

GROUND LEASE AGREEMENT

THIS AGREEMENT, made and entered into effective the ___ day of ____, 2017, by and between The City of Missoula, 435 Ryman Street, Missoula, Montana 59401, hereinafter referred to as “Lessor” or “City”, and Consumer Direct Holdings, Inc., a _____ Corporation of 100 Consumer Direct Way, Missoula, MT 59808, hereinafter referred to as “Lessee” or “Consumer Direct”:

WITNESSETH:

That, in consideration of the covenants herein contained on the part of Lessee to be observed and performed, Lessor does hereby lease unto Lessee, and Lessee does hereby lease from Lessor, certain real property (the Land), which is Three and 51/100 (3.51) acres of land, more or less, situated in the County of Missoula, State of Montana, particularly described as follows, to-wit:

Lot 1 of Consumer Direct Addition, a two-lot subdivision located in the NW ¼ of Section 8, Township 13 North, Range 19 West, P.M.M., City of Missoula, Missoula County, Montana, according to the official recorded plat thereof.

NOW, THEREFORE, it is hereby agreed by the parties as follows:

1. **Term.** The term of this Lease Agreement shall be for a period of fifteen (15) years, commencing on the ___ day of ____, 2017, and ending on the ~~31st~~ ___ day of ____, 20__.

2. **Rental.**

- a. Lessee shall pay Lessor as monthly rental for the Land, the amount which is equal to the infrastructure loan payments as set forth in the attached Loan Agreement entered into by the Montana Board of Investments (MBOI) and the City.
- b. Lessee shall have the right to make additional rental payments with no prepayment penalty. However, any such prepayment will not excuse the

Lessee's obligation to make timely monthly payments until the balance of the MBOI loan is paid in full.

3. **Acceptance of Condition.** Lessee acknowledges familiarity with the condition of the Land and that no representation, statement or warranty, expressed or implied, has been made by or on behalf of Lessor as to such condition. In no event shall Lessor be liable for any defect in such property or for any limitation on its use. The taking of possession of the Land shall be conclusive evidence that Lessee accepts the same "as is" and that the Land was in good condition at the time possession took place. Lessee agrees to accept the Land in the condition in which they exist at the date of taking possession, without representation or warranty, express or implied, in fact or by law, by Lessor, and without recourse to the Lessor as to the nature, condition or unsuitability thereof, or as to the uses to which the Land may be put.

4. **Utilities.** Lessee shall pay all charges for utilities used, rendered or supplied upon or in connection with the Land.

5. **Insurance.**

a. **Property and Casualty Coverage.** During the entire term of this Agreement, Lessee shall cause the lease property to be insured at all times against loss or damage by special perils and related casualty in an amount representing the full insurable replacement value thereof as determined by Lessor and MBOI. Replacement coverage shall be subject to such deductible clauses as are required in order to obtain coverage at reasonable cost, and which coverage shall be increased by Lessee as may be necessary to provide that the insurance proceeds will be sufficient to cover replacement, repairs or reconstruction with comparable quality materials. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. In lieu of separate policies, blanket policies having the coverage required herein may be maintained. Such policy or policies shall name Lessor and MBOI as insured and all policy proceeds shall be payable to MBOI and Lessor. At the request of Lessor or MBOI, policies or certificates evidencing such insurance shall be delivered to Lessee.

b. **Comprehensive liability insurance.** Lessee shall maintain in effect throughout the term of this Lease Agreement comprehensive general liability insurance covering the use, occupation or condition of leased premises in the amount of One Million Dollars (\$1,000,000.00) for injury to or death of any one person per occurrence, and in the amount of Two Million Dollars (\$2,000,000.00) aggregate for injury to or death of any number of persons in one occurrence. Such insurance shall specifically insure Lessee against all liability assumed by it hereunder, as well as liability imposed by law, and shall insure both Lessor and Lessee, but shall be endorsed so as to create the same liability on the part of the insurer as though separate policies had been written for Lessor and Lessee.

