

Introduced by: Mayor  
Date: 10/11/16  
Action: Adopted  
Vote: 8 Yes, 1 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2016-054**

**A RESOLUTION AUTHORIZING THE ADMINISTRATION TO AMEND THE  
LEASE AND OPERATING AGREEMENT WITH CENTRAL PENINSULA  
GENERAL HOSPITAL, INC. FOR CENTRAL PENINSULA HOSPITAL,  
HERITAGE PLACE, KENAI HEALTH CENTER, AND OTHER HEALTH  
FACILITIES TO CHANGE THE DATE NOTICE OF TERMINATION SHALL  
BE GIVEN**

**WHEREAS**, in Ordinance 2007-14 the assembly authorized the mayor to execute a Lease and Operating Agreement (“agreement”) with Central Peninsula General Hospital, Inc. (“CPGH, Inc.”) for Central Peninsula Hospital and other healthcare facilities; and

**WHEREAS**, paragraph 4 of that agreement provides that it will be in effect through December 31, 2017, and that if no notice of termination has been given or agreement to extend has been signed before December 31, 2016, then a ten-year extension of the lease shall be deemed to have been agreed upon; and

**WHEREAS**, the CPGH, Inc. administration and the borough administration have started discussions regarding revisions to the lease and operating agreement; and

**WHEREAS**, at this time, the borough administration would prefer to not give a notice of termination and both administrations anticipate that a new agreement should be ready for presentation to the CPGH, Inc. board and the assembly before March 31, 2017; and

**WHEREAS**, amending paragraph 4 of the agreement to extend the date that notice must be given from December 31, 2016 to March 31, 2017 would be in the best interests of the borough; and

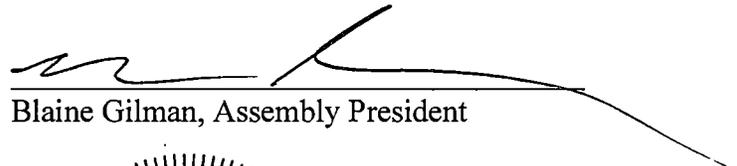
**WHEREAS**, at its meeting of September 29, 2016, the CPGH, Inc. board recommended approval of this agreement;

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

**SECTION 1.** That the mayor is authorized to execute an Agreement to Amend the Lease and Operating Agreement for Central Peninsula Hospital substantially in the form of the agreement attached hereto and incorporated herein by reference. This agreement amends paragraph 4 of the lease and operating agreement to change the deadline from December 31, 2016 to March 31, 2017, to give a notice of termination or sign an agreement to extend this deadline to avoid the automatic ten year extension of the agreement.

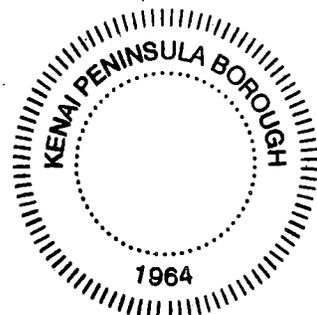
**SECTION 2.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 11TH DAY OF OCTOBER, 2016.**

  
Blaine Gilman, Assembly President

ATTEST:

  
John Blankenship, MMC, Borough Clerk



Yes: Bagley, Cooper, Dunne, Holmdahl, Johnson, Ogle, Welles, Gilman  
No: Knopp  
Absent: None

**Agreement to Amend Lease and Operating Agreement For Central Peninsula General Hospital, Heritage Place, Kenai Health Center, and Other Health Facilities**

The Kenai Peninsula Borough and Central Peninsula General Hospital, Inc. entered a Lease and Operating Agreement for Central Peninsula Hospital and other health facilities effective January 1, 2008. That agreement has subsequently been amended nine times by the parties. By this agreement the parties agree to amend the first paragraph of section 4 to read as follows:

4. **TERM.** This lease/operating agreement shall be in effect from January 1, 2008 to and including December 31, 2017, unless terminated earlier in accordance with the provisions of this agreement. By mutual agreement of the parties this lease/operating agreement may be extended for an additional period, not to exceed ten years. If no notice of termination has been given or no agreement to extend has been signed before March 31, 2017, then a ten-year extension of this lease term shall be deemed to have been agreed upon. The terms of the lease/operating agreement for the additional ten year extension period shall be the same as this lease, with all amendments, unless the parties negotiate new terms before the effective date of the extension, January 1, 2018, and document those new terms in writing.

All remaining terms and conditions of the original agreement as amended by agreements one through nine remain in full force and effect.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

KENAI PENINSULA BOROUGH

CENTRAL PENINSULA GENERAL HOSPITAL, INC.

By: \_\_\_\_\_  
Mike Navarre, Mayor

By: \_\_\_\_\_  
Trena Richardson, President

ATTEST:

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
Borough Clerk

\_\_\_\_\_  
Borough Attorney

ACKNOWLEDGMENT

STATE OF ALASKA                    )  
  ) ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by Mike Navarre, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public for the State of Alaska  
My Commission Expires: \_\_\_\_\_

ACKNOWLEDGMENT

STATE OF ALASKA                    )  
  ) ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by Trena Richardson, President of Central Peninsula General Hospital, Inc., an Alaska corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public for the State of Alaska  
My Commission Expires: \_\_\_\_\_