

**FIRST AMENDMENT TO THE OPERATING AGREEMENT FOR CENTRAL PENINSULA
HOSPITAL, HERITAGE PLACE, KENAI HEALTH CENTER, AND OTHER HEALTH
FACILITIES**

This amendment to the Operating Agreement (“Operating Agreement”) is by and between Central Peninsula General Hospital, Inc., an Alaska nonprofit corporation, of 250 Hospital Place, Soldotna, Alaska 99669, (referred to as “CPGH, Inc.” or “Operator”) and the Kenai Peninsula Borough (hereinafter referred to as “KPB”, “Borough” or “Owner”), an Alaska municipal corporation of 144 N. Binkley, Soldotna, Alaska 99669, collectively referred to as the Parties.

WHEREAS, effective January 1, 2018, the Parties entered into an Operating Agreement for CPGH, Inc. to operate and manage Central Peninsula Hospital, Heritage Place, Kenai Health Center and Other Health Facilities; and

WHEREAS, Exhibit A of the Operating Agreement describes the property leased to CPGH, Inc. and/or Medical Facilities that CPGH, Inc. operates and manages pursuant to the terms of the Operating Agreement; and

WHEREAS, in Ordinance 2022-19-04 the Kenai Peninsula Borough Assembly authorized the purchase of the Surgery Center of Kenai and authorized the mayor to amend the Operating Agreement to include this acquisition as an additional Medical Facility that CPGH, Inc. operates and manages under the Agreement; and

WHEREAS, it is necessary to list the above referenced acquisition in Exhibit A to the Agreement to provide that the assets of Surgery Center of Kenai, LLC have been purchased by the KPB and that the acquired assets will be operated and managed by CPGH, Inc. as an outpatient surgery center for the benefit of the KPB; and

WHEREAS, the real property where the outpatient surgery center is located will be leased, pursuant to Section 14(b) of the Agreement, by CPGH, Inc. as Lessee, with Schillings Rentals, LLC as the Lessor, and the KPB is not obligated for the covenants, terms or conditions of said lease;

WHEREAS, CPGH, Inc. anticipates that it will execute a new sublease for the CPH radiation oncology building space between CPGH, Inc. and Aurora Integrated Oncology Foundation (AIOF) (d/b/a Peninsula Radiation Oncology Center) that will require an amendment to Section(b)(ii) of the Operating Agreement between the KPB and CPGH, Inc. to account for a new lease term and lessee reference;

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

1. That Section 2(b)(ii) of the Operating Agreement is hereby amended to read as follows:

The approximately 4,570 square feet of the CPH Campus for Providing Cancer Treatment located at 250 Hospital Place, Soldotna, Alaska ("CPH Campus") until December 31, 2053 This will be in accordance with, and pursuant to , the Sublease Agreement dated January 1, 2023, by and between CPGH, Inc. and Aurora Integrated Oncology Foundation, a non-profit corporation, doing business as Peninsula Radiation Oncology Center, and all amendments to that Agreement.

2. That Exhibit A to the Operating Agreement is hereby amended to read as follows:

EXHIBIT A
DESCRIPTION OF MEDICAL FACILITIES

The Borough leases the following described property to CPGH, Inc. (hereinafter the "Medical Facilities") for the term of this Agreement and any extension thereof:

- a. The Central Peninsula Hospital and its grounds, located at 250 Hospital Place, Soldotna, Alaska, 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.

Lot One (1), Block Two (2), ASPEN FLATS SUBDIVISION, ADDITION NO. 5, according to Plat K-1643, Kenai Recording District, Third Judicial District, State of Alaska.

Lot Two (2), Block Two (2), ASPEN FLATS SUBDIVISION, ADDITION NO. 5, according to Plat K-1643, Kenai Recording District, Third Judicial District, State of Alaska.

