

Introduced by: CEO, 11/24/04
Committee: Finance
Action: Forward to Board with recommendation for approval
Action by Board: Approved 12/9/04
Vote: 9 Yes, 0 No, 1 Absent



Central Peninsula General Hospital, Inc.
250 Hospital Place, Soldotna, AK 99669
(907) 714-4404

RESOLUTION 2004-111
A RESOLUTION AUTHORIZING LEASE WITH SOL-KEN ENTERPRISES
FOR BASEMENT SPACE AT THE MUNDELL BUILDING

WHEREAS, Phase II construction of the Hospital Expansion Project will force the occupants of the Physical Medicine, Oncology, and Administrative departments to relocate their operations in order to allow the contractor to perform work in the existing north wing of the hospital; and,

WHEREAS, leasing off site space is necessary to accommodate the loss of the Borealis conference room, provide space for the Chief Financial Officer, Risk Manager and Quality Manager, and will afford Health Information Management the space required for the electronic scanning of medical records; and,

WHEREAS, CPGH currently leases a storage unit to house records; leasing this basement space will provide ample room for records storage and that storage unit, in the amount of \$1,107 per month, will no longer be required; and,

WHEREAS, CPGH desires to enter into a lease agreement with SOL-KEN Enterprises for 4,025 sq. ft. of basement space located at 245 Binkley Street, also known as the Mundell Building; and,

WHEREAS, lease of this basement space will meet our office space needs; and,

WHEREAS, in accordance with corporate policy CP-101, Contract Authority and Review, ¶15, Review and Approval, CPGH has received approval from legal counsel and the compliance officer as to the content of the lease agreement between SOL-KEN Enterprises and CPGH, Inc.; and,

WHEREAS, in accordance with corporate Policy CP-101, Contract Authority and Review, ¶14, Board Authority, (b)(iii), Board approval is required to enter into lease and/or rental agreements for land, buildings or office space; and,

WHEREAS, in accordance with the Lease and Operating Agreement with the Kenai Peninsula Borough, Section 13, Finances, ¶(e) Debt Service, review by the Service Area Board and approval by the Borough Assembly, or its designee, will be obtained prior to entering into this lease agreement;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CENTRAL PENINSULA GENERAL HOSPITAL, INC., A NOT-FOR-PROFIT ALASKA CORPORATION, THAT:

SECTION 1. The CPGH, Inc. Board of Directors authorizes the Chief Executive Officer to execute the lease with SOL-KEN Enterprises for 4,025 sq. ft. of basement space in the Mundell Building, located at 245 Binkley Street, on behalf of CPGH, Inc., upon review by the Service Area Board and approval by the Borough Assembly.

SECTION 2. Cost per month is \$3,018.

SECTION 3. The term of the lease is for three (3) years, commencing December 1, 2004 and ending on November 30, 2007.

SECTION 4. This resolution takes effect immediately upon its adoption.

I certify that the above resolution was approved by vote of the Board of Directors of Central Peninsula General Hospital, Inc. at the 12/09/04 Board meeting.

DATED: 12/09/04

Thomas R. Boedeker, Secretary/Treasurer
CPGH, Inc. Board of Directors

LEASE OF BASEMENT SPACE

THIS LEASE OF BASEMENT SPACE is made on the dates set forth below by and between EARL MUNDELL and ALICE MUNDELL d/b/a SOL-KEN ENTERPRISES, whose address is 35277 Kenai Spur Hwy, Soldotna, Alaska, 99669, hereinafter referred to as "Lessor", and CENTRAL PENINSULA GENERAL HOSPITAL, INC., a not-for-profit Alaska corporation, whose address is 250 Hospital Place, Soldotna, Alaska, 99669, hereinafter referred to as "Lessee".

In consideration of acts performed and to be performed, mutual promises made and exchanged, monies paid and to be paid, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. Leased Premises. Lessor hereby lets and leases to Lessee, and Lessee leases from Lessor, basement space located at 245 Binkley Street, Soldotna, Alaska, 99669, situated in the Kenai Recording District, Third Judicial District, State of Alaska. Lessee shall be entitled to occupancy as of December 1, 2004.

