



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
February 25, 2021

Department Administration

Director Approval *Kelly Passauer*

AGENDA ITEM Consider authorizing the Mayor to sign a lease agreement with Regional Medical Laboratory, Inc. for space in Temporary City Hall (Building D).

SUMMARY RECOMMENDATION Approve the lease agreement with RML with the following modifications:

- On Section 8g, the City does not provide daily janitorial services. Currently, RML has someone else do their janitorial.
- Section 23 states “Oklahoma law,” where it should state “Kansas law.”

BACKGROUND St. John’s lease terminated at the end of last year and RML would like to continue to lease a portion of the building for their operations. City Attorney Jeff Chubb has reviewed the lease agreement.

BUDGET IMPACT There is no anticipated budget impact.

SUGGESTED MOTION I move to authorize the Mayor to sign a lease agreement with Regional Medical Laboratory, Inc. for space in Temporary City Hall (Building D).

SUPPORTING DOCUMENTS Proposed Lease Agreement

LEASE AGREEMENT

This **LEASE AGREEMENT** ("Agreement") is entered effective January 1, 2021 ("Effective Date"), by and between **CITY OF INDEPENDENCE** ("Lessor") and **REGIONAL MEDICAL LABORATORY, INC.** ("Lessee").

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, 2,582.21 square feet of space in the Lessors' facility located at 811 West Laurel, Independence, Kansas 67301 (the "Building"); and

NOW, THEREFORE, for and in consideration of the mutual covenants and the agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Lessor and Lessee AGREE as follows:

1. **Leased Premises.** Lessor shall lease to Lessee, for Lessee's exclusive use, approximately 2,582.21 net rentable square feet in the Building ("Leased Premises"). Lessee shall share the use of all parking areas associated with the Building with Lessor's tenants in the buildings owned by Lessor which are adjacent to the Building.

2. **Base Rental.** Lessee agrees to pay "Base Rental" to Lessor on a monthly basis for use of the Leased Premises in the sum of \$2,151.85 per month; provided, however, Base Rental for a partial month of utilization by Lessee shall be prorated on a per diem basis. The Base Rental shall be subject to an annual increase, provided that the increase shall be no more than two (2) percent.

3. **Payment Due Date.** Beginning on the Commencement Date (defined in Section 4), Lessee shall pay the Base Rental (prorated for any partial month) to Lessor by the 5th calendar day of each month during the Term. The Base Rental shall be payable to the Lessor at the address set forth in Section 18.

4. **Term.** The term of this Agreement shall commence on January 1, 2021 ("Commencement Date"), and shall continue thereafter for a period of one (1) year ("Term"), unless earlier terminated pursuant to this Agreement. This Agreement shall automatically renew for successive one (1) year terms unless either party, no less than 90 days prior to expiration of the then current term, notifies the other party in writing of its intent to terminate this Agreement.

5. **Permitted Use.** Lessee shall only use the Leased Premises for the furnishing of healthcare services, and incidental purposes, in conformity with all applicable laws and the terms of this Agreement.

6. **Delivery of Leased Premises and Parking.** Lessor shall deliver the Leased Premises to Lessee on the Commencement Date in its then current condition. Lessee accepts the Leased Premises in its existing condition. Lessor shall be guaranteed three (3) reserved parking spaces.

7. **Furniture and Equipment.** Lessee shall be solely responsible for personal property, medical supplies, instruments or medications placed in or used on the Premises by Lessee. Lessee shall

not install any equipment which may necessitate any changes, replacements or additions to the water, plumbing, heating, air conditioning or electrical systems servicing the Leased Premises without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned, or delayed.

8. Maintenance. Lessee shall perform ordinary and routine maintenance in the Leased Premises and keep the Leased Premises in a clean and orderly condition, provided that Lessee shall not be required to spend more than two-hundred dollars (\$200) per month on maintenance and shall have no duty to repair the Leased Premises unless caused by the negligence or intentional misconduct of Lessee. Lessor shall furnish to the Leased Premises the following services as required for the comfortable use and occupancy of the Leased Premises (excluding all generally recognized holidays):

- a. Water as required for normal and customary medical office use;
- b. Central heat and air conditioning;
- c. Electrical power as required for normal and customary medical office use;
- d. Lamps, bulbs, tubes and ballasts for building standard lighting fixtures used on the Leased Premises;
- e. Sanitary sewer services;
- f. Non-infectious waste disposal;
- g. Daily janitorial and trash removal services; and
- h. All repairs to, maintenance of, and replacement of (as needed) the Leased Premises and all HVAC, mechanical, electrical and plumbing systems on the Leased Premises.

9. Right of Access. Upon reasonable notice to Lessee, Lessor and its agents shall have access to the Leased Premises for the purpose of examining the same to ascertain whether it is in good repair and to make reasonable repairs as required hereunder.

10. Operating Rules and Regulations. Lessee agrees to comply with all local, state, and federal governmental laws, regulations and requirements, as well as any rules or procedures developed by Lessor and Lessee relating to the operation and/or use of the Leased Premises.