Lot Six (6), Block Two (2), ASPEN FLATS SUBDIVISION, ADDITION NO. 5, according to Plat K-1643, Kenai Recording District, Third Judicial District, State of Alaska.

and

Lot Six (6), Block One (1), ASPEN FLATS SUBDIVISION ADDITION NO. 5, according to Plat No. K-1643, Kenai Recording District, Third Judicial District, State of Alaska.

b. The Kenai Health Center and its grounds, located at 630 Barnacle Way, Kenai, Alaska, more particularly described as:

Lot 2, Block 1, according to the Amended Plat of Block One First Addition Etolin Subdivision, filed under Plat No. 73-14, in the Kenai Recording District, Third Judicial District, State of Alaska.

c. The Heritage Place and its grounds, located at 232 Rockwell Avenue, Soldotna, Alaska, more particularly described as:

Lot 2, DAVIDHIZAR SUBDIVISION, according to the official plat thereof, filed under Plat Number 83-162, Records of the Kenai Recording District, Third Judicial District, State of Alaska.

d. The Serenity House and its grounds, located at 47480 Kristina Way, Kenai, Alaska, more particularly described as:

SW 1/ 4 SE 1/ 4 Section 23, Township 5 North, Range 11 West, Seward Meridian, Alaska, Kenai Peninsula Borough, Kenai Recording District, Third Judicial District, State of Alaska.

e. A two story medical office building commonly known as the Mundell Building and its grounds, located at 245 North Binkley Street, Soldotna, Alaska, more particularly described as:

Lot 4-A PENINSULA MEDICAL CENTER SUBDIVISION NO. 2, according to Plat No. 84-103, Kenai Recording District, Third Judicial District, State of Alaska.

f. A single story medical office building commonly known as the Clinic and its grounds, located at 265 North Binkley Street, Soldotna, Alaska, more particularly described as:

Lot 3 PENINSULA MEDICAL CENTER SUBDIVISION, according to Plat No. 83-79, Kenai Recording District, Third Judicial District, State of Alaska.

g. A vacant lot located at Lot 2 PENINSULA MEDICAL CENTER SUBDIVISION, according to Plat No. 83-79, Kenai Recording District, Third Judicial District, State of Alaska.

h. A single story medical office building and its grounds, located at 108 East Corral Street, Soldotna, Alaska, more particularly described as:

Lot 51A BINKLEY STREET/SHADY LANE ROW DEDICATION AND REPLAT (Plat No. KN 88-40), Kenai Recording District, Third Judicial District, State of Alaska.

i. A single story medical office building and its grounds commonly known as Frontier Physical Therapy, located at 260 Caviar Street Kenai, Alaska, more particularly described as:

Lot 7 ALYESKA SUBDIVISION PART 1 (Plat No. K-1442), Kenai Recording District, Third Judicial District, State of Alaska.

j. A single story medical office building and its grounds commonly known as Kenai Peninsula Urology Clinic, located at 262 N. Binkley Street Soldotna, Alaska, more particularly described as:

Lot Forty-five (45) ASPEN FLATS SUBDIVISION, ADDITIONAL NO. 3, according to Plat No. K-653, Kenai Recording District, Third Judicial District, State of Alaska.

k. A single story medical office building and its grounds, located at 254 N. Binkley Street Soldotna, Alaska, more particularly described as:

Lot Forty-six (46) ASPEN FLATS SUBDIVISION, ADDITION NO. 3, according to Plat No. K-653, Kenai Recording District, Third Judicial District, State of Alaska.

l. A two story building and its grounds, located at 362 Tyee Street Soldotna, Alaska, more particularly described as:

Lots One (1) and Nineteen (19), Block 2, IRIS HEIGHTS SUBDIVISION, according to Plat No. 77-40, Kenai Recording District, Third Judicial District, State of Alaska.

m. Such other Borough facilities and real property, if any, as determined and authorized by the Borough.

CPGH, Inc. operates and manages the following medical facility and is the obligated lessee of the property:

a. A freestanding ambulatory surgery center, formerly owned by the Surgery Center of Kenai LLC, located at 100 Trading Bay Road, Kenai, Alaska, subject to Ordinance 2022-19-04 and the terms and conditions of the lease between CPGH, Inc. (Lessee) and Schillings Rentals, LLC, (Lessor). The leased property is more fully described as:

Lot 4A, COOK INLET INDUSTRIAL AIR PARK 2014 Replat, Plat KN-2014-21, Kenai Recording District, Third Judicial District, State of Alaska.

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

KENAI PENINSULA BOROUGH

CENTRAL PENINSULA HOSPITAL, INC.

Mike Navarre
Borough Mayor

Shaun Keef
Chief Executive Officer

ATTEST:

Michele Turner, CMC
Acting Borough Clerk

ATTEST:

Carrie Couey
Board Secretary/Treasurer

APPROVED AS TO FORM

Sean Kelley
Borough Attorney