

Introduced by:	Mayor
Date:	06/05/12
Action:	Adopted as Amended
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2012-051**

**A RESOLUTION APPROVING THE SUBLEASE AGREEMENT BETWEEN
CENTRAL PENINSULA GENERAL HOSPITAL, INC. AND RBS EVOLUTION OF
ALASKA, LLC. TO PROVIDE RADIATION ONCOLOGY MEDICAL SERVICES IN
THE RADIATION ONCOLOGY ADDITION TO BE CONSTRUCTED AT THE
CENTRAL PENINSULA HOSPITAL**

- WHEREAS,** the Kenai Peninsula Borough has entered into a Lease and Operating Agreement with Central Peninsula General Hospital, Inc. (CPGHI) for the lease and operation of Central Peninsula Hospital and other Medical Facilities, to operate these Medical Facilities on a nonprofit basis in order to ensure the continued availability of the Medical Facilities to the service area residents and visitors; and
- WHEREAS,** on March 13, 2012, the assembly adopted Resolution 2012-016 authorizing the mayor to execute an amendment to the Central Peninsula Hospital (CPH) lease and operating agreement to authorize CPGHI to sublease a portion of the facility for oncology services; and
- WHEREAS,** the borough and CPGHI have entered into the Fourth Amendment to the Lease and Operating Agreement, which authorized CPGHI to sublease a portion of the hospital campus to a qualified radiation oncology professional organization for the purpose of providing cancer treatment for a period of up to 20 years after construction of the facility is completed, subject to Assembly approval of the sublease agreement by resolution; and
- WHEREAS,** the assembly enacted Ordinance 2011-19-72 on March 13, 2012, appropriating \$4,700,000 for construction of a radiation oncology facility at Central Peninsula Hospital; and
- WHEREAS,** in CPGHI Resolution 2012-26, the CPGHI board of directors determined that it is in the best interest of CPGHI, the cancer patients served by CPH and other physicians in the service area, and the residents of the service area for there to be sole source negotiations with RBS a radiation oncology services provider whose members include Anchorage Associates in Radiation Medicine, LLC, John B. Halligan, M.D., Manager, for their participation in the Central Peninsula Radiation Oncology project as the provider of radiation oncology medical services to be located in the new medical office building to be constructed on the campus of CPH; and

WHEREAS, in CPGHI Resolution 2012-26, the CPGHI board of directors also authorized the Chief Executive Officer to negotiate proposed terms for a sublease with RBS in accordance with the Lease and Operating Agreement, Stark Laws, and other laws and regulations affecting transactions between hospital operators and physician group practices, subject to the approval of the board and the borough; and

WHEREAS, the Sublease shall include a provision that at the time that the radiation oncology center opens for business, John B. Halligan, M.D., and Dan Moore, both duly-authorized persons of RBS Evolution Of Alaska, LLC, or their duly-appointed successors, will certify on behalf of RBS Evolution of Alaska, LLC that it is qualified to provide radiation oncology medical services; and

WHEREAS, CPGHI administration, the borough administration, and RBS have negotiated the terms and conditions of a proposed Sublease of certain medical office space which is deemed to be approximately 4,570 square feet of leaseable area in the new medical office building to be constructed by the borough for radiation oncology medical services on the campus of CPH, with CPGHI as the Sublandlord and RBS as the Subtenant, subject to the approval of the board and the borough, and subject to the borough's written consent to the Sublease as Prime Landlord; and

WHEREAS, the proposed sublease includes a term of 20-years in which the fair market value is initially established by a fee appraisal, increased 2.5 percent per year for the first ten years, additional fair market adjustments are made at the end of the tenth and fifteenth years, and each interim year the rent is increased in accordance with the then current annual increase as determined by the most recent appraisal; and

WHEREAS, the parties have agreed to the construction addendum establishing the design and construction approval process; and

WHEREAS, at its meeting of May 31, 2012, the CPGHI board delegated authority to its Executive Committee to take action on the approval of the proposed sublease; and

WHEREAS, on June 4, 2012 the CPGHI Executive Committee adopted Executive Committee Resolution 2012-045 (amended) approving the sublease with RBS Evolution of Alaska, LLC; and

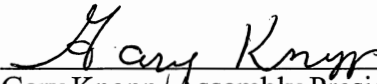
WHEREAS, at its meeting of June 4, 2012 the Central Kenai Peninsula Hospital Service Area board considered this sublease agreement and recommended approval by unanimous consent;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the mayor is authorized to execute the consent to a sublease agreement and construction addendum substantially in the form attached hereto and incorporated herein by reference as Exhibit A.


SECTION 2. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF JUNE, 2012.

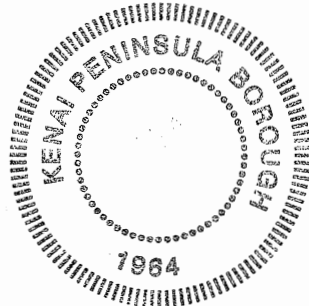


Gary Knopp, Assembly President

ATTEST:



John Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT is made as of the _____ day of _____, 2012, by and between Central Peninsula General Hospital, Inc., an Alaska corporation ("Sublandlord"), and RBS Evolution of Alaska, LLC, a Delaware Limited Liability Company ("Subtenant").

