



HOMER  
Serial No. 70-226

BOOK 56 PAGE 62  
Homer Recording District

1 purpose save and except by mutual written consent of all parties  
2 hereto.

3 5. IMPROVEMENTS: Lessee shall be entitled to make im-  
4 provements to the building presently on the above-described real  
5 estate or to add other improvements thereon and shall comply with  
6 all the laws applicable thereto.

7 All improvements and additions made or constructed upon  
8 the premises shall be at the expense of the Lessee, but the same  
9 shall become part of the leased premises and shall stay with the  
10 land at the termination of this lease.

11 6. REPAIRS AND MAINTENANCE: It is understood and agreed  
12 that Lessee shall pay for all repairs and maintenance to the  
13 aforementioned premises and shall pay for any and all replace-  
14 ments of existing equipment, out of its own funds.

15 7. OPERATIONAL EXPENSES: It is further understood and  
16 agreed that Lessee shall pay for and be solely responsible for  
17 all costs connected with the operation of said hospital, includ-  
18 ing costs for supplies, labor, equipment, etc.

19 8. INSURANCE: Lessee agrees to secure and maintain fire  
20 and extended coverage insurance on the real property and improve-  
21 ments with an insurer qualified to do business in the State of  
22 Alaska in an amount not less than Eighty (80%) per cent of the  
23 appraised value of the premises, with the Lessor named as an  
24 additional insured.

25 9. HOLD HARMLESS AND INDEMNITY: The Lessee covenants  
26 and agrees to save and hold the Lessor harmless from any and  
27 all loss or damage to persons or property occurring on the  
28 premises or occurring anywhere by reason of Lessee's occupation  
29 of the premises and operation as a hospital, and Lessee further  
30 agrees and covenants to indemnify Lessor for any and all costs  
31 or expenses incurred by Lessor for any reason arising out of  
32 Lessee's occupation of the premises.

OFFICES OF  
JEWELL & FARRELL  
1 SECOND AVENUE  
HONOLULU, ALASKA  
273-1544  
10 NEER AVENUE  
HOMER, ALASKA  
235-8709

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1           10. WASTE AND LAWFUL USE: Lessee covenants and agrees  
2 that it shall not commit, nor allow any waste upon the premises  
3 or any nuisance to be committed thereon, and further agrees to  
4 comply with all laws, whether State, Local or Federal.

5           11. NON-LIEN: Lessee further promises at all times to  
6 keep the demised premises free from any liens arising out of work  
7 performed, materials furnished, or obligations incurred by or for  
8 it.

9           12. PEACEFUL SURRENDER: Lessee further agrees that upon  
10 termination of the lease, either by expiration of the term or  
11 upon Lessee's breach of this lease, that it shall surrender and  
12 give up possession of the premises to the Lessor; and agrees that  
13 it will return the premises in substantially the same condition  
14 as when received, reasonable use and wear excepted.

15           13. NOTICE OF BREACH: If Lessee is guilty of a breach  
16 of this lease, Lessor shall give Lessee a written notice to the  
17 effect, specifying in what manner the lease is breached and  
18 thereafter Lessee shall have sixty (60) days from the receipt  
19 of such notice within which to correct said breach. Failure to  
20 correct the same shall give Lessee the privilege of re-taking  
21 possession of the property.

22           14. SUBLEASING AND ASSIGNMENT: Lessee agrees not to  
23 sublease or assign this lease or any portion thereof without  
24 first obtaining the written consent of the Lessor; providing  
25 however, that the Lessor shall not withhold its consent unreason-  
26 ably.

27           15. HOLDING OVER: The holding over after the expiration  
28 of this lease with the consent of the Lessor shall be deemed a  
29 tenancy from month to month.

