

## Mold/Water Intrusion: Lessee Files Garland County, Arkansas, Circuit Court Complaint Alleging Breach of Contract



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Hot Springs Health Providers, LLC (“Health Providers”) filed an October 18th Complaint in the Circuit Court of Garland County, Arkansas, against Shiloh Place Manor, LLC (“Shiloh Place”). See 26CV-221-1107.

The Complaint alleges certain breaches of a lease agreement involving:

- Dangerous levels of mold
- Various water leaks
- Rat infestation
- HVAC does not operate effectively
- Elevator malfunctions

Health Providers is alleged to have entered into a lease agreement with Shiloh Place’s predecessor in interest, Summit Properties, LLC, in 2015 for possession for approximately 13,000 rentable square feet of office space in Hot Springs, Arkansas. Summit Properties, LLC, is stated to have assigned its interest in the lease agreement to Shiloh Place in 2017.

The Complaint alleges that Shiloh Place has defaulted on several material obligations contained within the lease agreement. Cited in the Complaint is Section 3.9 of the Amendment to the Lease which contains a “Covenant of Quiet Enjoyment” which is stated to include the following verbiage:

Interior common areas will be temperature controlled in a matter (sic) 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.

Health Providers is stated to have informed Shiloh Place that the temperature regularly exceeded 80 degree Fahrenheit during business hours. Shiloh Place is alleged to have failed and refused to adequately address the previously referenced problems at the property. Further, subtenants are stated to have vacated the property because of Shiloh Place’s alleged failure to provide regular, commercially reasonable, general maintenance and HVAC service.

Such alleged conditions are stated to have disrupted Health Providers’ business and constitute constructive eviction.

The Complaint alleges a breach of contract and asks for damages in an amount not less than \$500,000 (pursuant to a “special damages” clause), plus costs and attorneys fees.

A copy of the Complaint can be downloaded [here](#).