Lessee, for itself, its employees, agents, successors and assigns, shall fully save and hold harmless Lessor from any cause, claim, demand or action of any sort or nature arising from or out of Lessee's occupation, use or possession of the said leased premises; excepting therefrom only, any cause, claim, demand or action of any sort or nature arising out of the negligence of Lessor or its agents.

c. **Lessor's right to pay premiums on behalf of Lessee.** All of the policies of insurance referred to in this Lease Agreement shall be written in form satisfactory to Lessor and by insurance companies satisfactory to Lessor. Lessee shall pay all of the premiums and deliver evidence of such policies to Lessor, and in the event of failure of Lessee either to effect such insurance in the name hereinabove called for or to pay the premiums therefor, or to deliver evidence of said insurance to Lessor, Lessor shall be entitled to, but shall have no obligation to, effect such insurance and pay the premiums therefor, which premiums shall be repayable to Lessor by Lessee with the next installment of rental due under this Lease Agreement, and Lessee's failure to repay the same shall carry with it the same consequences as failure to pay any installment of rental under this Lease Agreement. Each insurer shall agree, by endorsement on the policy or policies issued by it, or by independent instruments furnished to Lessor, that it will give to Lessor thirty (30) days' written notice before the policy or policies in question shall be altered or canceled. Lessor agrees not to unreasonably withhold its approval as to the form or to the insurance companies selected by Lessee.

d. **Damage or destruction of leased property.** In the event the leased property is damaged or destroyed by fire or other casualty, Lessor may, at its option, proceed with all due diligence to restore and repair the premises to its original condition prior to the damage or destruction, unless delayed by strike, riots or acts of God. If Lessor does not choose to commence within sixty (60) days to restore the premises, then Lessee shall have the right, at its option, to terminate this Lease Agreement.

6. **Taxes and Assessments.**

a. **Taxes as additional rental.** As additional rental hereunder, Lessee shall pay and discharge as they become due, promptly and before delinquency, all real estate taxes,

special improvement district taxes, special city taxes, special assessments, beneficial use taxes, and other charges and taxes of every nature and kind whatsoever if any can be and are assessed against the land and building.

b. **Receipt.** Lessee shall deliver to Lessor receipts showing taxes and assessments have been paid promptly.

7. **Repairs and Maintenance.**

a. **Maintenance of Leased Premises.** Lessee shall, throughout the term of this Lease Agreement, and at its own cost and without any expense to Lessor, keep and maintain the leased property, and all appurtenances thereto, including, sidewalks adjacent thereto and parking lots, in good condition and repair. Lessor shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the leased property or any improvements thereon; PROVIDED further that Lessor shall not be responsible for repairs or maintenance resulting from the negligence of Lessee, its employees, agents, or invitees, which shall be the sole responsibility of Lessee.

b. **Entry by Lessor for Failed Maintenance.** Should Lessee at any time fail, neglect or refuse to fulfill this obligation to repair and maintain, Lessor may, but need not, enter the leased property and make such repairs or alternations as in its opinion it may deem necessary, and may charge the costs of the same to Lessee to be paid upon the first day of the following month as part of the rental, and should said costs not be so paid, this Lease Agreement shall be considered in default.

8. **Right of Entry.** Lessor, or its agents or employees, shall have the right to enter the leased property at all reasonable hours to examine the same or to make such repairs or temporary alterations as shall be deemed necessary for the safety or preservation of the leased premises. There shall be no rebate of rent nor liability for any loss of occupation or quiet enjoyment occasioned thereby.

9. **Use of Land.** Lessee agrees to use and operate the Land continuously during the term of this Lease Agreement primarily for Lessee's business purposes and services convenient to Lessee and incidental thereto. Lessee further agrees that it will not make or suffer any unlawful, improper or offensive use of the leased premises, or in any way use or occupy the same contrary

to any law of the State or any ordinance of the City, now or hereafter made. Lessee shall not commit, or suffer to be committed, any waste on the leased premises or any nuisance. Lessee agrees that no use shall be made or permitted to be made of the leased premises, or acts done, which will cause a cancellation of any insurance policy covering the leased premises or any part thereof.

