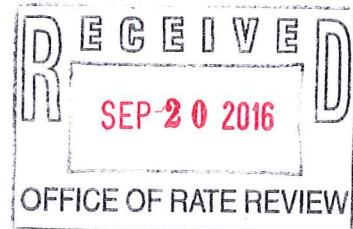


Kenai Peninsula Imaging Center, LLC  
100 Trading Bay Rd STE 7  
Kenai, AK 99611  
kraemaeker@kenairadiology.com  
(907) 953-0428

September 16, 2016



VIA CERTIFIED MAIL

Ms. Alexandria Hicks  
Coordinator, Certificate of Need Program  
Department of Health and Social Services  
Division of Health Care Services  
3601 C Street, Suite 978  
Anchorage, Alaska 99503-5924

Reference: Request for Determination of Certificate of Need

Dear Ms. Hicks,

Kenai Peninsula Imaging Center, LLC (KPIC) hereby requests a determination on whether a Certificate of Need (CON) is required for the establishment of the Independent Diagnostic Testing Facility (IDTF) described herein<sup>1</sup>. This request is made pursuant to 7 AAC 07.030.

KPIC proposes an IDTF to operate as a multi-modality imaging center in Kenai, Alaska. The facility will be located at 100 Trading Bay Rd Suite 7, Kenai, Alaska 99611 in the new Kenai Medical District. KPIC will offer Computed Tomography (CT), Magnetic Resonance Imaging (MRI), digital X-ray, and ultrasound services. Pursuant to AS 18.07.031, the statutory expenditure CON threshold for this project is \$1,500,000. The qualified expenditures pursuant to 7 AAC 07.010 applicable to this proposed project are less than the expenditure threshold and therefore we believe that no CON is required.

The scope of the project includes purchase of CT and MRI, leasing of the digital X-ray and ultrasound equipment, entering into a two-year lease for the facility space, leasehold improvements, and the purchase of miscellaneous office equipment to facilitate the project. The breakdown of the qualified expenditures associated with this project are detailed in the bullet points below.

---

<sup>1</sup> There is a question of whether the described project constitutes an IDTF within the meaning of 7 AAC 07.001 and 7 AAC 07.900 (23). However, for the purpose of this request, KPIC asks that the Department assume that the project constitutes an IDTF but does so without waiver.

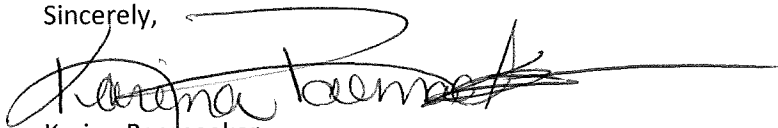
<u>Item</u>	<u>COST</u>
• MRI-Phillips 1.5 Tesla Achieva	\$405,000.00 <sup>2</sup>
• CT-Siemens Perspective 64 Slice	\$420,000.00
• Digital X-Ray (manufacture 1/15)-Siemens Multix	\$30,124.29 <sup>3</sup>
• Ultrasound (manufacture 11/14)-Siemens Acuson x600	\$18,804.20
• C-Arm-1998 Ziehm Quantum Refurbished	\$6,999.00
• Building Lease <sup>4</sup> -Lease cost for 2,414 SQ FT	\$106,602.24
• Building Renovations	\$28,530.00
• Miscellaneous Purchases- Front office furniture, waiting room furniture, dressing room, server and phones, ISTAT, etc. (see Exhibit 8)	\$17,880.00
• Plans and Consulting Costs (estimated)	<u>\$15,000.00</u>
<b>Total Expenditure</b>	<b>\$1,048,939.73</b>

With regard to each expenditure above we enclose the following supporting documentation:

Exhibit 1 MRI and CT Purchase Agreement  
Exhibit 2 Digital X-ray Lease  
Exhibit 3 Ultrasound Lease  
Exhibit 4 C-Arm Invoice  
Exhibit 5 Proposed Two-year Space Lease  
Exhibit 6 Commercial Real Estate Opinion Re Space Lease  
Exhibit 7 Building Renovations Bid  
Exhibit 8 Miscellaneous Office Equipment Invoice

Once the determination is made, we estimate that KPIC will be operational within 90 – 120 days and will provide services to the entire Kenai Peninsula. We look forward to receiving your response. Please contact me with questions or requests for further information.