30           16. DESTRUCTION OF PREMISES: In the event that the prem-  
31 ises are destroyed or damaged through fire, flood or other casu-  
32 alty covered by insurance Lessee agrees to use such sums as may

HOMER  
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1 be recovered from the insurer in the reconstruction of the sub-  
2 ject premises or the construction of a new hospital, provided  
3 that if Lessee ceased to exercise the governmental function of  
4 providing hospital services within the South Peninsula Hospital  
5 Service Area Lessee will pay to Lessor out of said sums received  
6 that amount which bears the same ratio to the total amount as  
7 the depreciated value of the present facility bears to the total  
8 value of the facility at the time of damage or destruction.

9 17. AGREEMENT BINDING UPON SUCCESSORS: Each and every  
10 covenant, agreement, term, provision and condition herein con-  
11 tained shall extend to and be binding upon the respective suc-  
12 cessors and assigns of the parties hereto.

13 IN WITNESS WHEREOF, the parties have executed this lease  
14 the day and year first above written.

15 LESSOR: CITY OF HOMER

16 By William C. [Signature]  
17 City Manager

18 ATTESTED TO:

19 Marie R. Charroy  
20 City Clerk.

21 Approved as to form:  
22 HAHN, JEWELL & FARRELL  
23 City Attorneys

24 By A. Robert Hahn, Jr.  
25 A. Robert Hahn, Jr.

26 LESSEE: KENAI PENINSULA BOROUGH

27 By George A. Navarre  
28 Borough Chairman

29 ATTESTED TO:

30 Francis [Signature]  
31 Borough Clerk

32 Approved as to form:

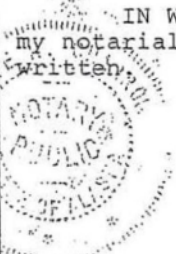
James D. Nordale  
James D. Nordale  
Borough Attorney

LAW OFFICES OF  
HN, JEWELL & FARRELL  
142 SECOND AVENUE  
ANCHORAGE, ALASKA  
273-1544  
PIONEER AVENUE  
HOMER, ALASKA  
235-3709

1 STATE OF ALASKA )  
: ss.  
2 THIRD JUDICIAL DISTRICT)

3 THIS IS TO CERTIFY that on the 10<sup>th</sup> day of November, 1969,  
4 before me, the undersigned, a Notary Public in and for Alaska,  
5 duly commissioned and sworn as such, personally appeared WILLIAM  
6 CURTIS, known to me and known to me to be the City Manager of the  
7 CITY OF HOMER, Lessor in the above and foregoing Lease, and he  
8 acknowledged to me the execution thereof to be his free and vol-  
9 untary act and deed for and on behalf of the CITY OF HOMER, for  
10 the uses and purposes therein set forth.

11 IN WITNESS WHEREOF, I have hereunto set my hand and affixed  
12 my notarial seal the day and year in this certificate first above  
13 written.

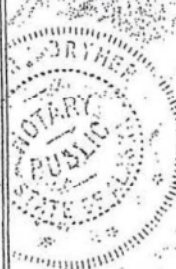


Marie R. Charron  
Notary Public in and for Alaska  
My Commission Expires: 7-28-73

13 STATE OF ALASKA )  
: ss.  
14 THIRD JUDICIAL DISTRICT)

15 THIS IS TO CERTIFY that on the 2<sup>d</sup> day of November, 1969,  
16 before me, the undersigned Notary Public in and for Alaska, duly  
17 commissioned and sworn as such, personally appeared GEORGE A.  
18 NAVARRE, known to me and known to me to be the Borough Chairman  
19 of the KENAI PENINSULA BOROUGH, Lessee in the above and foregoing  
20 Lease, and he acknowledged to me the execution thereof to be his  
21 free and voluntary act and deed for and on behalf of the KENAI  
22 PENINSULA BOROUGH, for the uses and purposes therein set forth.

23 IN WITNESS WHEREOF, I have hereunto set my hand and affixed  
24 my notarial seal the day and year in this certificate first above  
25 written.



