

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of the _____ day of _____, 2022, is made by and between the City of Mangum, Oklahoma, a municipal corporation (the "Lessor") and the Mangum City Hospital Authority, an Oklahoma public trust, doing business as Mangum Regional Medical Center (the "Lessee").

W I T N E S S E T H:

WHEREAS, the City of Mangum, Oklahoma, is a municipal corporation organized and existing under the laws of the State of Oklahoma; and

WHEREAS, the Mangum City Hospital Authority is an Oklahoma public trust with the City of Mangum, Oklahoma as beneficiary thereof; and

WHEREAS, the City of Mangum recognizes the need for the availability of quality health care services for the health, safety and welfare of the City's citizens and residents of the surrounding area; and

WHEREAS, the Mangum City Hospital Authority currently provides such health care services through the operation of the Mangum Regional Medical Center, and now requires additional facilities to adequately provide such health care services.

NOW, THEREFORE, in consideration of the respective representations and agreements contained herein, the parties hereto agree as follows:

SECTION 1. Demise of the Leased Premises. The Lessor hereby agrees to demise, let, lease and rent to the Lessee, and the Lessee does hereby agree to lease and rent from the Lessor, for the term covered herein, all of the Lessor's right, title and interest to the real property described in Exhibit "A" attached hereto and made a part hereof (hereinafter, the "Leased Premises").

SECTION 2. Lease Term. The initial term of this Lease shall be for a period of one (1) year, beginning on July 1,, 2022 and expiring on June 30,, 2023. Thereafter, this agreement will automatically renewed successive twelve (12) month periods (the "Lease Term") if neither party moves to terminate this agreement within 90 days of any renewal term. Regardless of lease term, this agreement will terminate in the event the Lessee ceases operating the Mangum Regional Medical Center.

SECTION 3. Rent. The Lessor acknowledges and values the significant services the Lessee provides to the Lessor's citizens in the operation of the Mangum Regional Medical Center. The Lessor believes the services are necessary for the public welfare and the Lessor cannot perform the services on its own accord. Therefore, the rent to be paid by Lessee to Lessor shall be \$1.00 and other goods and services described in this lease, including maintenance of the leased, for the initial term and also for each successive annual renewal term throughout the Lease Term, said sum being recognized by the City as a reasonable amount in consideration for the public benefits to be derived from Lessee's provision of health care services in connection with its occupancy of the Leased Premises. However, both parties acknowledge that neither party may obligate funds and revenue beyond one fiscal year. Therefore, this contract may be terminated at the conclusion of any fiscal year, without cause, if funding is not available for subsequent fiscal years. In no way does this agreement obligate or require either party to appropriate any funds or revenue beyond the current fiscal year to satisfy any expressed or implied future obligation that may otherwise arise under this agreement.

SECTION 4. Possession. Lessor shall give possession of the Leased Premises to Lessee upon the execution of this Lease Agreement. By taking possession of the Leased Premises, the Lessee will be deemed to have accepted the Leased Premises as suitable for the purposes for which the same are leased.

SECTION 5. Use. The Lessee hereby represents that the Leased Premises will be used by the Lessee as an annex to the Mangum Regional Medical Center for outpatient services, administrative offices, and such other uses appropriate to the operation of a hospital. Further, the Lessee may not use the premises for any other purpose without the express written consent of the Lessor. The Lessee will maintain the Leased Premises in a clean and healthful condition and comply with all requirements of any governmental authority having jurisdiction of the Leased Premises. Upon the termination of this Lease Agreement, the Lessee will deliver up the Leased Premises to the Lessor in the condition which existed on the date of possession, ordinary wear and tear, permitted alterations and additions and insured casualty loss excepted.

SECTION 6. Utilities. The Lessee shall be and remain throughout the Lease Term liable for the payment of all electrical, natural gas, telephone, internet, cable, satellite and any other municipal

utility charges incurred or used in connection with the Leased Premises, and shall place said utilities and services in Lessee's name.

SECTION 7. Lessee's Insurance and Taxes. During the Lease Term of this Lease, or any extension thereof:

(a) Lessee agrees to purchase or pay the premium for commercial general liability insurance covering the Leased Premises in amounts deemed sufficient to Lessor.

(b) Lessee shall maintain insurance for all contents to be contained in or about the Leased Premises in sufficient amounts, and Lessor shall in no manner be liable for damage to such contents, whether owned by Lessee or otherwise.

(c) Lessee shall pay all taxes levied and assessed against personal property used in its business and located on the Leased Premises.

(d) Lessee shall pay in full and discharge all real property ad valorem, special assessment and any other taxes, if any, levied or assessed against the Leased Premises or any part thereof.

SECTION 8. Lessor's Insurance. During the Lease Term of this Lease, or any extension thereof:

(a) Lessor agrees that it will keep in force fire and extended coverage insurance in sufficient amounts, protecting the buildings and structures located on the Leased Premises against damage by fire, wind, storm or other casualty, the premium for which shall be reimbursed by the Lessee to the Lessor.

SECTION 9. Alterations. The Lessee may make minor alterations to the Leased Premises without the prior written consent of the Lessor if such alterations are to further a hospital-related purpose, including the placement of signs on the building, decorations, additions, or other improvements. Any major construction alterations, including, but not limited to, alterations of the current floor plan, the removal of any permanent wall, the installation of anything inside any wall, including electrically or plumbing, or any other alteration that will permanently alter the current floor plan and use of the building, must be pre-authorized by the City in writing. All alterations to the Leased Premises will be performed at the Lessee's expense. Fixtures

installed by the Lessee during the term of this Lease Agreement shall become the property of the Lessor and may not be removed at any time, except upon written consent of the Lessor. All alterations must be built in accordance with all relevant building codes, regulations, or guidelines and does not otherwise interrupt or interfere with services currently provided at the Mangum Regional Medical Center.