Sincerely,

  
Karina Raemaeker  
Administrator, Kenai Peninsula Imaging Center, LLC

Encl: Exhibits 1-8

<sup>2</sup> MRI and CT costs are purchase prices including all ancillary costs to achieve operation such as shipping, rigging, and installation.

<sup>3</sup> Digital X-ray and ultrasound are lease purchases. KPIC employed the NPV of the leases in accordance with 7 AAC 07.010(8)(A) with a 5-year useful life of the x-ray and 5-year useful life of the ultrasound, less current age of the equipment. The project remains substantially below the CON threshold even if the aggregate lease payments of \$120,497.16 for the digital x-ray and \$56,412.60 for the ultrasound are used.

<sup>4</sup> 7 AAC 07.010(8)(A) prescribes the methodology to determine the Net Present Value (NPV) of the space lease. Based upon a review of the recent CON determination requests, the Department determines the space lease expenditure by requiring a commercially reasonable lease rate, a minimum of a two-year lease term, and calculation of the aggregate lease payments. Here KPIC has followed the Department's application methodology and has made no assessment of the remaining useful life of the building, but does so without waiver of 7 AAC 07.010(8)(A). This may result in a higher cost calculation. However, even with this higher-cost methodology the proposed project is well below the CON threshold.

**EQUIPMENT PURCHASE AGREEMENT**  
**between**  
**IMAGING SOLUTIONS, INC., "Seller" AND**  
**KENAI PENINSULA IMAGING CENTER, LLC, "Buyer"**

Description of Equipment

Philips Achieva 1.5T MRI Complete System along with the following:

Dedicated Shoulder Coil, Dedicated Knee Coil, Spine Coil, Head Coil, Neurovascular (head/neck) Coil, Synergy Body (abdomen) Coil, Flex M Coil, Circular C1 and C3 Coils, Position Sponges and Straps, Mobile Track Positioner, Cryogen Cooler, Chiller, Shielding, and Rigging

2015 Siemens Perspective 64 Slice CT Complete System along with a MedRad Power Injector

Purchase Price

\$405,000.00 for MRI; purchase price includes shipping and installation

\$420,000.00 for CT; purchase price includes shipping and installation

Buyer is responsible for all transfer taxes of every description that arise as a result of this sale (whether as sales tax or use tax) and Buyer indemnifies and holds Seller harmless for any and all such taxes, fees, levies, duties, withholding or other transfer tax charges of any nature whatsoever arising from the transaction between the Seller and Buyer under this Agreement. Seller shall be responsible for any and all taxes and fees incurred by Seller, including any taxes and fees arising prior to the Closing. Seller indemnifies and holds Buyer harmless for any and all such taxes, fees, levies, duties, withholding, or other charges of any nature whatsoever which are the responsibility of Seller.

Closing

The transfer of the ownership of the Equipment by Seller to Buyer (the "Closing") shall occur upon payment received in full via (i) electronic transmission or physical delivery of executed documents and (ii) physical delivery or wire transfer of funds on or prior to ownership transfer.

Terms and Conditions

Upon execution of this Agreement, Buyer agrees to secure the Equipment effective upon Equipment ownership transfer. At that time, Seller is released from all liability. Buyer is responsible for all costs in connection with Equipment. This Equipment is sold on an **"AS IS WHERE IS"** basis and no warranty is given or implied by Seller.

Disclaimer of Warranties

SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, STATUTORY, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE. BUYER AGREES TO LOOK TO MANUFACTURER OF THE GOODS FOR ANY AND ALL WARRANTIES.

Title / Risk of Loss

Title shall pass to Buyer upon payment to Seller of total purchase price. Risk of Loss shall pass to Buyer at the time Seller takes possession of Equipment.

Indemnity by Seller

Seller shall indemnify and hold harmless Buyer, its directors, officers, members, managers, employees, and agents from and against any and all liability for injuries, claims, losses, or damages, including, without limitation, reasonable attorneys' fees and costs, in any way arising from or related to Seller's leasehold interest, ownership, or use of the Equipment prior to the Closing Date of this Agreement.

