

RESOLUTION NO. R-24-17

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A FIRST AMENDMENT TO A COMMERCIAL LEASE AGREEMENT BETWEEN THE CITY OF GLADSTONE, MISSOURI, AS SUB-LESSOR, AND BARNES HEALTHCARE AS SUB-LESSEE, TO OPERATE AN OFFICE FOR A PHYSICIANS' MEDICAL DIRECTOR GROUP AT 7001 NORTH CHERRY, SUITE #202, GLADSTONE, MISSOURI, 64118.

WHEREAS, Pollina Enterprises, LLC, a Missouri limited liability company ("Pollina") constructed a two story (with additional basement space) office building ("Building") with the common address of 7001 North Cherry, Gladstone, Missouri, 64118; and

WHEREAS, On August 7, 2012, Pollina Enterprises, LLC, leased the entire Building to Dentistry for Children, V. Rodman, Jr., M.S., L. Pollina, D.D.S., P.C., a Missouri professional corporation ("Dentistry"); and

WHEREAS, On August 9, 2012, Dentistry leased to Sub-Lessor certain portions of the Building, including the second floor of the Building consisting of approximately 6,426 square feet; and

WHEREAS, the lease entered into by Dentistry and Sub-Lessor grants Sub-Lessor the ability to sublease all or substantially all of the premises subject to that lease; and

WHEREAS, as of the effective date, Sub-Lessee shall lease from Sub-Lessor those portions of the second floor, consisting of approximately 745 square feet; and

WHEREAS, on January 22, 2018, the Gladstone City Council approved Resolution No. R-18-11 authorizing a commercial sub-lease to Barnes Healthcare; and

WHEREAS, the City of Gladstone and Barnes Healthcare desire to amend the Lease, Exhibit "A", to revise the following provisions:

1. Term Extended. An additional term of one (1) year is granted to the sub-lessor. This fourth (4th) renewal term shall expire and terminate on February 5, 2025 at 11:59 pm.
2. Rent Increased. Base rent during this fourth (4th) Renewal Term shall be one-twelfth (1/12) of Twenty Dollars (\$20.00) per square foot of the premises, payable monthly (\$1,241.67/mo.), commencing on the first day of the month following the effective date of this amendment.
3. Early Termination. The Sub-Lessee may terminate this Sublease given sixty (60) days written notice to the Sub-Lessor. Early termination fee shall be equal to one month's base rent of \$1,241.67.

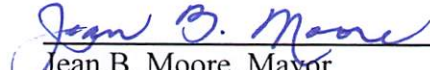
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

THAT, the City Manager of the City of Gladstone, Missouri, is hereby authorized to enter into the proposed amended lease agreement with Barnes Healthcare, on the terms and conditions described herein and as more particularly set forth in the lease document and to take any other such

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measures as may be required to ensure the opening of an office for a Physicians' Medical Director Group.

INTRODUCED, READ, PASSED, AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 25TH DAY OF MARCH 2024.



Jean B. Moore, Mayor

ATTEST:



Kris Keller, City Clerk



Request for Council Action

RES ☒ # R-24-17

BILL ☐ # City Clerk Only

ORD ☐ # City Clerk Only

Date: 3/6/2024

Department: General Administration

Meeting Date Requested: 3/25/2024

Public Hearing: Yes ☐ Date: Click here to enter a date.

Subject: Barnes Healthcare Lease Amendment

Background: Barnes Healthcare sub-leases approximately 745 square feet of space from the City of Gladstone on the second floor of the Dentistry for Children building adjacent to CEK Insurance. Their lease is expiring after five (5) years, but they would like one (1) more year to stay in their current space. City Staff has negotiated with Barnes Healthcare an amendment to the current lease subject to City Council approval. In summary, Barnes Healthcare currently pays \$15.00 per square foot which equates to \$931.25 per month with an annual lease payment of \$11,175.00. City Staff has negotiated a new monthly payment of \$20.00 per square foot which equates to \$1,241.67 per month with an annual lease payment of \$14,900.00. If Barnes Healthcare chooses to terminate their annual lease early, they must provide 60 days' notice and incur a one-time penalty equal to one month's rent \$1,241.67.

Budget Discussion: N/A

Public/Board/Staff Input:

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor.

Department Director/Administrator
AG

City Attorney
JM

City Manager
RB

**FIRST AMENDMENT
TO
OFFICE SUBLEASE AGREEMENT**

THIS FIRST AMENDMENT TO OFFICE SUBLEASE AGREEMENT (this “Amendment”) is made and entered into on the date last executed by each of the parties below (the “Effective Date”), by and between the City of Gladstone, Missouri, a municipal corporation (“Sub-Lessor”) and Barnes Health Care Management Group, LLC, a Missouri limited liability company (“Sub-Lessee”).