11. Quiet Enjoyment. So long as Lessee is not in default under this Agreement, Lessee shall be entitled to peaceful, quiet and exclusive enjoyment of the Premises.

12. Termination. If either party defaults in the performance of its obligations under this Agreement, and the default is not cured within 30 days after receiving written notice of default from the non-defaulting party, then the non-defaulting party shall have the right to immediately terminate this Agreement by providing the defaulting party with written notice of termination. In the event of damage to the Leased Premises by reason of fire, flood, tornado or other natural disaster or casualty, either party may terminate this Agreement concurrent with such loss upon written notice to the other party. Lessee shall be allowed to terminate this Agreement at any time, without cause, upon ninety (90) days' written notice to Lessor.

13. Surrender of Leased Premises. At the termination of this Agreement, Lessee shall relinquish the Leased Premises to Lessor.

14. **Insurance.** At its expense, Lessor shall maintain fire and extended coverage on the Building. Such insurance may not cover the Lessee's contents in the Building.

Lessee shall be fully responsible for maintaining any insurance coverage on its personal property in the Leased Premises.

Lessor and Lessee shall each maintain public liability insurance covering bodily injury and property damage legal liability with respect to the Leased Premises. Each policy shall name both the Lessor and the Lessee as additional insureds.

15. **Professional Services.** Lessor shall have no control, supervision or responsibility over the professional healthcare services rendered by Lessee during the Term. All decisions related to these services shall be made solely by Lessee.

16. **Legislative, Regulatory or Administrative Change.** In the event of a change in: (i) federal or state statutes, regulations, guidance, or instructions; (ii) the interpretation of any of the foregoing, whether by case law or otherwise; or (iii) the adoption of new federal or state legislation, any of which are reasonably likely to make this Agreement unlawful, the parties shall immediately enter into good faith negotiations regarding a new arrangement that complies with the new or changed regulation or policy and that approximates as closely as possible the economic position of the parties under this Agreement prior to the change. If good faith negotiations cannot resolve the matter, then this Agreement and the relationship between the parties established by this Agreement shall be terminated in an orderly and expedient manner.

17. **Indemnification.** Each party ("**Indemnifying Party**") agrees to defend, indemnify and hold harmless the other, its agents, servants and employees ("**Indemnified Party**") from any liabilities, claims, demand, damages, losses, expenses, costs or legal proceedings (including reasonable attorneys' fees incurred in connection with the defense of any such matter) arising from or resulting in any injury or damage to persons (including death) or property which may be made or brought against the Indemnified Party by any third party, not claiming by, through or under the Indemnified Party sustained or claimed to have been sustained as the result of the negligent or willful act or acts or omission or omissions to act or fraud of the Indemnifying Party, its agents, employees, servants, or contractors. The Indemnified Party, at its option, shall have the right to participate in the investigation or defense of any such claim or demand without relieving the Indemnifying Party of its obligations hereunder.

18. **Notices.** All notices, consents, requests, instructions, approvals and other communications provided for herein, and all legal process in regard hereto, shall be validly given, made or served, if in writing and delivered or personally sent by United States certified or registered mail, postage prepaid, return receipt requested, by reputable overnight courier service or personal delivery, or sent via facsimile to:

If to Lessor:

Office of City Clerk, Independence, Kansas
City Hall
811 W Laurel
Independence, KS 67301

If to Lessee:

St. John Medical Center
1923 S Utica Avenue
Attn: Real Estate Portfolio Manager
Tulsa, OK 74104

or to the other addresses as any party hereto may, from time to time, designate in writing delivered in like manner.

19. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. All prior correspondence, memoranda, agreements or understandings (written or oral) with respect hereto are merged into and superseded by this Agreement.

20. **Amendment.** No amendment to this Agreement shall be binding unless in writing, dated subsequent to the date hereof and executed by the parties.

21. **Counterparts.** This Agreements may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall be deemed one agreement binding on the parties.

22. **Assignment; Successors.** Neither party shall assign this Agreement or any interest herein without the prior written consent of the other party, provided however, that this Agreement may be assigned to an affiliate of Lessee without the consent of Lessor. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns in accordance with the terms of this Agreement.

23. **Dispute Resolutions; Governing Law.** Lessor and Lessee agree that Oklahoma law shall govern the resolution of any dispute under this Agreement. Lessor and Lessee stipulate and agree that venue for resolution of any dispute between them under this Agreement shall be in Montgomery County, Kansas. The prevailing party in any legal action to enforce this Agreement shall be entitled to recover from the non-prevailing parties to the legal action all of its reasonable attorney's fees and expenses so incurred.

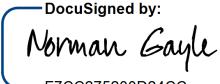
[SIGNATURE PAGE FOLLOWS]

AGREED TO as of the Effective Date.

CITY OF INDEPENDENCE

By: _____
Louis Ysusi, Mayor

REGIONAL MEDICAL LABORATORY, INC.

By: 
F7CC275200D24CC...
Norman Gayle, Vice President and COO