At its own cost, responsibility and risk, Lessee intends to use the property to operate a facility on the Land to provide home health care services throughout the United States. In such use, Lessee shall comply with the terms and conditions set forth in the Loan Agreement between the parties, dated _____, 2017.

10. **Subletting and Assignment.** Lessee shall not have the right to assign this Lease Agreement or sublet the premises, or any part thereof, without the prior written permission of Lessor and MBOI. Should Lessor and MBOI grant such permission, any assignment or sublease shall be subject to all the provisions of this Lease Agreement, and Lessee shall continue to be bound by all the terms, conditions and covenants of this Lease Agreement and be liable for the rents reserved in this Lease Agreement; provided, however, anything in this Lease Agreement to the contrary notwithstanding, Lessor, with the written consent of MBOI, may release Lessee from any further liability whatsoever, at its option by doing so in writing. Permission given by Lessor to an assignment or sublease shall not be deemed to be permission given to any subsequent assignment or sublease. Any assignment or sublease made without the prior written permission of Lessor and MBOI shall be void, and shall, at the option of Lessor, terminate this Lease Agreement.

Lessee acknowledges and agrees that Lessor has assigned or will assign this Lease to MBOI as security for the Loan and Lessee hereby consents to such assignment.

11. **Improvements.** With Lessor's and MBOI's consent, which shall not be unreasonably withheld, Lessee shall be permitted during the term of this Lease Agreement to make such improvements and alterations to the leased property as it may see fit; provided, however, that under no circumstances shall Lessee be permitted to construct additional buildings or expand current buildings, without the prior written permission of Lessor and MBOI. At the termination of this Lease Agreement, the Lessee shall be entitled to remove its trade fixtures and equipment which are not permanently attached to the premises, at Lessee's expense. Any improvements or trade fixtures not so removed shall become the sole property of Lessor upon termination of this Agreement.

12. **Lessor and Lessee's Title.** Lessor is not and never shall be liable to any creditor of Lessee or any claimant against the estate or property of Lessee for any debt, loss, contract or other obligation of Lessee. The relationship between Lessor and Lessee is solely that of landlord and tenant, and does not and never shall be deemed a partnership or joint venture.

13. **Liability for Liens.** Lessor's interest in and to said leased premises shall not be subject to or permitted to become subject to any lien or claims from or arising out of the use and occupation of the leased premises by Lessee. If and in the event such liens or claims arise or occur, Lessee shall promptly and forthwith cause the same to be released or discharged to the extent that the interest of Lessor is encumbered thereby.

14. **Condition of Premises Upon Surrender.** At the expiration of this Lease Agreement, Lessee shall quit and surrender the premises hereby demised in as good condition as when received, reasonable wear and tear and damage by the elements excepted.

15. **Environmental.**

a. **Environmental Law and Hazardous Materials.**

“Environmental Law” means any federal, state or local statute, law, rule, regulation, ordinance, code, guideline, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including, without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; and any state and local counterparts and equivalents, including without limitation the Montana Hazardous Waste and Underground Storage Tank Act, MCA §75-10-401, et seq., and the Montana Comprehensive Environmental Cleanup and Responsibility Act, MCA § 75-10-701, et seq.

“Hazardous Materials” means (a) any oil, petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of “hazardous chemical,” “hazardous material,” “hazardous substance,” “hazardous waste,” “pollutant,” or “contaminant” or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, the presence, collection, storage, use, generation, manufacturing, treatment, transportation, disturbance, disposal or exposure to or of which is prohibited, limited or regulated by any governmental authority and/or under any applicable Environmental Law.