Indemnity by Buyer

The parties acknowledge and agree that Seller has no control over Buyer's use, operation, or resale of the Equipment. Buyer therefore assumes any and all responsibilities and risks associated with the Equipment's use, operation, and resale from and after the Closing Date. In addition to any other provision of indemnification on the part of Buyer to indemnify Seller set forth in this Agreement, Buyer shall indemnify and hold harmless Seller, its directors, officers, employees, and agents from and against any and all liability for injury, claims, losses, or damages, including, without limitation, reasonable attorneys' fees and costs, in any way arising from or related to Buyer's ownership, use, inability to use, operation, or resale of the Equipment from and after the Closing Date.

Software; Licensed Products

The purchase of software by Buyer in connection with this transaction may be subject to the terms and conditions of the license agreement accompanying the software. Prior to the legal use of any such software, Buyer shall be responsible to obtain or cause to be obtained a license to use such software from the manufacturer.

Confidentiality

Both parties shall keep confidential the existence of this Agreement and the transaction described herein.

Exhibits

Any exhibits or agreements referred to in this Agreement and attached hereto are hereby incorporated into this Agreement to the same extent as if they were set out in full. Exhibit A: Bill of Sale.

Governing Law

This Agreement shall be governed by, construed, and interpreted in accordance with the laws of the State of North Dakota.

This Agreement is binding upon Agreement execution by both parties.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective on the date first set forth above.

**SELLER:**

**IMAGING SOLUTIONS, INC.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**BUYER:**

**KENAI PENINSULA IMAGING CENTER, LLC**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit "A"**

**BILL OF SALE  
Between  
IMAGING SOLUTIONS, INC.  
and  
KENAI PENINSULA IMAGING CENTER, LLC**

This Bill of Sale is given pursuant to the Equipment Purchase Agreement, dated and effective upon full receipt of payment ("Agreement") between **IMAGING SOLUTIONS, INC.** ("Seller") and **KENAI PENINSULAR IMAGING CENTER, LLC** ("Buyer"). Buyer and Seller shall be governed by all of its terms and conditions, which are deemed incorporated herein by this reference. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller hereby sells, assigns, transfers title, and sets over unto Buyer all of Seller's right, title, and interest in and to the Equipment covered by the Agreement, free and clear of any claims, liens, or encumbrances of any kind.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed as of September 15, 2016.

**SELLER: IMAGING SOLUTIONS, INC.**

By: \_\_\_\_\_

**ACCEPTANCE OF EQUIPMENT**

Buyer hereby accepts all of Seller's right, title, and interest in and to the Equipment covered by the Agreement and acknowledges receipt and possession of the Equipment.

IN WITNESS WHEREOF, Buyer has caused this Acceptance of Equipment to be executed as of September 15, 2016.

**BUYER: KENAI PENINSULA IMAGING CENTER, LLC**

By: \_\_\_\_\_



September 1, 2016

Karina Raemaeker  
Kenai Peninsula Imaging Center, LLC  
100 Trading Bay rd Suite #7  
Kenai, Alaska 99611

Dear Karina,

MediCenter is please to submit this financing proposal to you. The terms and conditions are as follows:

<b>Lessor:</b>	R.Lynn Carlson, M.D., P.C. dba MediCenter
<b>Lessee:</b>	Kenai Peninsula Imaging Center, LLC
<b>Equipment Location:</b>	100 Trading Bay Rd, Kenai, Alaska 99611
<b>Equipment Description:</b>	Multix Select DR X-Ray System
<b>Equipment Purchase Price:</b>	\$101,850.00
<b>Monthly Payments:</b>	\$1,434.49
<b>Number of Payments:</b>	84
<b>End of Term Options:</b>	Lessee will have the option to purchase the equipment at the end of the Lease term for \$1.00

1. The Lessee will use the Equipment in a reasonable and proper manner and will comply with all Federal, State and County laws and regulations relating to the use and maintenance of the Equipment.
2. Lessee, at his or her own expense, will keep the Equipment in good repair, condition and working order and will provide all parts and devices that are required to maintain the Equipment in good mechanical working order.
3. Lessee must provide evidence of physical damage and liability insurance in an amount and from an insurance carrier satisfactory to Lessor. Lesson and its assigns must be named on the policies as loss payee and additional insured as applicable, and a certificate of insurance, in form and substance acceptable to lessor, must be provided to lessor.
4. Lessee does not hold Lessor liable against any and all claims, actions, suits, and or damages of any kind whatsoever arising out of and connected with or resulting from Lessee's use of the Equipment.