2. Term. The premises are subleased for a term of three (3) year, commencing December 1, 2004 and ending at midnight on November 30, 2007.

3. Rent. As rent for the Leased Premises, Lessee agrees to pay Lessor the sum per month calculated at seventy-five cents (\$0.75) per square foot, not including heat, electric, and utilities. Total monthly rent = 4,025 square feet X \$0.75 = \$3,018.00 per month.

First month's applicable rent for the month of December 2004 shall be paid upon execution of this Lease, if not previously paid. Thereafter, all monthly rental payments shall be due and payable in advance on the first day of each month. Lessee shall ensure that rental payments shall be received by Lessor at Lessor's address no later than the tenth (10th) day of each month.

Time is of the essence with regard to the payment of rents and any other performance by Lessee. Any failure by Lessee to make a timely rental payment shall constitute a material default under this Lease. If Lessee does not pay rent to Lessor by the eleventh (11th) day of any month, then Lessor may terminate this Lease with 30 days' written notice to Lessee, and if Lessee does not cure the default in rent within the 30 days' notice period, then this lease shall terminate. In addition, Lessor shall have the right to pursue all the rights and remedies available to Lessor at law or in equity.

4. Use. The premises shall be used exclusively for Lessee's business purpose of providing health care services. Lessee shall not use said premises or any part thereof for any illegal purpose. Lessee agrees to conform to municipal and state statutes or codes, ordinances, and regulations concerning the use and occupation of said premises.

5. Utilities. Lessee agrees to be responsible for and to pay for the cost of heat (prorated and charged quarterly), electric, telephone utility services and janitorial services commencing December 1, 2004. Lessor remains responsible for and liable to pay for all such costs prior to that date. Lessor shall be responsible for all lot maintenance, including snow removal and ice sanding, at Lessor's expense.

6. Lessee's Other Obligations and Maintenance of Premises. Lessee shall keep said premises in a clean and sanitary condition; shall promptly dispose of rubbish, garbage and waste; shall properly use and operate all electrical, gas, heating, and plumbing facilities, fixtures and appliances; shall not intentionally or negligently destroy, deface, damage, or remove any part of the premises, their appurtenances, facilities, equipment, furnishings, and appliances, nor permit anyone else to do so.

Lessee is not responsible or liable to maintain the structural condition of the Premises, including roof, walls, and foundation, and is not responsible or liable for major repairs to the electrical, plumbing and heating systems.

Lessee agrees to keep the walks surrounding said premises free and clear of all man-made obstructions. However, Lessee is not responsible to provide snow and ice removal.

7. Insurance. Lessee agrees to obtain, carry and maintain premises liability insurance covering claims against Lessee by persons on the premises, and fire and casualty insurance for Lessee's business personal property and contents, with coverage at a minimum in the amounts required by law. Lessee agrees to provide proof of such insurance at the request of Lessor. Lessee is not responsible to provide insurance coverage for claims against Lessor, or for loss or destruction of the building due to fire or other casualty.

8. Taxes. Lessee is responsible only for payment of taxes, if any, on Lessee's business operations. Lessee is not responsible for payment of real property taxes on the premises, or for any other tax related to either Lessor's businesses or property.

9. Access. Lessor, Lessee or their respective agents shall have reasonable access to said premises at all reasonable hours for the purpose of making inspection, repairs, alterations or improvements; to supply services; or to exhibit or display the premises to prospective purchasers, mortgagors, tenants, workmen or contractors.

10. Default. If the Lessee is in default in the payment of rent or any part thereof for more than ten (10) days after it is due, or if there shall be default in the performance of any other covenant, agreement, condition, rule, or regulation herein contained or thereafter established on the part of the Lessee for more than ten (10) days after written notice of such default by the Lessee, this Lease (if Lessee so elects) shall

thereon be terminated, and the Lessee shall have the right to re-enter or possess and remove therefrom the Lessee or other occupants thereof, and their effects, without being liable to any prosecution therefore; or, if such cannot be done peaceably, Lessee shall be entitled to possession upon entry of an order for eviction by the court. Lessee will be liable for all costs incurred by including actual attorney's fees.