WHEREAS, Sublandlord has entered into a Lease and Operating Agreement with Kenai Peninsula Borough, an Alaska municipal corporation ("Prime Landlord"), effective January 1, 2008 (the "Prime Lease"), pursuant to which Prime Landlord has leased to Sublandlord certain real property located in Soldotna and Kenai, Alaska, a description of which is set forth therein and on **Exhibit A** attached hereto (the "Property"). A copy of the Prime Lease is attached hereto as **Exhibit B**;

WHEREAS, Sublandlord wishes to sublease certain Premises to Subtenant, and Subtenant wishes to sublease from Sublandlord such Premises;

1. Granting Clause. In consideration of the obligation of Subtenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Sublandlord leases to Subtenant, and Subtenant takes from Sublandlord certain space which is deemed to be 4,570 square feet of leaseable area (the "Premises"), in the building located on the Property (the "Building") to have and to hold for the Lease Term, subject to the terms, covenants and conditions of this Sublease. The Premises is generally depicted on the floor plan attached hereto as **Exhibit C**. The Building is located on the campus of Central Peninsula Hospital (the "Campus"). The grant of such leasehold estate to Subtenant includes the appurtenant non-exclusive right for Subtenant, its employees, agents, contractors, patients and other business invitees, to use the parking areas, driveways, walkways and sidewalks of the Campus.

Sublandlord represents that a true and complete copy of the Prime Lease, as amended, supplemented and modified is attached hereto as **Exhibit B** and Subtenant acknowledges receipt thereof. This Sublease is subject and subordinate to the terms and conditions of the Prime Lease, any renewals, extensions, amendments thereof, or subsequent Prime Lease. Subtenant's rights under this Sublease shall not be amended, altered, or modified by amendment to the Prime Lease or any other mechanism unless Prime Landlord and Sublandlord obtain the prior written consent of Subtenant, which consent shall not be unreasonably withheld. In the event of the termination of the Sublandlord's interest as lessee under the Prime Lease for any reason then this Sublease shall continue as a direct lease with Prime Landlord provided Subtenant is not in default of this Sublease, and shall continue to be subject to the terms of the Prime Lease or any renewals, extensions, amendments thereof, or subsequent Prime Lease, as provided hereinabove.

2. Lease Term. The Lease Term shall begin on the Commencement Date (as defined in **Exhibit D** to this Sublease) and shall end on the last day of the 240th full calendar month thereafter.

3. Acceptance of Premises. Subject to Sublandlord's agreements and obligations under the provisions of the Construction Addendum attached as **Exhibit D** to this Sublease, Subtenant shall accept the Premises in its condition as of the Commencement Date, subject to all applicable laws, ordinances, regulations, covenants and restrictions. The taking of possession of the Premises shall be conclusive evidence that Subtenant accepts the Premises and that the Premises were in good condition at the time possession was taken, except for items that are Sublandlord's responsibility under this Sublease or the Construction Addendum, including any punch list items agreed to in writing by Sublandlord and Subtenant pursuant to said Construction Addendum.

4. Use of Premises, Definition of Maintenance, and Certification of Qualification.

a. Use of Premises. The Premises shall be used for, and shall be used only for the purpose of operating a cancer treatment center providing radiation services, and for such other lawful purposes as may be incidental thereto. Subtenant will use the Premises in a careful, safe and proper manner, in compliance with all applicable licenses, permits, laws, ordinances, rules, and regulations, and will not commit waste thereon. If the Premises is subsequently determined not to be in compliance with any ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "Legal Requirements") existing, and applicable to the Premises, as of the Commencement Date of this Lease, then, Sublandlord shall be obligated to make any routine maintenance and repairs to the Premises as are required by applicable governmental authorities to bring the Premises into compliance with such Legal Requirements, at its sole cost and expense. If any major repairs are required to the Premises in order to cause the Premises to comply with the applicable Legal Requirements, then if the estimated cost of a major repair project is less than \$250,000 then Sublandlord shall coordinate with the Prime Landlord and its Capital Projects Director per the Prime Lease to make the repair. If the estimated cost of a major repair project is at least \$250,000 then, subject to the appropriation and availability of funds, Prime Landlord shall make any maintenance and repairs to the Premises as are required by applicable governmental authorities to bring the Premises into compliance with such Legal Requirements, at its sole cost and expense. This obligation does not include maintenance or repair of the medical equipment owned by Subtenant and located in the Building. If funds in an amount sufficient to pay the estimated cost of a Major Repair project estimated to cost at least \$250,000 are not appropriated or available within 90 days of notice from the Subtenant of the need for the Major Repair, Subtenant may seek damages available at law as are provided to Subtenant in the event of a default pursuant to Section 20 of this Sublease.

b. Definition of Routine Maintenance and Major Maintenance:
For purposes of this Sublease Agreement the following definitions apply:

i. "Routine maintenance and repair" is defined as regular and general upkeep of the Building not considered Major Maintenance or Major Repair, including improvements against normal wear and tear. This definition shall be construed consistently with Prime Landlord's interpretations of "Routine Repairs" as used in the Prime Lease.

ii. The terms "Major Maintenance" and "Major Repair" are defined as the upkeep and repair of the structural portions of the Building, repair and maintenance of major components of or entire systems of the Building. This definition shall be construed consistently with Prime Landlord's interpretations of "Major Repairs" as used in the Prime Lease.

c. Certification of Qualification. At the time that the radiation oncology center opens for business, John B. Halligan, M.D, and Dan Moore, both duly-authorized persons of RBS Evolution Of Alaska, LLC, or their duly-appointed successors, shall certify on behalf of RBS Evolution of Alaska, LLC that it is qualified to provide radiation oncology medical services in the State of Alaska.

