall institute any action or proceeding against the other relating to the provisions of this lease, or any default hereunder, then, and in that event, each party shall be responsible for its own court costs and attorney's fees, regardless of the outcome.

20. **Subordination:** This Lease is and shall be subordinate to any deed of trust, mortgage or trust indenture now or hereafter placed on the Project Property, including but not limited to the trust indenture securing the loan in favor of lender, and to all advances already made or that may be made hereafter on account of any such deed of trust, mortgage or trust indenture, to the full extent of the principal sums secured thereby and interest thereon. Furthermore, Tenant shall on request hereafter execute any document or documents that Landlord or any other owner of the Project Property may deem necessary to accomplish such subordination of Tenant's interest in this Lease, in default of which Landlord or such owner is hereby appointed as Tenant's attorney-in-fact to act and to execute such document or documents in the name of Tenant as the act and deed of Tenant, and this authority is hereby declared to be coupled with an interest and irrevocable. Landlord and tenant shall allow lender the right to remove collateral located in the property in the event of any uncured default. Also, Landlord and

Tenant shall notify lender of any defaults under this Lease. The lender shall have the right but not obligation to cure said default. This Lease cannot be terminate without lender's consent.

IN WITNESS WHEREOF, the parties have executed this lease, effective April 15, 2019:

FOR Landlord:

FOR Tenant:

Broadwater County Commissioner

Dr. Nicholas Campbell

Date of Signature

Date of Signature