“Hazardous Materials Contamination” means the contamination (whether presently existing or occurring after the date of this Agreement) of the buildings, improvements, facilities, soil, ground water, air or other elements on, or of, the Public Improvements or any Excepted Parcel by Hazardous Materials, or the contamination (whether before or after the date of this instrument) of the buildings, improvements, facilities, soil, ground

water, air or other elements on, or of, any other property as a result of Hazardous Materials at any time emanating from the Public Improvements or any Excepted Parcel.

b. **Lessee's Obligations.** Lessee will:

i. represent and warrant to Lessor that: (1) during the period of Consumer Direct's prior ownership of the leased property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination by any person on, under, about or from any of the Public Improvements, other than Hazardous Materials which are present, stored, handled or used in Consumer Direct's ordinary course of business and in compliance with all applicable laws, including Environmental Laws; and (2) Consumer Direct has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws involving the subject property; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from the Public Improvements by any prior owners or occupants of any of the Public Improvements; (c) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from any property adjoining the Public Improvements; (d) any underground storage tanks or underground storage tank systems located under or on the subject property; or (e) any actual or threatened litigation or claims of any kind by any person relating to such matters. The representations and warranties contained herein are based on Consumer Direct's due diligence in investigating the subject property for Hazardous Materials.

Consumer Direct agrees: (1) that neither Consumer Direct nor any tenant, contractor, agent or other authorized user of any of the subject property or any Excepted Parcel shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Materials on, under, about or from any of the subject property or any Excepted Parcel, other than such presence, storage, use or handling of Hazardous Materials as may occur in the ordinary course of business of Consumer Direct or such authorized user and in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws; (2) to give notice to CITY and MBOI immediately upon acquiring knowledge of: (i) the presence of any Hazardous Materials on the subject property or any Excepted Parcel, other than Hazardous Materials which are placed, stored, used or handled in compliance with clause (1) of this Subsection, or (ii) of any Hazardous Materials Contamination of the subject property or any

Excepted Parcel, with a full description thereof in either case; (3) to deliver to CITY and MBOI promptly after receipt copies of any documents received from or submitted to any governmental regulatory, environmental, or health agency concerning any actual, alleged or potential violation or noncompliance with any Environmental Law with respect to operations upon the Subject property or any Excepted Parcel; (4) to comply, and to cause any and all lessees or other authorized users of the Subject property or any Excepted Parcel to comply, with any applicable requirements of Environmental Laws, including without limitation, at Consumer Direct's or such authorized user's own expense, preparation, submission and carrying out of any plans and financial assurances that may be required by any governmental authority with respect to any cleanup or remediation of any Hazardous Materials or Hazardous Materials Contamination; and (5) upon the reasonable request of CITY or MBOI, at any time and from time to time during the existence of this Agreement, to provide at Consumer Direct's sole expense an inspection or audit of the Subject property or any Excepted Parcel from an engineering or consulting firm approved by CITY and MBOI, indicating the presence or absence of Hazardous Materials or Hazardous Materials Contamination on or in the Subject property or any Excepted Parcel. If Consumer Direct fails to provide such inspection report or audit after reasonable notice, CITY or MBOI may order same, and Consumer Direct grants to CITY and MBOI and their employees and agents access to the Subject property or any Excepted Parcel for the purpose of inspecting and testing for the presence of Hazardous Materials and Hazardous Materials Contamination. The cost of such tests shall be a demand obligation owing by Consumer Direct to CITY hereunder (for benefit of CITY or MBOI as applicable) together with interest thereon;