5. Rent.

(a) In General. From and after the Commencement Date, Subtenant shall pay Rent to Sublandlord monthly, in advance, without notice or demand, deduction or set-off, on or before the first day of each calendar month succeeding the Commencement Date during the Lease Term. Payments of Rent for any fractional calendar month shall be prorated. All payments required to be made by Subtenant to Sublandlord hereunder shall be payable at such address as Sublandlord may specify from time to time by written notice delivered in accordance herewith. Time is of the essence with respect to the payment of rent.

(b) Rental Amount.

(1) Beginning on the Commencement Date, and continuing through the month immediately preceding the second anniversary of the Commencement Date, Subtenant shall pay to Sublandlord monthly Rent of \$15,538.00 per month, calculated at the rate of \$3.40 per square foot on 4,570 s.f. of leaseable area (the Premises). Beginning on the second anniversary of the Commencement Date, the monthly Rent shall increase at the rate of 2.5% per year continuing through the month immediately preceding the eleventh anniversary of the Commencement Date.

(2) Beginning on the eleventh anniversary of the Commencement Date, and continuing through the month immediately preceding the sixteenth anniversary of the Commencement Date, Subtenant shall pay to Sublandlord

monthly Rent at the rate per square foot that is adjusted to the then fair market rental value of the Premises. Beginning on the twelfth anniversary of the Commencement Date, the monthly Rent shall increase at a percentage rate per year ("annual percentage rate increase") to be established pursuant to the fair market rental value adjustment, with the annual percentage rate increase to the Rent continuing through the month immediately preceding the sixteenth anniversary of the Commencement Date.

(3) Beginning on the sixteenth anniversary of the Commencement Date, and continuing through the end of the Lease Term, Subtenant shall pay to Sublandlord monthly Rent at the rate per square foot that is adjusted to the then fair market rental value of the Premises. Beginning on the seventeenth anniversary of the Commencement Date, the monthly Rent shall increase at an annual percentage rate increase to be established pursuant to the fair market rental value adjustment, with the annual percentage rate increase to the Rent continuing through the end of the Lease Term.

(c) Fair Market Rental Value Adjustments. During the Lease Term, there shall be two (2) fair market rental value adjustments. The first fair market rental value adjustment shall be for the period beginning on the eleventh anniversary of the Commencement Date, and continuing through the month immediately preceding the sixteenth anniversary of the Commencement Date. The second fair market rental value adjustment shall be for the period beginning on the sixteenth anniversary of the Commencement Date, and continuing through the end of the Lease Term.

(1) At each adjustment, the monthly Rent that Subtenant shall pay to Sublandlord shall be adjusted to the then fair market rent for the Premises, and the amount of the adjusted rent shall be determined by the mutual agreement of Sublandlord and Subtenant, utilizing the services of a qualified, independent appraiser of commercial real property with experience in appraising the fair market rental value of medical office space in Alaska. For this purpose, at least ninety days prior to the beginning of the month in which the rental adjustment is to be effective, and utilizing the appraisal by the independent appraiser, Sublandlord and Subtenant shall confer and negotiate with one another in a good faith attempt to establish the adjusted Rent, and the annual percentage rate increase. Sublandlord shall engage the independent appraiser upon whom Sublandlord and Subtenant agree for each adjustment, and Sublandlord and Subtenant shall each pay 50 percent of the fees and costs charged by the independent appraiser.

(2) If Sublandlord and Subtenant are unable to agree upon the adjusted Rent and the annual percentage rate increase at least ninety days prior to the beginning of the month in which the rental adjustment is to be effective, the adjusted rent for the applicable period shall be the fair market rent for the Premises as established by binding arbitration, and the annual percentage rate increase shall be as established by binding arbitration. The arbitration shall be before a single arbitrator, which shall be conducted in the City of Soldotna, Alaska, in accordance

with the arbitration rules and procedures of the American Arbitration Association, unless the parties mutually agree in writing upon some other arbitration procedure at another place before another arbitration organization or arbitrator(s). The arbitrator shall be selected by the mutual agreement of Sublandlord and Subtenant. The decision of the arbitrator shall be conclusive, and judgment upon the arbitrator's decision may be entered in accordance with Alaska law. Regardless of the outcome of the arbitration, each party shall bear its own costs and attorneys' fees incurred in the arbitration proceedings, and each party shall pay one-half the fee of the single arbitrator. In the event the arbitration proceedings extend beyond the rental due date for the payment of any adjusted Rent, Subtenant shall pay to Sublandlord, on an interim basis, the monthly Rent that was in effect immediately preceding such due date (including the amount of applicable percentage rate increase), and the rent payments[S] shall be retroactively adjusted between the parties promptly once the arbitration proceedings have been concluded.

6. Utilities and Services. All utilities to the Premises shall be separately metered. Subtenant shall pay for the cost of the electrical utility service to the Premises and for Subtenant's telephone, television, internet and other electronic media utilities and services to the Premises. Sublandlord shall pay for the cost of all other utilities to the Building, specifically including, but not limited to: water, gas, power other than electric utility (if any), sewer, sprinkler services, and other utilities and property services used on the Premises, all maintenance charges for utilities, and any storm sewer charges or other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like pertaining to Subtenant's use of the Premises. Sublandlord shall also pay for the cost of snow removal from the sidewalks, drives and parking areas that serve the Building. Sublandlord shall pay the cost of the janitorial service to the Premises.