Francis B. Bremer  
Notary Public in and for Alaska  
My Commission Expires: 7-22-72

RECORDED - FILED  
Homer REC. DIST.  
DATE 5-1 1970  
TIME 1:45 P.M.  
Requested by City of Homer  
Address Box 235  
Homer, AK 99603

AMENDMENT TO LEASE BETWEEN CITY OF HOMER  
AND KENAI PENINSULA BOROUGH

ORIGINAL

WHEREAS, the City Council of the City of Homer (City) on 03/08/99 approved the lease of additional property to the Kenai Peninsula Borough (Borough) for expansion of the South Peninsula Hospital; and

WHEREAS, by resolution 97-088, the Borough assembly approved the lease of an additional approximate 1.5 acres from the City for expansion of a long-term care unit and other important hospital functions for South Peninsula Hospital; and

WHEREAS, it is necessary to amend the 1969 lease between the City and the Borough to reflect the inclusion of the additional acreage and revised property description for the leasehold;

NOW, THEREFORE, BE IT AGREED BY THE PARTIES:

The parties, Lessor, City of Homer (City), an Alaska municipal corporation, and Lessee, Kenai Peninsula Borough (Borough), an Alaska municipal corporation, amend the lease dated November 10, 1969, as set forth in this document.

1. The following real property description of the lease is stricken:

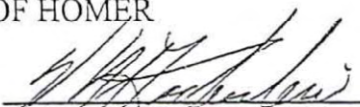
The North one-half (N1/2) of the Northwest one-quarter (NW1/4) of the Southeast one-quarter (SE1/4) of Section Eighteen (18), Township Six South (T6S), Range Thirteen West (R13W), Seward Meridian, State of Alaska.

2. The following real property description is substituted as the description of the premises:

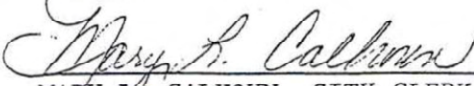
Tract A, South Peninsula Hospital subdivision, filed as plat No. 98-41, Homer Recording District, Third Judicial District, State of Alaska.

3. All other terms and conditions of the lease remain in full force and effect.
4. If any provisions of this amendment and the lease dated November 10, 1969, conflict, the terms and conditions of this amendment shall be controlling.

CITY OF HOMER

By:   
Its: Val M. Koeberline, City Manager  
Date: 03/09/99

ATTEST:

  
MARY L. CALHOUN, CITY CLERK







## City Ordinances 1979 - 2010

**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**ORDINANCE 05-51**

AN ORDINANCE OF THE HOMER CITY COUNCIL APPROVING AN EXTENSION AND AMENDMENTS TO THE LEASE TO THE KENAI PENINSULA BOROUGH FOR THE SOUTH PENINSULA HOSPITAL AND APPROVING CONSTRUCTION OF HOSPITAL BUILDINGS ACROSS CITY AND BOROUGH LOT BOUNDARIES

WHEREAS, the South Peninsula Hospital is vitally important to the health and welfare of the citizens of Homer and the southern Kenai Peninsula; and

WHEREAS, on November 10, 1969, the City, as lessor, and the Kenai Peninsula Borough, as lessee, entered into a lease of city land entitled Lease of Homer Hospital for a 55-year term commencing July 1, 1969, and ending on June 30, 2024; and

WHEREAS, the Kenai Peninsula Borough ("Borough") now desires to expand the South Peninsula Hospital on the property, and desires an extension of the lease term and modification of certain terms, which the City desires to approve in the public interest.

NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:

Section 1. The City finds that the continued operation and expansion of the South Peninsula Hospital in Homer is of vital importance to the health and welfare of the citizens of Homer and the southern Kenai Peninsula, and further that the public interest in the

continued operation and expansion of the hospital in Homer is sufficient

Page Two

Ordinance 05-51

City of Homer

to justify the extension of the term of the Lease of Homer Hospital and the other provisions approved in this ordinance.

Section 2. This lease extension is hereby exempt from Homer City Code Chapter 18.08 and other provisions of the Homer City Code governing the making and amendment of leaseholds in City property.

Section 3. The Second Amendment to Lease Agreement Between City of Homer and Kenai Peninsula borough, in the form attached to this ordinance as Exhibit A, is hereby approved.