- ii. obtain, maintain in full force and effect, and strictly comply with any and all governmental permits, approvals and authorizations necessary for the conduct of Lessee's business operations;
- iii. supply Lessor with copies of any such permits, approvals and authorizations;
- iv. promptly notify Lessor of the expiration or revocation of any such permits, approvals and authorizations; and
- v. except to the extent of CITY's or MBOI's gross negligence or willful misconduct, Consumer Direct hereby (1) releases and waives any future claims against CITY and MBOI for indemnity or contribution in the event Consumer Direct becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify,

defend, and hold harmless CITY and MBOI from and against any and all fines, claims, losses, liabilities, damages, settlements, judgments, penalties, costs, expenses, attorney, expert and consultant fees, and actions of any kind (including without limitation, administrative or court investigative, enforcement, cleanup, remediation and restoration proceedings) which CITY or MBOI directly or indirectly sustain or suffer resulting from a breach of Section 15.b. of this Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of Hazardous Materials or Hazardous Materials Contamination on the subject property or any Excepted Parcel, or from any failure of Consumer Direct to provide information, make submissions or take steps required under any Environmental Law. The provisions of this Subsection of this Agreement, including the obligation to indemnify and defend, shall survive the payment of the Loan and the termination, expiration or satisfaction of this Agreement and the Loan Agreement, and shall not be affected by CITY's or MBOI's acquisition of any interest in any of the Public Improvements or any Excepted Parcel, whether by foreclosure or otherwise.

c. CITY or MBOI, as applicable, shall notify Consumer Direct in writing within ten (10) days if any action or proceeding involving a liability indemnified against under Section 15(b) and/or Section 16 is brought against MBOI or City. Consumer Direct, at its own cost and expense, may, and upon written demand from CITY or MBOI, shall assume the defense of such action or proceeding including the employment of counsel, who shall be counsel satisfactory to CITY or MBOI, as applicable, or their officers, employees or agents, as the case may be. CITY or MBOI or their officers, employees or agents may employ separate counsel in any such action and participate in the defense thereof. In that event, the fees and expenses of the separate counsel shall be the responsibility of such indemnitee. Consumer Direct will not be liable to indemnify any person or entity for the settlement of any action made without its consent. The omission to notify Consumer Direct as herein provided will not relieve Consumer Direct from any liability which it may have to any indemnified party pursuant hereto except to the extent such omission materially prejudices the interests of Consumer Direct.

This indemnification shall survive the end of the term of this lease and any extensions thereof and shall inure to the benefit of Lessor, its heirs and assigns.

16. **Indemnity.** Lessee agrees to indemnify, defend and save Lessor harmless from and against all claims for or on account of damages to property or injuries (including death) to persons arising out of Lessee's use and occupancy of the leased property. Lessor shall not be

liable to Lessee or any third party for any damage or injury (including death) to persons or property resulting from any defect in the leased property or the improvements thereon, whether such defects be the result of improper construction, lack of maintenance or repair, improper maintenance or repair or other cause whatsoever.

17. **Waiver of Subrogation.** Each party releases the other party (which term as used in this paragraph includes employees and agents of the other party) from all liability, whether for negligence or otherwise, in connection with loss covered by an insurance policy which the releasee carries with respect to the leased property or any interest or property therein or thereon (whether or not such insurance is required to be carried under this Lease), but only to the extent that such loss is collected under said insurance policies. Such release is further conditioned upon the inclusion in the policy or policies of a provision whereby any such release shall not adversely affect such policies or prejudice any right of the releasor to recover thereunder. Each party agrees that its insurance policies will include such a provision so long as the same shall be obtainable without extra cost, or if extra cost shall be charged therefor, so long as the party for whose benefit the cause or endorsement is obtained shall pay such extra cost. If extra costs shall be chargeable therefor, each party shall advise the other thereof of the amount of the extra cost, and the other party, at its election, may pay the same, but shall not be obligated to do so.

18. **Enforcement.** In the event either party resorts to judicial proceedings to enforce any rights under this Lease or to obtain relief for the breach of any covenant hereof, the party ultimately prevailing in such proceedings shall be entitled to recover from the defaulting party the costs of such proceedings, including reasonable attorneys' fees.