In the event any of the utilities to the Premises are interrupted as a result of the negligent act of Sublandlord, its employees, agents or contractors, and such interruption of utilities results in the Premises being untenable for the herein permitted uses for more than three (3) consecutive business days, then the rent under this Sublease will abate, commencing on the fourth (4th) business day the Premises remain untenable, and continuing until the date on which the utilities are restored and the Premises are again tenable. No abatement of rentals as hereinabove described will apply in the event such interruption of utilities is the result of Subtenant's alterations to the Premises or any negligent act of Subtenant, its employees, agents or contractors.

7. Taxes. Sublandlord or Prime Landlord, as applicable, shall pay all taxes, assessments and governmental charges (collectively referred to as "Taxes") that accrue against the Premises during the Lease Term. Subtenant shall be liable for all taxes (specifically including, but not limited to any federal income tax liens) levied or assessed against any personal property or fixtures placed in the Premises.

8. Insurance. Sublandlord or Prime Landlord, as applicable, shall maintain all risk property insurance covering the full replacement cost of the Building. Subtenant shall maintain commercial liability insurance for Subtenant's business operations at the Premises, and shall name Sublandlord and Prime Landlord as additional insureds on the policy. Subtenant's insurance shall be primary and exclusive to that of Sublandlord and Prime Landlord.

9. Sublandlord's Repairs. Sublandlord shall cause to be maintained at its expense, the structural soundness of the roof, foundation (including the slab), and exterior walls of the Building in good repair, reasonable wear and tear and damages caused by Subtenant, its agents and contractors excluded. Sublandlord also shall cause to be maintained, at its expense in good repair and condition the parking areas and other common areas of the Building including, but not limited to driveways, walkways, sidewalks, alleys, landscaped areas and grounds surrounding the buildings in the Campus.

10. Subtenant's Repairs. Subject to Sublandlord's obligations in this Lease, Subtenant, at its expense, shall perform routine maintenance on the Building as defined in Paragraph 4.b. of this Agreement.

11. Subtenant-Made Alterations and Trade Fixtures. Subtenant may make commercially reasonable alterations, additions, or improvements to the Premises after the Commencement Date of this Lease, which alterations are estimated to cost less than Twenty-Five Thousand and No/100 Dollars (\$25,000.00) without Sublandlord's consent provided they are neither major maintenance as defined in paragraph 4.b. of this agreement nor capital improvement projects as defined in paragraph 12 of the Prime Lease. All such alterations, additions or improvements to the Premises which are anticipated to cost more than Twenty-Five Thousand and No/100 Dollars (\$25,000.00) shall require Sublandlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

12. Signs. Sublandlord, at Sublandlord's sole cost and expense, shall install commercially reasonable signage on the Building identifying Subtenant's business. Subtenant shall review and approve the type of signage that Sublandlord will install at the Building.

13. Parking. Subtenant, its employees, contractors, patients and business invitees shall be entitled to park on the Campus in common with the other visitors at the Hospital in those areas designated for nonreserved parking.

14. Restoration. If at any time during the Lease Term the Premises are damaged by a fire or other casualty, Subtenant shall promptly notify Prime Landlord and Sublandlord in writing of the event of damage by fire or other casualty. Sublandlord subject to the approval of Prime Landlord shall notify Subtenant within 60 days after receiving Subtenant's report of such damage as to the amount of time Sublandlord reasonably estimates it will take to restore the Premises. If the restoration time is estimated to exceed 9 months, either

Sublandlord or Subtenant may elect to terminate this Lease upon notice to the other party given no later than 30 days after Sublandlord's notice. If neither party elects to terminate this Lease or if Sublandlord (after consultation with Prime Landlord) estimates that restoration will take 9 months or less, and the estimated cost of the restoration is less than \$250,000, then Sublandlord shall coordinate with Prime Landlord's Capital Projects Director per the Prime Lease to make the repair. If the estimated cost of a major repair project is at least \$250,000 then, subject to the appropriation and availability of funds, Prime Landlord shall promptly restore the Premises, including the improvements originally installed by Sublandlord pursuant to the Construction Addendum attached as **Exhibit D** to this Lease. If funds in an amount sufficient to pay the estimated cost of the restoration that is estimated to cost at least \$250,000 are not appropriated or available within 90 days of Subtenant's report of the event of fire or other casualty, Subtenant may seek damages available at law as are provided to Subtenant in the event of a default pursuant to Section 20 of this Sublease.

15. Assignment and Subletting. Subtenant shall have the right to sublet all or any portion of the Premises with the prior written consent of Sublandlord and Prime Landlord (per ¶129 of the Prime Lease); provided that each such sublease shall be subject and subordinate to this Sublease and Tenant shall remain liable for the performance of all of its covenants and agreements under this Sublease. Notwithstanding the foregoing, Subtenant shall not assign this Sublease in whole or in part without the consent of Sublandlord and Prime Landlord (per ¶129 of the Prime Lease), which consent shall not be unreasonably withheld. Commercially reasonable radiation oncology providers or consolidators of radiation oncology providers that are qualified to provide radiation oncology medical services in the State of Alaska are accepted by Sublandlord and Prime Landlord as commercially reasonable assignees under this provision and Sublandlord and Prime Landlord agree that it would be unreasonable for Sublandlord or Prime Landlord to withhold their consent to an assignment or sublease of this Sublease by Subtenant to such an entity. No such assignment shall be effective unless each such assignee by written instrument or operation of law shall assume and become bound to perform and observe all of the covenants and agreements of Subtenant under this Sublease. Subtenant agrees that any assignment or sublease of this Sublease shall be to a commercially reasonable radiation oncology organization that is qualified to provide radiation oncology medical services in the State of Alaska.