SECTION 10. Lessee's Maintenance and Repairs. Lessee shall, at its sole cost and expense, keep the Leased Premises in good, clean and habitable condition. It is understood and agreed that Lessee's responsibilities shall include routine maintenance and repairs pertaining to the Leased Premises, including the repair and/or replacement of all lighting, heating, air conditioning, plumbing and other electrical and mechanical equipment; replacement of cracked or broken windows and glass, and all damage caused by any break-ins or attempted break-ins to the Leased Premises. The Lessee shall further keep and maintain the exterior of the Leased Premises and the parking lot and landscaping in good condition and repair.

SECTION 11. Indemnity. To the extent not caused by the willful conduct or gross negligence of the Lessor, the Lessor will not be liable to the Lessee or the Lessee's agents, employees, invitees or to any person claiming through the Lessee for any injury to person, loss or damage to property or the Lessee's business, occasioned by the acts or omissions of the Lessor, its agents, employees or contractors, or by any other cause whatsoever, including personal injuries to any employees or agents of the Lessee or of any person employed by an independent contractor retained by the Lessee. Further, the Lessor will not be liable for and the Lessee agrees to indemnify and hold the Lessor harmless from all costs incurred in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence on the Leased Premises or the occupancy by the Lessee of the Leased Premises or any part thereof, or occasioned wholly or in part by any action or omission of the Lessee, its agents, employees or invitees. If the Lessor is, without fault on the Lessor's part, made a party to any action commenced by or against the Lessee, the Lessee agrees to protect and hold the Lessor harmless therefrom and to pay all loss, expenses and the reasonable attorney's fees of the Lessor incurred in connection therewith.

SECTION 12. Default. If any default is made in the performance of or compliance with any term or condition hereof, this Lease, at the option of Lessor, shall terminate and be forfeited, and Lessor may re-enter and take possession of the Leased Premises.

SECTION 13. Notices. Each notice, demand, request and other communication required or permitted hereunder shall be in writing and shall be deemed to be delivered if delivered by either Party to the other and shall be effective: (i) ten days after having been deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested; or (ii) upon delivery to recipient if delivered by personal service, Federal Express or other overnight delivery service. Such Notice shall be addressed to the party for whom intended, as follows:

If to Lessor: City of Mangum
 c/o Mayor
 201 N. Oklahoma Ave.
 Mangum, OK 73554

If to Lessee: Mangum City Hospital Authority
 c/o Chairman of Trustees
 201 N. Oklahoma Ave.
 Mangum, OK 73554

Either party hereto may from time to time by notice to the other party designate a different address which shall be substituted for the one above specified.

SECTION 14. Cumulative Rights. The rights granted to the Lessor in this Lease Agreement are cumulative of every other right or remedy which the Lessor might otherwise have at law or in equity and the exercise of one or more rights or remedies will not prejudice the concurrent or subsequent exercise of other rights or remedies.

SECTION 15. Entire Agreement. The parties agrees that there are no representations, understandings, stipulations, agreements or promises pertaining to this Lease Agreement or the Leased Premises which are not incorporated herein. This Lease Agreement shall not be altered, waived, amended or extended, except by a written agreement signed by the Lessor and the Lessee.

SECTION 16. Severability. If any clause or provision of this Lease Agreement is illegal, invalid or unenforceable under any present or future law, the remainder of this Lease Agreement will not be affected thereby. It is the intention of the parties that is any provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible and be legal, valid and enforceable.

SECTION 17. Binding Effect. The provisions of this Lease Agreement will be binding on and inure to the benefit of the Lessor and the Lessee and their respective successors and permitted assigns.

SECTION 18. Governing Law. This Lease Agreement will be construed and enforced according to the laws of the State of Oklahoma. All claims, disputes and other matters in question arising out of or relating to this Lease Agreement, or the breach thereof, will be decided by proceedings instituted and litigated in the District Court of Greer County, State of Oklahoma.

Section 19. Relationship of the Parties. The Lessor and the Lessee are entering into this agreement solely to ensure continued hospital-related services in the City of Mangum. Both parties agree and acknowledge that they are not partners or joint venturers and will, for all purposes be considered independent contractors in the fulfillment of their contractual responsibilities stated in this agreement. In this respect, neither party may bind the other or otherwise incur an obligation on behalf of the other.

Section 20. No Third Party Beneficiaries. There are no intended third party beneficiaries under this Agreement, and no third party has any rights or make any claim, it being intended that solely the parties to this agreement has any right to make any claim or enforce any terms stated in this agreement.

IN WITNESS WHEREOF, this Lease Agreement has been executed and delivered by the parties hereto, as of the date first above written.

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LESSOR:

CITY OF MANGUM, OKLAHOMA

By: 
Mayor

LESSEE:

MANGUM CITY HOSPITAL AUTHORITY dba
Mangum Regional Medical Center

By: _____
Chairman

EXHIBIT "A"

DESCRIPTION OF LEASED PREMISES

The Leased Premises shall consist of the following real property situated in Greer County, Oklahoma, more fully described as follows:

The property and building commonly known as the David L. Caley Memorial Medical Annex

Street Address: 2 Wickersham Drive, Mangum, Oklahoma