5. The Lessee will not assign the Equipment Lease Agreement for the above mentioned Equipment.
6. If there is any part of this Agreement that is not valid it will not cause any other part to be invalid or unenforceable.
- 7.

The terms and conditions outlined herein are not all-inclusive and are based upon information provided to date. This proposal may be withdrawn or modified by Lessor at any time.

AGREED TO AND ACCEPTED BY:

Lessor:

Lessee

\_\_\_\_\_  
R.Lynn Carlson, M.D., P.C. dba MediCenter

\_\_\_\_\_  
Kenai Peninsula Imaging Center, LLC

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



September 1, 2016

Karina Raemaeker  
Kenai Peninsula Imaging Center, LLC  
100 Trading Bay rd Suite #7  
Kenai, Alaska 99611

Dear Karina,

MediCenter is please to submit this financing proposal to you. The terms and conditions are as follows:

<b>Lessor:</b>	R.Lynn Carlson, M.D., P.C. dba MediCenter
<b>Lessee:</b>	Kenai Peninsula Imaging Center, LLC
<b>Equipment Location:</b>	100 Trading Bay Rd, Kenai, Alaska 99611
<b>Equipment Description:</b>	Acuson X600
<b>Equipment Purchase Price:</b>	\$50,000.00
<b>Monthly Payments:</b>	\$940.21
<b>Number of Payments:</b>	60
<b>End of Term Options:</b>	Lessee will have the option to purchase the equipment at the end of the Lease term for \$1.00

1. The Lessee will use the Equipment in a reasonable and proper manner and will comply with all Federal, State and County laws and regulations relating to the use and maintenance of the Equipment.
2. Lessee, at his or her own expense, will keep the Equipment in good repair, condition and working order and will provide all parts and devices that are required to maintain the Equipment in good mechanical working order.
3. Lessee must provide evidence of physical damage and liability insurance in an amount and from an insurance carrier satisfactory to Lessor. Lesson and its assigns must be named on the policies as loss payee and additional insured as applicable, and a certificate of insurance, in form and substance acceptable to lessor, must be provided to lessor.
4. Lessee does not hold Lessor liable against any and all claims, actions, suits, and or damages of any kind whatsoever arising out of and connected with or resulting from Lessee's use of the Equipment.



5. The Lessee will not assign the Equipment Lease Agreement for the above mentioned Equipment.
6. If there is any part of this Agreement that is not valid it will not cause any other part to be invalid or unenforceable.
- 7.

The terms and conditions outlined herein are not all-inclusive and are based upon information provided to date. This proposal may be withdrawn or modified by Lessor at any time.

AGREED TO AND ACCEPTED BY:

Lessor:

Lessee

\_\_\_\_\_  
R.Lynn Carlson, M.D., P.C. dba MediCenter

\_\_\_\_\_  
Kenai Peninsula Imaging Center, LLC

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



# INVOICE

PO Box 240  
Kenai, Alaska 99611  
907-283-9110

INVOICE #1007  
08/01/2016

**TO:**

Karina Raemaeker  
Kenai Peninsula Imaging Center  
100 Trading Bay Rd #7  
Kenai, Alaska 99611  
907-953-0428

**SHIP TO:**

Karina Raemaeker  
Kenai Peninsula Imaging Center  
100 Trading Bay Rd #7  
Kenai, Alaska 99611  
907-953-0428

**COMMENTS OR SPECIAL INSTRUCTIONS:**

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	1998 Ziehm Exposcop 7000	\$6,969.00	\$6,969.00
SUBTOTAL			\$6,969.00
SALES TAX			\$30.00
SHIPPING & HANDLING			0
TOTAL DUE			\$6,999.00

Make all checks payable to Company Name  
If you have any questions concerning this invoice, contact Name, phone, email

**THANK YOU FOR YOUR BUSINESS!**

LEASE AGREEMENT  
D cor Professional Building  
KENAI, ALASKA

THIS AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_, 2016 by and between SCHILLING RENTALS, a partnership and whose address is 47 SPUR VIEW DR. KENAI, ALASKA, 99611 hereinafter referred to as "Landlord" and **Kenai Peninsula Imaging Center** whose address is 100 Trading Bay Road, Suite 7, KENAI, AK 99611 hereinafter referred to as "Tenant".