Notwithstanding the foregoing, Subtenant shall not assign or sublease the Premises to any other hospital system or health care organization other than radiation oncology providers or consolidators of radiation oncology providers.

16. Indemnification. Except for the negligence or willful misconduct of Prime Landlord or Sublandlord, or their respective agents, employees or contractors, and to the extent permitted by law, Subtenant agrees to indemnify, defend and hold harmless Prime Landlord and Sublandlord, and Prime Landlord's and Sublandlord's respective agents, employees and contractors, from and against

any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Premises and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Subtenant in or about the Premises or due to any other act or omission of Subtenant, its assignees, invitees, employees, contractors and agents.

Except for the negligence or willful misconduct of Subtenant, its assignees, employees, agents or contractors, and to the extent permitted by law, Sublandlord agrees to indemnify, defend and hold harmless Subtenant, and Subtenant's employees, agents and contractors, from and against any and all losses, liabilities, damages, costs and expenses (including attorney's fees) resulting from claims by third parties for injuries or death to any person and damage to or theft or misappropriation or loss of property occurring in or about the Premises and arising from the act or omission of Sublandlord, its employees, contractors or agents.

17. Surrender and Holding Over.

(a) Upon the expiration date or earlier termination of this Sublease, Subtenant shall surrender the Premises to Sublandlord "broom clean" and in as good order, condition and repair as upon the Commencement Date, reasonable wear and tear excepted. Unless the Prime Landlord and Sublandlord authorize the Subtenant in writing to leave the linear accelerator in place, Subtenant is responsible to remove and dispose of the accelerator in accordance [S]with law, at Subtenant's sole expense, upon the expiration date or earlier termination of this Sublease. In addition, Subtenant shall remove all other property of the Subtenant from the Premises, except plumbing and other fixtures and leasehold renovations alterations, and improvements (if any) which may have been installed by the Subtenant and except as otherwise provided in this Sublease, and shall repair any damage caused by removal of any property which Subtenant is permitted to remove. Any other property left on the Premises after the expiration or other termination of this Sublease may be disposed of by Sublandlord in any manner and without any liability to Subtenant.

(b) If Subtenant retains possession of the Premises or any part thereof after the expiration date or earlier termination date, Subtenant shall pay Rent to Sublandlord in an amount equal to 125% of the Rent in effect in the immediately preceding month for the time that Subtenant remains in possession and, in addition thereto, shall pay Sublandlord for all damages, consequential as well as direct, sustained by reason of the Subtenant's retention of possession. If Subtenant remains in possession of the Premises or any part thereof after the expiration of the Lease Term, such holding over shall, at the election of Sublandlord expressed in a written notice to Subtenant, constitute a renewal of this Sublease on a month-to-month basis at the Rent provided for in this Sublease. Any such renewal may not exceed six (6) months' holdover period without execution of an extension, renewal,

or replacement lease agreement. The provisions of this paragraph do not exclude the Sublandlord's rights of reentry or any other right hereunder.

18. Events of Default. Each of the following events shall be an event of default ("Event of Default") by Subtenant under this Sublease:

(1) Subtenant shall fail to pay any installment of Rent or any other payment required herein when due, and such failure shall continue for a period of 10 days after written notice from Sublandlord.

(2) Subtenant shall fail to comply with any provision of this Sublease, and except as otherwise expressly provided herein, such default shall continue for more than 30 days after Sublandlord shall have given Subtenant written notice of such default (or a reasonable period of time, using due diligence, if such default cannot be cured within said thirty (30) day period).

19. Sublandlord's Remedies. Upon each occurrence of an Event of default and so long as such Event of Default shall be continuing, Sublandlord shall have those remedies which are available at law or in equity to Sublandlord. Sublandlord shall use commercially reasonable efforts to limit Sublandlord's damages. If Sublandlord terminates Subtenant's right of possession (but not this Sublease), Sublandlord shall use commercially reasonable efforts to relet the Premises.

20. Subtenant's Remedies/Limitation of Liability. Sublandlord shall not be in default hereunder and Subtenant shall not have any remedy or cause of action unless Sublandlord fails to perform any of its obligations hereunder within 30 days after written notice from Subtenant specifying such failure (or a reasonable period of time, using due diligence, if such default cannot be cured within said thirty (30) day period). Upon each occurrence of a default and so long as such default shall be continuing, Subtenant shall have those remedies which are available at law or in equity to Subtenant. Subtenant shall use commercially reasonable efforts to limit Subtenant's damages.

21. Expenses upon Default. In the event either party shall be in default in the performance of any of its obligations under this Sublease and an action shall be brought for the enforcement thereof, the non-prevailing party shall pay to the other party all of the reasonable expenses incurred by the other party, including full reasonable attorneys' fees and costs.