RECITALS

- A. Sub-Lessor and Sub-Lessee executed that certain Office Sublease Agreement dated February 6, 2018 (together with any amendments, exhibits, and/or addenda thereto, the “Sublease”), pursuant to which the Sub-Lessee leased from Sub-Lessor 745 square feet of office space (the “Premises”) on the second floor of the office building located at 7001 N. Cherry, Gladstone, Missouri 64118 (the “Building”).
- B. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Sublease.
- C. The Term of the Sublease has expired, and the Sub-Lessor and Sub-Lessee now desire to ratify and reaffirm the Sublease and to extend the Term for an additional year on the terms and provisions hereinafter contained.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the Sub-Lessor and Sub-Lessee agree as follows:

- 1. **No Defaults.** Sub-Lessor and Sub-Lessee both agree and acknowledge that neither party is in default under the terms of the Sublease, that there are no amounts due or owing from or to either party other than Rent in the ordinary course pursuant to the Sublease, and that all of the representations and warranties contained in the Sublease remain true as of the Effective Date of this Amendment.
- 2. **Term Extended.** The Sub-Lessor hereby grants to the Sub-Lessee an additional Renewal Term of one (1) year, which by this Amendment is hereby exercised by the Sub-Lessee and accepted by the Sub-Lessor. Consequently, this fourth (4th) Renewal Term shall expire and terminate on February 5, 2025, at 11:59p.m.
- 3. **Rent Increased.** Base rent during this fourth (4th) Renewal Term shall be one-twelfth (1/12) of Twenty Dollars (\$20.00) per square foot of the Premises, payable monthly (**\$1,241.67/mo.**), commencing on the first day of the month following the Effective Date of this Amendment. All amounts paid heretofore by Sub-Lessee to Sub-Lessor for rent or other charges under the Sublease are deemed sufficient to satisfy the Sub-Lessee’s

payment obligations through and up to the first day of the month following the Effective Date of this Amendment.

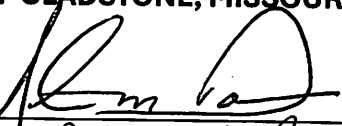
4. Early Termination. The Sub-Lessee may terminate this Sublease given sixty (60) days' written notice to the Sub-Lessor. Upon the date of termination specified in Sub-Lessee's notice, Sub-Lessee shall pay to Sub-Lessor and early termination fee equal to one month's base rent (\$1,241.67), and both parties shall be fully and finally released from all of the terms & conditions, duties & obligations, and benefits & privileges inuring to each of them from this Sublease.
5. Reinstatement & Ratification. Sub-Lessor and Sub-Lessee hereby reinstate, ratify and reaffirm the Sublease in its entirety, which shall continue in full force and effect, except as modified hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment, to be made effective as of the date last set forth beside their signatures below.

*End of Amendment.
Signatures Follow.*

Sub-Lessor's Signature Page to First Amendment to Office Sublease Agreement

CITY OF GLADSTONE, MISSOURI, a municipal corporation

By:  _____

Name: Robert M. Baer

Title: City Manager

Date: 03/27/24

Sub-Lessee's Signature Page to First Amendment to Office Sublease Agreement

BARNES HEALTH CARE MANAGEMENT GROUP, LLC, a
Missouri limited liability company

Brent Stanley

By: _____





Date: 03 / 27 / 2024

Name: Brent Stanley

Title: Chief Operating Officer

Title	Gladstone Lease
File name	Barnes_Healthcare...NT_March_2024.pdf
Document ID	84b2f255b365c0d58cd43297022f6b8e298d2ec0
Audit trail date format	MM / DD / YYYY
Status	• Signed

Document History

 SENT	03 / 27 / 2024 10:43:27 UTC-5	Sent for signature to Brent Stanley (bstanley@barneshealthcare.net) from fmiller@barneshealthcare.net IP: 136.32.252.158
 VIEWED	03 / 27 / 2024 10:47:39 UTC-5	Viewed by Brent Stanley (bstanley@barneshealthcare.net) IP: 38.2.39.72
 SIGNED	03 / 27 / 2024 10:47:56 UTC-5	Signed by Brent Stanley (bstanley@barneshealthcare.net) IP: 38.2.39.72
 COMPLETED	03 / 27 / 2024 10:47:56 UTC-5	The document has been completed.