Section 4. The construction by the Borough of South Peninsula Hospital buildings and structures across boundary lines existing between Borough-owned lot(s) and City-owned Tract A, South Peninsula Hospital (the "Hospital Site") is hereby approved. The Hospital Site, while managed by the Borough as the site for South Peninsula Hospital purposes, is exempt from any provisions of the Homer zoning code that would (a) prohibit construction of buildings or structures across property lines between City and Borough owned land ,or (b) require setbacks from such property lines on the interior of the Hospital Site. This does not exempt the Hospital Site from setbacks applicable to the perimeter of the Hospital Site or from other applicable provisions of the Homer zoning code.

Section 5. This ordinance is of a special or temporary character and shall not be included in the City Code.

Page Three

Ordinance 05-51

City of Homer

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this

\_\_\_\_\_ day of \_\_\_\_\_, 2005.





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S  
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EXHIBIT A

*CC 32*

**FORM OF LEASE AMENDMENT**

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**SECOND AMENDMENT TO LEASE AGREEMENT**

**BETWEEN**

**CITY OF HOMER AND KENAI PENINSULA BOROUGH**

THIS SECOND AMENDMENT TO LEASE AGREEMENT ("Second Amendment") is made and entered into effective as of this 31<sup>st</sup> day of October, 2005, between the **CITY OF HOMER**, a municipal corporation, 491 East Pioneer Avenue, Homer, Alaska 99603, ("**LESSOR**"), and **KENAI PENINSULA BOROUGH**, a municipal corporation, 144 North Binkley St., Soldotna, Alaska, 99669, ("**LESSEE**"), and affects that Lease of Homer Hospital entered into between the parties on November 10, 1969, recorded beginning at Book 56, Page 61, Homer Recording District; as amended in 1999 by an instrument entitled Amendment to Lease Between City of Homer and Kenai Peninsula Borough, recorded beginning at Book 289, Page 305, Homer Recording District (collectively referred to as the "Lease").

This instrument affects the following property located in the City of Homer, Homer Recording District, State of Alaska:

Tract A, South Peninsula Hospital Subdivision, filed as plat No. 98-41.

**AGREEMENT**

LESSOR and LESSEE agree as follows:

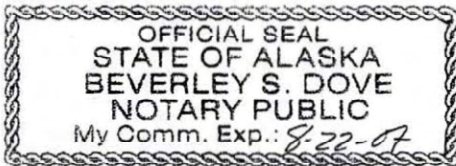
**1. Extension of Term**

The term of the Lease is extended for an additional 36 years, to end on June 30, 2060.



STATE OF ALASKA            )  
  ) ss.  
THIRD JUDICIAL DISTRICT    )

The foregoing instrument was acknowledged before me on October 31, 2005, by Dale Bagley, Mayor of the Kenai Peninsula Borough, on behalf of the Kenai Peninsula Borough.



Beverley S. Dove  
Notary Public in and for Alaska  
My Commission Expires: 8-22-07

Return to:

City of Homer  
491 East Pioneer Avenue  
Homer, Alaska 99603

11/14/05  
cc: KPB Clerk Sherry Biggs  
Finance  
*[Signature]*





## City Ordinances 1979 – 2010

**CITY OF HOMER  
HOMER, ALASKA**

**City Manager**

**ORDINANCE 06-36**

AN ORDINANCE OF THE HOMER CITY COUNCIL ACCEPTING CONVEYANCE OF LOT 1, BLOCK 8 AND LOT 2, BLOCK 7, FAIRVIEW SUBDIVISION, PLAT NO. 56-2936, HOMER RECORDING DISTRICT FROM THE KENAI PENINSULA BOROUGH AND EXTENDING THE TERM OF THE SOUTH PENINSULA HOSPITAL LEASE TO 99 YEARS.