1. Premises. The Landlord hereby leases to the Tenant, Suite 7 D cor Professional Building, located at 100 Trading Bay Road
2. Condition of Premises. Except as provided herein, at the commencement of the term, the Tenant accepts the building, improvements, and any equipment on or in the leased premises, in their existing condition. No representation, statement or warranty, express or implied, has been made by or on behalf of the Landlord as to such condition, or as to the use that may be made of such property. Tenant has fully inspected said premises.
3. Term. The term of this lease shall be for **two (2)** years, commencing on the \_\_\_\_ day of \_\_\_\_ 2016, and ending on the \_\_\_\_ day of \_\_\_\_, 20\_\_ unless sooner terminated as herein provided.
4. Purpose. The leased premises shall be used or occupied only for the purpose of conducting medical imaging business and any activity reasonably related thereto.
5. Payment. The tenant shall pay to the Landlord **\$4,441.76 per month plus sales tax (\$ 30.00).**
6. All rent payments shall be sent to Landlord at the following address: 47 Spur View Dr. Kenai, Ak, 99611.
- a. Late charge. If any payment of rent or other amount to be paid is not paid by due date, then after Ten (10) days there shall be due as additional rent a late charge in an amount equal to four percent (4%) of the delinquent payment for each month or portion thereof after the date it was due.
7. Taxes. The Landlord shall be responsible for payment of all real property taxes, and will provide water, sewer and dumpster service.
8. Insurance. The Landlord shall keep the property fully insured against loss or damage by fire or other casualty. The Tenant shall carry personal injury liability insurance in amounts not less than FIVE HUNDRED THOUSAND AND NO/100ths.DOLLARS (500, 00.00) per person and ONE MILLION AND NO/100ths DOLLARS. (1,000,000.00) per occurrence, and property damage insurance in an amount not less than Three HUNDRED THOUSAND AND NO/100ths DOLLARS (300,000.00).
9. Surrender. At the expiration of the lease term, the Tenant shall surrender the leased property in as good condition as it was in at the beginning of the term, reasonable use, wear and damages by the elements excepted.
10. Alterations. No major alterations, addition, or improvements to the leased property shall be made by the Tenant without the written consent of the Landlord.
11. Liens. The Tenant shall indemnify the Landlord against any mechanic's lien, or any other lien arising out of the making of any alteration, repair or addition by Tenant.

12. Care and Repair. The Tenant (a) at the Tenant's own expense, shall take good care of the demised premises, shall keep the same clean and free of trash and debris. Interior only, Roof and exterior shall be at Landlords expense. The Tenant shall make, as and when needed, by contractors or mechanics approved by the Landlord, all repairs in or about the demised premises necessary to keep same in good order and condition; on default of the Tenant to do such work, the Landlord may do it for the Tenant's account, and the Tenant shall have no claim for inconvenience on account whereof; (b) shall not cut or drill or otherwise deface or injure the building; (c) shall not place or permit any sign, advertisement, illumination or projection on the outside of the building or in or upon any window of the demised premises, including the sills or ledges thereof, unless the same shall first have approved in writing by the Landlord; (d) shall not obstruct or permit the obstruction of any light or skylight in or upon the building, or adjoining sidewalk or street, or the entrance, or other part of the building to the exclusive use of which the tenant is not entitled; (e) shall provide night lighting for the purpose of security; (f) shall provide for and be responsible for payment of his own telephone, gas and electricity; (g) shall within ten (10) after the Landlord's demand therefore, pay to the Landlord, as additional rent hereunder an amount equal to the increase, if any, in the amount of the fire insurance premium applicable to the building containing the demised premises, and to the contents of said building for and during the demised term, resulting from the tenant's failure to comply with any requirements of law or the recommendation of any insurance carrier. This provision shall apply regardless of the use of which the balance of the space in the building or which the demised premises are a part is put; (h) shall comply with all reasonable regulations and orders of the landlord designed to promote the safety or good order of the building as to the placing of safes, machinery, or other heavy material, or otherwise.
13. Assignment and subletting. Without the prior written consent of the landlord, the tenant shall not sublet or assign all or any portion of the leased premises to others. Any purported sublease or assignment made in violation of this provision shall be void.
14. Subsequent Transfer. No subsequent transfer of the title to the property referred to herein shall affect the right of the tenant to continue in possession under this lease.
15. Personal Property. At the termination or expiration of the lease, the tenant may remove all equipment and trade fixtures owned or provided by the tenant.
16. Quiet Possession. The tenant may peaceable and quietly have, hold and enjoy the premises for the term or terms of this lease.
17. Parking. The tenant and employees and customers of the tenant shall have reasonable use of the front parking area, provided, however, that the tenant and tenant's employees shall park only in the area designated by landlord for employee parking.
18. Abandonment and insolvency. If the leased property shall be deserted or vacated, or if proceedings are commenced against the tenant in any court under a Bankruptcy act, or for the appointment of a trustee or receiver of the tenant's property, either before or after commencement of the lease term, or if there shall be default in the payment or rent or any part thereof for more than five days after written notice of such default by the landlord, this lease (if the landlord so elects)