11. Surrender of Premises. At the expiration of said term of this lease, Lessee will quit and surrender the premises to Lessor in as good condition as at the commencement of the lease, except for ordinary, reasonable wear and tear.

12. Miscellaneous Provisions.

A. Entire Agreement.

This lease constitutes the whole agreement between the parties. No warranties, agreements or representatives have been made or shall be binding upon either party unless set forth in this lease.

No oral statements or prior written material not specifically incorporated herein shall be recognized unless incorporated herein by amendment(s) or other addenda, such amendment(s) or addenda to become effective on the date stipulated in such amendment(s) or addenda. Both parties specifically acknowledge that in entering into and executing this lease, they rely solely upon the representations and agreements contained in those documents and no others.

B. Assignment and Delegation. Neither this lease, nor any interest, rights or duties herein, may be assigned, transferred, delegated or conveyed by either party, either voluntarily, or involuntarily, by operation of law, or otherwise, without the written consent of the other party during the term of this lease.

C. Binding Effect. This lease shall be binding upon and inure to the benefit of the respective successors, heirs, assigns, or personal representatives of the parties hereto, but nothing contained in this paragraph shall be construed as a consent by either party to any specific assignment, delegation, sale, transfer or conveyance.

D. Applicable Law. This lease is made under and shall be interpreted and construed in accordance with the laws of the State of Alaska.

E. Waiver of breach. The waiver by either party of a breach or violation of any provision of this lease shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

F. Severability. In the event any provision of this lease is held to be unenforceable for any reason, such lack of enforceability shall not affect the remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms or as otherwise may be provided by law or equity.

G. Headings. The headings contained in this lease are for reference purposes only and shall not affect in any way the meaning or interpretation of this lease.

H. Amendments. This lease may be amended by mutual agreement of both parties in writing.

I. Agreement Not to be Construed Against Drafter. Both parties to this lease have had a full opportunity to obtain legal advice concerning this lease or have declined to obtain such advice. The fact that this lease may be drafted by an attorney for one of the parties or by one of the parties is a matter of convenience to all parties. Accordingly, the parties agree that the rule of construction that an instrument or document is to be construed and interpreted most strictly against the drafter of the instrument or document shall not apply in the construction or interpretation of this lease.

J. Duplicate Originals. This lease may be executed in two (2) counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

13. Notices. All notices required under the terms of this Lease or by law shall be in writing, shall contain a clear and concise statement setting forth the reasons therefore, and shall be sent by certified mail, return receipt requested, to the appropriate party, or shall be delivered personally, at the following addresses:

To Lessor:

Earl C. Mundell
SOL-KEN ENTERPRISES
35277 Kenai Spur Highway
Soldotna, AK 99669

To Lessee:

CPGH President/C.E.O.
Central Peninsula General Hospital, Inc.
250 Hospital Place
Soldotna, AK 99669

In the event that a properly sent notice is returned undelivered, the notice shall nonetheless be effective.

IN WITNESS WHEREOF, we have hereunto set our hands on the dates set forth below.

DATED at Soldotna, Alaska, this _____ day of _____, 2004.

CENTRAL PENINSULA GENERAL HOSPITAL, INC,
LESSEE,

By: DAVID D. GILBREATH, CPGH President/C.E.O.

STATE OF ALASKA)

THIRD JUDICIAL DISTRICT) ss.
)

The foregoing instrument was acknowledged before me this _____ day of _____ 2004, by DAVID D. GILBREATH, CPGH President/C.E.O. of CENTRAL PENINSULA GENERAL HOSPITAL, INC., an Alaska corporation, on behalf of the corporation.

Notary Public in and for State of Alaska
My Commission Expires: _____

DATED at Soldotna, Alaska, this _____ day of _____, 2004.

SOL-KEN ENTERPRISES,
LESSOR,

By: EARL C. MUNDELL, Partner

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2004, by EARL C. MUNDELL, partner, on behalf of SOL-KEN ENTERPRISES, a partnership.

Notary Public in and for State of Alaska
My Commission Expires: _____