22. Entire Agreement. This Sublease constitutes the complete agreement of Sublandlord and Subtenant with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by Sublandlord or Subtenant, or anyone acting on behalf of Sublandlord or Subtenant, which are not contained herein, and any prior agreements, promises,

negotiations, or representations are superseded by this Lease. This Lease may not be amended except by an instrument in writing signed by both parties hereto.

23. Severability. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that such clause or provision is severable and the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable as reasonably agreed to by the parties within one hundred twenty (120) days after the clause or provision in question is found to be illegal, invalid or unenforceable.

24. Notices. All notices required or permitted to be given under this Lease shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable national overnight courier service, postage prepaid, or by hand delivery addressed to the parties at the following addresses:

Subtenant:

RBS Evolution of Alaska, LLC
1044 Jackson Felts Road
Joelton, TN 37080

Sublandlord:

Central Peninsula General Hospital, Inc.
c/o Chief Executive Officer
250 Hospital Place
Soldotna, AK 99669

Either party may by notice given aforesaid change its address for all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon delivery. Construction and interpretation of this Lease shall be governed by the laws of the state of Alaska, excluding any principles of conflicts of laws.

25. Waiver of Sublandlord's Lien/Security Interest. Sublandlord hereby waives any and all statutory and contractual Sublandlord's liens that it may have against any personal property and/or trade fixtures placed within the Premises by Subtenant.

26. Non-Discrimination. Participating Provider. Subtenant covenants and agrees that it shall not discriminate against any person because of race, religion, color, national origin, age, sex, physical or mental disability, marital status, changes in marital status, pregnancy, parenthood or any other classification prohibited by state or federal law in the conduct of its activities pursuant to this Sublease Agreement. Subtenant agrees to become a participating provider in, and to participate in, federal and state reimbursement programs that provide reimbursement for Subtenant's radiation oncology services provided to the elderly, the needy, the disabled and Veterans, including but not limited to Medicare, Medicaid, Tricare and Champus.

27. Right of Quiet Enjoyment. Sublandlord warrants that Subtenant shall have quiet enjoyment of the Premises free from any eviction or interference by Sublandlord if Subtenant pays the Rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Subtenant.

28. Consent of Prime Landlord. Prime Landlord consents to this Sublease (including the Exhibits attached hereto), and executes a Consent to Sublease attached hereto as Exhibit E to evidence Prime Landlord's agreement to be bound by the terms and conditions in specific paragraphs of this Sublease that Prime Landlord has referenced and incorporated in the Consent to Sublease.

29. No Mechanic's or Materialmen's Liens. No person shall be entitled to any lien upon the Premises or the Land, in whole or in part, or any interest or estate in any such property, by reason of any work, labor, services or material claimed to have been performed or furnished to or for Subtenant, or otherwise on account of any act or failure to act on the part of Subtenant, and Subtenant shall neither cause nor permit the filing of any such lien. If any such lien claim or notice shall be filed, Subtenant shall cause the same to be released or provide other satisfactory security to Sublandlord with respect to the same (which may be in the form of a bond, title insurance endorsement or other assurance reasonably satisfactory to Sublandlord) within sixty (60) days; and if not so released or secured, Sublandlord, at its option, may pay up to the full amount of such lien claim to cause its release, and such amount, together with interest thereon from the date of payment, assessed at the Federal Discount Rate but not exceeding 1.0% per month, shall be deemed due and payable by Subtenant immediately. Nothing in this Sublease shall be deemed or construed to constitute consent to or request to any party for the performance of any labor or services or the furnishing of any materials for the improvement, alteration or repairing of the Premises; nor as giving Subtenant the right or authority to contract for, authorize or permit the performance of any labor or services or the furnishing of any material that would permit the attaching of a valid mechanic's or materialmen's lien.

30. Continuous Operations. Unless the Sublandlord approves otherwise in writing, the Subtenant will operate its business to provide medical radiation oncology services on the Premises on a continuous basis, uninterrupted by any period of closure over twenty (20) consecutive business days or of closures totaling forty-five (45) business days within any twelve (12) month period of the Term of this Sublease. The Subtenant will give the Sublandlord written notice before closing the Subtenant's business on the Premises for more than twenty (20) consecutive business days. The notice must state the reason for the closure and the date on which the Subtenant will re-open for business. This obligation does not apply to any period during which the Subtenant is unable to operate its business on the Premises as a result of the loss or damage to the Premises due to fire or natural disaster or any order of a public authority.

31. Sublandlord's Right Of Entry. Except for emergencies, as to which Subtenant's consent shall not be required, Sublandlord, its officers, employees, contractors and agents, may enter the Premises at reasonable times with advance notice to Subtenant, for the purposes of inspecting the Premises, for making any alterations, additions, or repairs, or for performing any maintenance that is Sublandlord's responsibility, and for other reasonable purposes. Sublandlord shall give Subtenant at least twenty four (24) hours notice prior to any entry into the Premises (excepting emergencies, as to which such notice, if any, as is reasonable under the circumstances shall be given, and Sublandlord's entry shall be solely for the purpose of taking necessary actions to remedy and/or repair the emergency situation). In no event shall Sublandlord unreasonably interfere with access to or use of the Premises or Parking Area by Subtenant, its agents, employees or invitees.