shall thereupon become null and void, landlord shall have the right to re-enter or repossess the leased property.

19. Landlords' remedies in event of default. In event of any default of the tenant as recited in 17 above, the landlord will have the following rights or remedies-all in addition to any rights or remedies that may be given to the landlord by statute, common law or otherwise: (a) Re-enter the premises and take possession thereof, and (b) Re-let the demised premises in whole or in part for any period equal to or greater, or less, than the remainder of the original term of this lease, for any sum which may be deemed reasonable, and (c) Declare the demised term ended, and (d) Distain for rent due, and (e) Recover from the tenant damages from the date of such breach to the date of expiration of the original term hereby demised attributable to the default of the tenant; said damages to be due and payable by the tenant to the landlord on the several days on which the rent reserved in this lease would have become due and payable; that is to say, upon each of such days the tenant shall pay to the landlord the amount of deficiency then existing. Re-entry or reletting of part or all of the premises is not to be deemed a termination of this lease, unless expressly declared to be so by the landlord. However, if this lease be deemed terminated, the tenant's liability shall survive, and tenant shall be liable for damages for the remainder of the term existing at said termination date. The enumeration of the default rights of the tenant above are not intended to imply that they are mutually exclusive, nor that they are in lieu of any or all statutory or other rights.
20. Casualty loss. In the event of damage to or destruction of the property by fire or other casualty, the landlord, unless it shall otherwise elect, at its sole expense, shall promptly restore the leased property as nearly as possible to its condition prior to such damage or destruction. All insurance proceeds received by the landlord pursuant to the provisions of this lease, less the cost, if any, or such recovery, shall be held in trust and applied by the landlord to the payment of such restoration, as such restoration progresses. If the landlord shall decide to demolish, rebuild, or reconstruct the building containing the demised premises, then, upon written notice given by the landlord to the tenant, this lease shall terminate on a date to be specified in such notice, and the rent shall be adjusted as of the date of the occurrence of the casualty.
21. Condemnation. If the whole or a substantial part of the building containing the demised premises shall be taken for any public or quasi-public use, under any statute, or by right of eminent domain, or private purchase in lieu thereof by a public body vested with the power of eminent domain, then when possession shall be taken there under of the demised premises, or any part thereof, the term herein demised and all rights of the tenant hereunder shall immediately cease and terminate, and the rent shall be adjusted in the event of such occurrence. Nothing herein contained shall be deemed or construed to prevent the tenant from interposing or prosecuting in any condemnation proceedings a claim for the value of any fixtures or improvements installed in or made to the demised premises.
22. Default. If there shall be default in the performance of any covenant, agreement or condition therein contained on the part of the landlord for more than thirty (30) days after written notice of such default by the tenant, this lease (if the tenant so elects) shall there upon become null and void, and the tenant shall have the right to vacate the leased property and terminate this lease.

