

**SECOND AMENDMENT TO THE SUBLEASE AND OPERATING
AGREEMENT FOR SOUTH PENINSULA HOSPITAL**

This agreement is by and between South Peninsula Hospital, Inc. (hereinafter referred to as "SPH, Inc."), an Alaska nonprofit corporation, of 4300 Bartlett Street, Homer, Alaska, and the Kenai Peninsula Borough (hereinafter referred to as "KPB"), an Alaska municipal corporation of 144 N. Binkley, Soldotna, Alaska 99669, collectively referred to as the parties. It shall be effective May 23, 2011, and when signed by all parties, whichever occurs last.

WHEREAS, effective March 3, 2008, the parties entered into a sublease and operating agreement ("SLOA") for South Peninsula Hospital; and

WHEREAS, the lease and operating agreement in Section 2 lists the subleased facilities; and

WHEREAS, as authorized by Resolution 2010-087 the borough amended the SLOA in November 2010 by amending Section 2 to add leased facilities; and

WHEREAS, the legal description in Section 2a below has been revised to reflect the latest platting action for the main hospital site; and

WHEREAS, in Resolution 2011-____ the KPB assembly authorized the lease of 3,780 sq. ft. for office space from South Peninsula Professional Services, LLC for a medical clinic and X-Ray room, and other hospital uses; and

WHEREAS, it would be appropriate to list the acquired property in the sublease and operating agreement to clarify that it is also subleased to and will be operated by SPH, Inc.; and

WHEREAS, in Resolution 2011-____ the KPB assembly also authorized the mayor to amend the SLOA to include this additional property;

NOW THEREFORE, in consideration of the mutual covenants contained herein the parties agree as follows:

1. That Section 2 of the Sublease and Operating Agreement is hereby amended to read as follows:
2. **DESCRIPTION OF LEASED FACILITIES.** Lessor leases the following described property to the Lessee/Operator (the Medical Facilities) for the term of this agreement and any extension thereof:
 - a. The South Peninsula Hospital and its grounds, located at 4300 Bartlett Street, Homer, Alaska, owned by the City of Homer, more particularly described as:

Tract A2, South Peninsula Hospital Subdivision 2008 Addition, filed under Plat No. 2008-92, Homer Recording District, Third Judicial District, State of Alaska.

- b. The following property and buildings owned by the Borough, more particularly described as:

Lots 3, 4, 5 and 6, Block 7; Lot 4, Block 8, Lot 6, Block 9, Fairview Subdivision Plat No. HM 56-2936 Volume 8, Page 196, Homer Recording District, Third Judicial District, State of Alaska.

- c. The following leased property located at 4251 Bartlett Street, Homer, Alaska, owned by Mark Halpin and B. Isabel Halpin subject to the terms and conditions of the lease, more particularly described as:

L2-A Block 8 Fairview Subdivision Halpin Addition, according to Plat No. 2009-43, Homer Recording District, Third Judicial District, State of Alaska

- d. The following leased space located at 4201 Bartlett Street, Homer, Alaska, owned by South Peninsula Professional Services, LLC subject to the terms and conditions of the lease, and more particularly described as: 3,780 sq. ft. of office space within the Kachemak Bay Professional Building situated within the property described as follows:

Lot 1-A, Block 9, of Fairview Subdivision 2003 Addition, as shown on Plat No. 2004-101, Homer Recording District, Third Judicial District, State of Alaska.

- e. Such other Borough-owned or leased facilities, if any, as are authorized by the Borough pursuant to this Agreement for SPHI to lease and operate pursuant to this Agreement.

The Medical Facilities include all fixtures and appurtenances thereto as of the effective date of this Agreement or which may be added pursuant to this Agreement. The Parties acknowledge that the sublease of the portion of property owned by the City of Homer, described in subparagraph (a) above, to SPHI is subject to consent by the City of Homer, which consent may not be unreasonably withheld. The parties agree to cooperate in seeking such consent upon execution of this Agreement.

2. All remaining terms and conditions of the Sublease and Operating Agreement shall remain in full force and effect.

KENAI PENINSULA BOROUGH

SOUTH PENINSULA HOSPITAL, INC.

David R. Carey
Borough Mayor

President
SPH, Inc. Board of Directors

Dated: _____

Dated: _____

ATTEST:

ATTEST:

Borough Clerk

SPH, Inc., Board Secretary

ACKNOWLEDGMENTS

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this ___ day of _____, 2011 by David R. Carey, Mayor of Kenai Peninsula Borough, an Alaska municipal corporation, on behalf of the corporation.

Notary Public in and for Alaska
My Commission Expires: _____

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this ___ day of _____, 2011 by _____, President, South Peninsula Hospital, Inc., an Alaska nonprofit corporation, on behalf of the corporation.

Notary Public in and for Alaska
My Commission Expires: _____