19. **Default.** If any default shall be made by Lessee in the performance of any of the covenants or terms of this Lease Agreement or the Public Improvements Use Fee Agreement, and, if applicable, such default shall continue beyond any notice period applicable with respect to such default hereunder or under the terms of the Public Improvements Use Fee Agreement (whether notice is given by Lessor hereunder or by MBOI as provided in the Public Improvements Use Fee Agreement); or if the property shall become vacated or abandoned; or if Lessee shall be dispossessed therefrom during the term of this Lease Agreement; or if a petition for bankruptcy or assignment for the benefit of creditors shall be filed by Lessee (or by any one of the corporations comprising Lessee) or if Lessee (or any one of the corporations comprising Lessee) shall be finally adjudicated bankrupt and the same shall not be discharged within ten (10) days after written demand therefor by Lessor; then Lessee does hereby authorize and empower Lessor to annul and cancel this Lease Agreement at once and to re-enter the property and take possession of said property immediately and by force if necessary without any previous notice of intention to re-enter, and remove all persons and their property therefrom, and to use such force and assistance in effecting and perfecting such removal as Lessor may deem advisable to recover at once full and exclusive possession of all of said leased premises, whether the said premises be in possession of Lessee or of third persons, or whether the premises be vacant.

Alternatively, Lessor may, at its option, at any time after such default in the performance of any of the covenants or terms of this Lease Agreement, re-enter and take possession of said premises without such re-entering working a forfeiture of the rents to be paid and the covenants to be kept and performed by Lessee for the full term of this Lease Agreement. In such event, Lessor may, at its option, re-let the premises and receive the rental therefor, applying the same first to the

payment of expenses for re-entering and re-letting (including reasonable attorneys' fees and the expense of making the premises acceptable to a new tenant), and then for the payment of rent and the fulfillment of Lessee's agreements hereunder, in which case Lessee shall remain liable only for the difference, if any, between the amounts due for the remainder of the term of this Lease Agreement and the amount received from a new tenant, after deducting the expenses set forth above.

The foregoing remedies shall not be deemed exclusive, and Lessor may, at its option, pursue any other applicable remedy available under the laws of the State of Montana, including without limitation any remedy or remedies provided in the Public Improvements Use Fee Agreement or any related Document.

20. **Lease Subordination.** Lessee agrees that this Ground Lease and the Option to Purchase provided herein shall be subordinate to any mortgages or trust deeds that are now or may hereafter be placed upon the leased premises, including without limitation the Mortgage given by CITY to secure the Loan, and to the interest thereon and all renewals, replacements and extensions thereof, provided the mortgagee or beneficiary named in said mortgages or trust deeds shall agree to recognize the Lease of Lessee in the event of foreclosure if Lessee is not in default. If any mortgagee or beneficiary elects to have this Lease superior to its mortgage or deed of trust by notice to Lessee, then this Lease shall be deemed superior to the lien of any such mortgage or trust deed, whether this Lease is dated or recorded before or after said mortgage or trust deed.

21. **Lease Subject to Use Fee Agreement.** Lessee acknowledges and agrees that this Lease and the Option to Purchase provided in section 24 hereof shall be subordinate and subject to the provisions of the Public Improvements Use Fee Agreement between Lessor and Lessee.

The provisions of this Lease shall supplement and shall not be deemed to supersede or replace the provisions of such Use Fee Agreement, and in the event of a conflict between any provisions of the respective agreements, the provisions of such Use Fee Agreement shall control.

22. **Estoppel Certificates.** upon the request of Lessor, Lessee agrees that from time to time to execute, acknowledge and deliver to Lessor a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the fixed rent and other charges have been paid in advance, if any, and confirming Lessee's acceptance of the leased premises, the commencement of the Lease Term, and the rent provided under the Lease, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser, mortgagee or assignee of any mortgagee of the leased premises.

23. **Attornment.** Lessee shall, in the event any proceeding is brought for the foreclosure of or in the event of exercise of the power of sale under any mortgage made by Lessor covering the leased premises, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the landlord under this Lease.