23. Notice. Any notice or demand which, under the terms of this lease or under any statute, may or must be given or made by the parties hereto must be in writing and may be given or made by mailing the same by registered or certified mail, addressed to the other party at the address herein above mentioned. Either party, may however, designate, in writing such new, or other address to which such notice given hereunder by mail shall be deemed delivered when deposited in a United States general or branch post office enclosed in registered or certified prepaid wrapper, addressed as herein provided.
24. Rights of successors and assigns. The covenants and agreements contained in the within lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and upon their respective successors in interest and legal representatives.
25. Remedies Cumulative. The rights given to the landlord and tenant herein, are in addition to any right that may be given to the landlord and tenant by statute or otherwise.
26. Entire agreement: Changes, Waivers. This agreement supercedes all or any other prior agreements and understandings between the parties and may not be changed or terminated orally, and no change, termination or attempted waiver of the provisions hereof shall be binding unless in writing and signed by both parties.
27. Construction of lease. Words of any gender used in this lease shall be held to include any other gender and words in the singular number shall be held to include the plural, when the sense requires.

IN WITNESS WHEREOF: The parties have hereunder set their hands and seals, on the day and year first above mentioned.

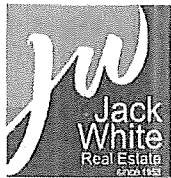
Schilling Rentals, Landlord

BY \_\_\_\_\_  
David Schilling

Kenai Peninsula Imaging Center,  
Tenant

BY \_\_\_\_\_

BY \_\_\_\_\_



**Anchorage Office  
Headquarters**  
3801 Centerpoint Drive  
Suite 200  
Anchorage, Alaska 99503  
907 562-6464

**Eagle River  
Office**  
16635 Centerfield Drive  
Suite 103  
Eagle River, Alaska 99577  
907 689-6464

**Mat-Su Valley  
Office**  
865 N. Seward Meridian Pkwy.  
Suite 200  
Wasilla, Alaska 99654  
907 376-2414

**Soldotna  
Office**  
34851 Kenai Spur Highway  
Suite 6  
Soldotna, Alaska 99669  
907 420-0655

**Kenai  
Office**  
10419 Kenai Spur Highway  
Suite B  
Kenai, Alaska 99611  
907 395-0655

8/8/16

Joseph Hurley  
Alaska Medical Group Management, LLC

Re: 100 Trading Bay St. Ste #7  
Kenai, AK 99611

Mr. Joseph Hurley,

The Kenai and Soldotna commercial real estate properties that are currently available for lease are a combination of class "A", "B" and "C" spaces or units. Many of the properties were built in the 1960's and 70's including the old Kenai Mall, commonly referred to as the Carr's Mall. Many of the newer constructed buildings are mostly or fully owner occupied.

I have attached a partial list of several that are currently listed on MLS. Many properties are managed by their owners and do not appear on MLS and are not addressed in this analysis.

It is a common occurrence that I bring Tenants to these owner's and am successful in drafting leases that are acceptable to both parties. Many of the older class "B" and Class "C" properties have been remodeled. Most of the lease rates for these buildings include utilities as they are not individually metered. Typically leasehold improvements are added in the Sq. Ft. price and are spread over the term of the lease. A waiver of free rent is often given for a period of time with the tenant agreeing to pay for all or part of their own improvements.

In my opinion the lease rate of \$1.84 Per Sq. Ft. for the approximate 2,144 Sq. Ft. for the new IDTF space (Class "C") is well in line with other lease properties in the area. This is considering the fact that the Tenant will be doing their own improvements and will be paying their own utilities.

Typical lease rates for our area vary from:

Class "A" - \$1.75 to \$2.25 Per Sq. Ft

Class "B" - \$1.45 to \$1.65 Per Sq. Ft.

Class "C" - \$0.75 to \$1.35 Per Sq. Ft.