32. Memorandum Of Sublease. Sublandlord and Subtenant agree that they will not record this Sublease at full length, but they shall, within thirty (30) days of the date hereof, record a Memorandum of Sublease. Any future purchaser, assignee or successor to Sublandlord's or Prime Landlord's interest in the Property, shall take their interest subject to this Sublease as evidenced by the Memorandum of Sublease.

33. Governing Law, Forum and Venue. This Lease, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of Alaska excluding any principals of conflicts of law, which shall apply. The forum and venue for any law suit between these parties arising out of this Agreement shall be in the Trial Courts for the State of Alaska in the Third Judicial District, Kenai Venue District.

34. 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.

35. Counterparts. This Lease may be executed in several or separate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

36. Subtenant status. Sublandlord and Prime Landlord recognize and acknowledge that Subtenant is a for profit Delaware limited liability company.

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Lease as of the day and year first above written.

SUBLANDLORD:

CENTRAL PENINSULA GENERAL
HOSPITAL, INC.

By: _____
Name: _____
Title: _____

SUBTENANT:

RBS EVOLUTION OF ALASAKA, LLC

By: _____
Name: _____
Title: _____

Approved by Kenai Peninsula Borough as described in the Consent to Sublease dated _____ a copy of which is attached hereto as Exhibit E.

PRIME LANDLORD:

KENAI PENINSULA BOROUGH

By: _____
Name: Mike Navarre
Title: Borough Mayor

ATTEST:

Borough Clerk

Exhibit A

Legal Description

Medical office space, which is deemed to be 4,570 square feet of leaseable area (the "Premises"), in the building located on the Property (the "Building") generally depicted on the floor plan attached as **Exhibit C**. The Building is located on the campus of Central Peninsula Hospital (the "Campus"). The Campus is located at 250 Hospital Place, Soldotna, Alaska, and is more particularly described as:

Lot 1, Central Peninsula General Hospital Subdivision, filed under Plat No. 2005-52, in the Kenai Recording District, Third Judicial District, State of Alaska.

Exhibit B

Copy of Prime Lease

Exhibit C

Copy of Premises - Draft Floor Plan

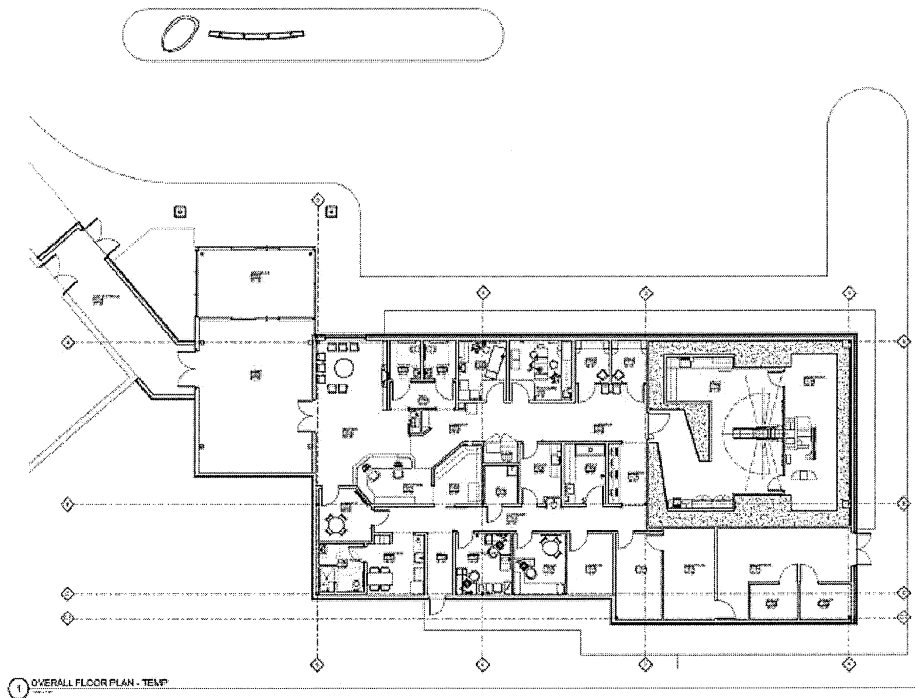


Exhibit D

Construction Addendum

1. Specifications; Final Plans; Change Orders. Sublandlord or its designee ("Sublandlord") shall furnish or perform at Sublandlord's sole cost and expense those items of construction and those improvements for the construction of the Building and the Premises as generally depicted on the Floor Plan attached as **Exhibit "C"** and on the Architect's Design Detail DD Worksheets dated _____ and as signed by Sublandlord and Subtenant pursuant to the final plans and specifications developed pursuant to subparagraphs 1a and b below. The construction of the Building and the Premises shall include paint and carpet and certain tenant improvement work as generally depicted on **Exhibit "C"** and on the Architect's Design Detail DD Worksheets dated _____ and as signed by Sublandlord and Subtenant.

a. Sublandlord shall meet regularly with Subtenant to develop final working drawings and specifications for Subtenant's review and approval (the "Final Plans"). When complete, the final drawings and specifications shall be submitted to Subtenant for its approval and Subtenant shall advise Sublandlord of its approval or its identified modifications to the final plans with reasons for Objection ("Objection") to such Final Plans within 5 business days after delivery thereof to Subtenant. If Subtenant shall not object in writing to the proposed Final Plans or any element or aspect thereof within 5 business days from delivery, then such Final Plans or the portions not objected to by Subtenant shall be deemed approved. If Subtenant has an Objection to the proposed Final Plans, then Sublandlord shall consider the Objection and, upon its consent, which shall not be unreasonably withheld, revise the Final Plans and re-submit the revised Final Plans to Subtenant for Subtenant's review and approval as provided herein.