24. **Payments and Notices.** The rentals due hereunder shall be paid by Lessee to Lessor or its designee at MBOI, P.O. Box 200126, Helena, MT 59620-0126, or at such other place as Lessor may from time to time direct by written notice given to Lessee thirty (30) days prior to the date of payment.

Any notices required or which may be submitted hereunder from Lessee to Lessor may be sent by registered or certified mail to the address designated above for the payment of rent, or may be personally served upon Lessor.

Any notices required or which may be submitted hereunder from Lessor to Lessee may be sent by registered or certified mail to the premises leased hereunder, or may be personally served upon Lessee.

All notices referred to in the Default paragraph hereinabove shall be sufficient for all purposes if they describe the default or defaults in general terms.

For any notice, service by mail shall be deemed complete when the notice is enclosed in an envelope, duly sealed, with postage prepaid and deposited in the United States Post Office or any regular depository thereof, directed to Lessor or Lessee at the addresses hereinabove provided.

25. **Option to Purchase.** Lessor and Lessee recognize and agree that Lessee shall have the exclusive right and option to purchase the property and adjoining lot, subject to the terms and conditions herein provided. The consideration for the option is Lessee's agreement to enter into this Lease Agreement. Lessee shall not have the option to purchase the property, at any time when Lessee is in default under any of the terms or conditions of this Lease Agreement. The purchase price for the property if the option is exercised by the Lessee, shall be equal to Ten Dollars, and full payment of all then existing amounts due under the MBOI loan to Lessor evidenced in the Loan Agreement and Public Improvements Use Fee Note ("Note") of even date therewith. Lessee shall have no right to exercise the option granted herein if the Lease is terminated for any reason at any time prior to closing of the sale of the property.

26. **Termination.** Lessee acknowledges and agrees that, in the event of termination of this Lease, for any reason and under any circumstances, Lessor has the right to accelerate payment of the Public Improvements Use Fee payments due from Lessee under the Public Improvements Use Fee Agreement to the extent that termination of this Lease results in an acceleration of the indebtedness owed by the City under the MBOI Loan Agreement and Note. This section shall not be modified by Lessor and Lessee without MBOI's prior written consent.

27. **Invalidity.** The invalidity or ineffectiveness for any reason of this Lease Agreement shall in no way affect the validity or enforceability of the remaining portion thereof and any invalid or unenforceable provisions shall be deemed severed from the remainder of the Lease Agreement.

28. **Waiver.** The waiver by Lessor of, or the failure of Lessor to take action with respect to, any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or subsequent breach of same, or any other term, covenant or condition herein contained.

29. **Effect of Lessee's Holding Over.** Any holding over after the expiration of the term of this Lease Agreement with the consent of Lessor shall be construed to be a tenancy from month to month, at the same monthly rental as required pursuant to the terms of this Lease Agreement, and shall otherwise be on the terms and conditions herein specified so far as applicable.

30. **Binding Effect.** It is mutually understood and agreed that each and every provision of this Lease Agreement shall bind and inure to the benefit of the agents, administrators, successors and assigns of the respective parties hereto. Masculine pronouns shall be construed as

feminine or neuter pronouns and singular pronouns and verbs shall be construed as plural in any place in which the context may require such construction.

31. **Time of the Essence.** Time is of the essence of this Lease Agreement, and of each and every provision hereof.

32. **Applicable Law, Jurisdiction and Venue.** This Lease Agreement shall be governed by and constructed in accordance with the laws of the State of Montana without giving effect to the conflicts-of-laws principles thereof. The parties hereby consent to jurisdiction and venue for any litigation or dispute arising from this Lease Agreement in the Montana state district court in the Eighth Judicial District in and for Cascade County.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto set their hands and seals the day and year first hereinabove written.

City of Missoula, Montana

Consumer Direct Holdings, Inc.

By _____
John Engen, Mayor

By _____
Print Name: _____
Print Title: _____

ATTEST:

Martha Rehbein, City Clerk

APPROVED AS TO FORM

By _____
James P. Nugent, City Attorney