Regards,

Fred F. Braun  
Associate Broker in Charge  
907-395-0655 office  
907-252-8375 cell

LEADING REAL ESTATE  
COMPANIES OF THE WORLD

**Reilly Construction**  
 47700 Judy Lynn Lane  
 Soldotna, AK 99669  
 Mobile: 907-252-1088  
 Fax: 907-283-9222  
[reillycon@hotmail.com](mailto:reillycon@hotmail.com)

**Bid**

Date	8/24/2016

<p align="center"> <b>Radiology Remodel</b>  <b>Attn: Scott Carlson &amp; Carina Raemaker</b> </p>
--

ITEM	DESCRIPTION	TOTAL
Job	22' 6" Entranceway-built to same spec- no electrical  Closet to bathroom - one lav, one toilet Move water heater  Check in/out window: Cut out approximately 3' x 3' concrete wall @40" high replace with small c-top and slider  5' x 6' storage room adjacent to MRI/CAT One man door to match	\$ 28,500.00
	Tax	\$ 30.00
<b>Balance due</b>		<b>\$ 28,530.00</b>





# INVOICE

PO Box 240  
Kenai, Alaska 99611  
907-283-9110

INVOICE #1008  
08/01/2016

**TO:**  
Karina Raemaeker  
Kenai Peninsula Imaging Center  
100 Trading Bay Rd #7  
Kenai, Alaska 99611  
907-953-0428

**SHIP TO:**  
Karina Raemaeker  
Kenai Peninsula Imaging Center  
100 Trading Bay Rd #7  
Kenai, Alaska 99611  
907-953-0428

## COMMENTS OR SPECIAL INSTRUCTIONS:

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	Couch set	\$300.00	\$300.00
10	Black arm chairs	\$5.00	\$50.00
5	Office Chairs	\$10.00	\$50.00
2	Bookshelves	\$20.00	\$40.00
5	Computers/Monitors	260.00	\$1,300.00
1	Printer	\$20.00	\$20.00
1	Desk	\$125.00	\$125.00
3	File Cabinets	\$20.00	\$60.00
1	Table with folding chair set	\$75.00	\$75.00
1	Misc. Furniture (Chair, bench and end-table, Chair/Ottoman)	\$130.00	\$130.00
1	Misc. Office Supplies	\$20.00	\$20.00
4	Storage/Organizers	\$10.00	\$40.00
1	Mini Fridge	\$50.00	\$50.00
1	Crash Cart	\$1,000.00	\$1,000.00
1	Misc. Items (IV Pole, lead aprons, Step Stool)	\$120.00	\$120.00
1	MRI Safe Fire Extinguisher	\$75.00	\$75.00
1	Ultrasound bed and tech chair	\$2,900.00	\$2,900.00
	Pones and IT Server	\$1,100.00	\$1,100.00

Make all checks payable to Company Name  
ALL ITEMS ARE IN USED CONDITION AND ALL SALED ARE FINAL

SUBTOTAL	\$7,455.00
SALES TAX	\$30.00
SHIPPING & HANDLING	0
TOTAL DUE	\$7,485.00

THANK YOU FOR YOUR BUSINESS!



135 DURYEA ROAD  
MELVILLE, NY 11747

## Quote Confirmation

SHIP TO:

Medicenter  
100 Trading Bay Dr Ste 8  
Ray Lynn Carlson  
Kenai AK 996117812

BILL TO:

Medicenter Pain Management  
10543 Kenai Spur Hwy  
Kenai, AK 99611-7812

Medicenter Pain Management  
10543 Kenai Spur Hwy  
Kenai AK 996117812

ACCOUNT #	TOTAL AMOUNT
2834832	10,788.27
ORDER NUMBER	ORDER DATE
28070860 SQ	04/09/15
PAGE #	
1	

LINE NO	ITEM CODE	UNIT SIZE DRUG CLASS	DESCRIPTION & STRENGTH	QTY. ORD SHIPPED	SHIPPING DETAILS CUSTOMER P.O.#	UNIT PRICE	EXTENSION
1	1113324	Ea	i-STAT Blood Analysis Sys 1.000	1 1		10,395.00	10,395.00
2	6310047	25/Bx PU	iSTAT CHEM8 Cartridge 2.000	1 1		220.79	220.79
3	1113335	10/Bx	Chem 8+ Control Level 1 3.000	1 1		17.99	17.99
4	1113394	25/Bx	Creatinine Cartridge 4.000	1 1		136.50	136.50
5	1113331	10/Bx	i-Stat Control Level I 10x1.7ml 6.000	1 1		17.99	17.99

ACCOUNT #	TOTAL AMOUNT
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