b. The Final Plans as approved by Sublandlord and Subtenant shall define the entire scope of Sublandlord's obligation, at Sublandlord's sole cost and expense, to construct and provide the Building, the Premises and the related improvements. Subject to this paragraph, however, Sublandlord shall make additions or changes to the Final Plans as requested by Subtenant at Sublandlord's expense if the revision is needed due to an error by the Sublandlord. If the requested additions or changes are due to an oversight or change of conditions caused by Subtenant and impact the schedule or budget then Subtenant shall be responsible for the additional costs incurred as a result of the additions or changes. If Subtenant shall desire any such changes, Subtenant shall so advise Sublandlord in writing (a "Change Order Request") as promptly as possible so as not to delay the project schedule for completion of the Building.

2. Substantial Completion. Sublandlord, at its sole cost and expense, shall obtain all permits and approvals for the construction of the Building. Sublandlord shall diligently proceed with the construction of the Building to achieve Substantial Completion. "Substantial Completion" is defined as the state of construction at which the work is sufficiently complete and in accordance with the Final Plans and Design Detail DD Worksheets dated _____ and as signed by Sublandlord and Subtenant, so that Subtenant could occupy and utilize the work or a specific portion of it, for its intended use. Substantial Completion shall be deemed to have occurred on the date upon which the Project Representative issues a Certificate of Substantial Completion. The term "Project Representative" shall mean the Prime Landlord's Capital Projects Director or designee. Sublandlord recognizes and agrees that a Certificate of Substantial Completion shall not be issued unless the vault and concrete floor within the vault meet the requirements of the Alaska State Public Health Laboratories Department of Radiation Health. Included in the certificate shall be a list of items which must be completed or corrected before final completion and the time within which such items shall be complete and corrected. The Certificate of Substantial Completion shall state the date of Substantial Completion and shall specifically authorize Subtenant to take possession of the premises and utilize them for their intended purpose provided Subtenant is otherwise in compliance with the sublease agreement requirements and the certificate of occupancy has been issued. Subtenant's beneficial occupancy of the premises shall make reasonable allowance for the performance of the work which Sublandlord must complete prior to final completion.

Sublandlord shall diligently pursue issuance of the certificate of occupancy and promptly deliver a copy to Subtenant upon Sublandlord's receipt thereof (with the original to be posted in the Premises if required by applicable code or ordinance).

Sublandlord shall notify Subtenant in writing approximately 30 days before the estimated date of Substantial Completion. Within 5 business days of the anticipated date of Substantial Completion, Sublandlord and Subtenant shall jointly inspect the Building and agree upon a punch list of items in accordance with the Final Plans needing completion or correction. As soon as Substantial Completion has been achieved, Sublandlord shall notify Subtenant in writing of the date certified by the Project Representative as the date of Substantial Completion, which date shall be the "Commencement Date" of this Lease. If Subtenant occupies any portion of the Premises prior to Substantial Completion or the Commencement Date, the terms of this Lease shall apply to such occupancy or use of the Premises by Subtenant. Sublandlord shall use all reasonable diligent efforts to complete all punch list items within 30 days after agreement upon the punch list, subject, however, to long lead time items which must be ordered and to seasonal requirements for any landscaping and exterior work. If Substantial Completion of the Initial Subtenant Improvements has not occurred by April 15, 2013, and such delay was not in part or in total the result of subtenant's actions or inactions, then

Sublandlord shall pay to Subtenant a penalty of \$4,500.00 per day for each day that Substantial Completion of the Premises is delayed past April 15, 2013, retroactive to April 15, 2013.

Within 5 days after the Commencement Date, Subtenant shall, upon demand, execute and deliver to Sublandlord a letter of acceptance of delivery of the Premises and confirmation of the Commencement Date.

4. Sublandlord's Construction Warranty. Sublandlord expressly warrants to Subtenant that the Building Shell and the Initial Subtenant Improvements will be constructed in a good and workmanlike manner, in accordance with all laws, including, without limitation, the Americans With Disabilities Act, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions (collectively, "Legal Requirements") applicable to the Building as of the Commencement Date, and substantially in accordance with the Final Plans and the Subtenant Improvement Plans, respectively, and that all materials incorporated therein will be of good quality and new unless otherwise required or permitted by the Final Plans and/or the Subtenant Improvement Plans, as applicable.

EXHIBIT E
CONSENT TO SUBLEASE

Pursuant to Kenai Peninsula Borough Resolution 2012-051, Prime Landlord does hereby consent to the foregoing Sublease Agreement and agrees to be bound, to the extent applicable to Prime Landlord, by the following provisions in this Sublease Agreement:

Paragraph 1. Granting Clause.

Paragraph 4. Use of Premises, Definition of Maintenance, and Certification of Qualification.

Paragraph 7. Taxes.

Paragraph 8. Insurance.

Paragraph 14. Restoration.

Paragraph 15. Assignment and Subletting.

Paragraph 16. Indemnification.

Paragraph 17. Surrender and Holding Over.

Paragraph 26. Right of First Refusal to Purchase.

Paragraph 28. Consent of Prime Landlord.

Exhibit D. Construction Addendum.