WHEREAS, The proposed expansion of the South Peninsula Hospital is vitally important to the health and welfare of the citizens of Homer and the Southern Kenai Peninsula; and

WHEREAS, The City, working closely with the Kenai Peninsula Borough, attempted to help facilitate construction of the proposed hospital expansion by adopting Ordinance 05-51; and

WHEREAS, Ordinance 05-51 extended the term of the hospital lease by 36 years and resolved an outstanding permitting issue; and

WHEREAS, The City and the Borough have continued to discuss this matter in an effort to improve upon the agreement authorized in Ordinance 05-51; and

WHEREAS, The City and the Borough have agreed in principle that it would be mutually beneficial for the Borough to convey title to Lot 1, Block 8 and Lot 2, Block 7, Fairview Subdivision to the City. These lots, Tract A, and the portion of Bartlett Street to be vacated would be replatted into a new parcel to be called Tract A1 which would be owned solely by the City. In exchange, the City would extend the term of the South Peninsula Hospital Lease to 99 years and expand the lease to the boundaries of the new Tract A-1.

NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:

Section 1. The City finds that the continued operation and expansion of the South Peninsula Hospital in Homer is of vital importance to the health and welfare of the citizens of Homer and the Southern Kenai Peninsula, and further, that the public interest in the continued operation and expansion of the hospital is sufficient to justify the extension of the term of the Lease of the South

Peninsula Hospital and the other provisions approved in this Ordinance.

Section 2. This lease extension is hereby exempt from Homer City Code Chapter 18.08 and other provisions of the Homer City Code governing the making and amendment of leaseholds in City property.

Section 3. The Third Amendment to the Lease Agreement Between City of Homer and Kenai Peninsula Borough, in the form attached to this ordinance as Exhibit A, is hereby approved.

Page Two  
Ordinance 06-36  
City of Homer

Section 4. The City hereby accepts the conveyance of Lot 1, Block 8 (KPB Tax Parcel Number 175-052-0100) and Lot 2, Block 7, (KPB Tax Parcel Number 175-053-0100) Fairview Subdivision, Plat No. 56-2936, Homer Recording District from the Kenai Peninsula Borough.

Section 5. This is a special and non code Ordinance.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

MARY L. CALHOUN, CMC, CITY CLERK

AYES:  
NAYES:  
ABSTAIN:  
ABSENT:

First Reading: May 22, 2006  
Public Hearing:  
Second Reading:  
Effective Date:

Reviewed and approved as to form:





2006-002966-0

Recording Dist: 309 - Homer  
6/23/2006 3:19 PM Pages: 1 of 3

A  
L  
A  
S  
K  
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**THIRD AMENDMENT TO LEASE AGREEMENT**

*EV 3/2*

**BETWEEN**

**CITY OF HOMER AND KENAI PENINSULA BOROUGH**

THIS THIRD AMENDMENT TO LEASE AGREEMENT ("Third Amendment") is made and entered into effective as of this 22<sup>nd</sup> day of JUNE, 2006, between the **CITY OF HOMER**, a municipal corporation, 491 East Pioneer Avenue, Homer, Alaska 99603, ("LESSOR"), and **KENAI PENINSULA BOROUGH**, a municipal corporation, 144 North Binkley St., Soldotna, Alaska, 99669, ("LESSEE"), and affects that lease of the South Peninsula Hospital entered into between the parties on November 10, 1969, recorded beginning at Book 56, Page 61, Homer Recording District; as amended in 1999 by an instrument entitled Amendment to Lease Between City of Homer and Kenai Peninsula Borough, recorded beginning at Book 289, Page 305, Homer Recording District and by an instrument entitled Second Amendment to Lease Agreement Between City of Homer and Kenai Peninsula Borough, recorded as serial 2005-005676-0, Homer Recording District (collectively referred to as the "Lease").

This instrument affects the following property located in the City of Homer, Homer Recording District, State of Alaska initially referred to as:

Tract A, South Peninsula Hospital Subdivision, filed as Plat No. 98-41,

and hereinafter referred to as:

Tract A-1, South Peninsula Hospital Subdivision 2005 Addition, filed as Plat No. 2006-38.

**AGREEMENT**

LESSOR AND LESSEE agree as follows:

**1. Extension of Term:**

The term of the Lease as previously amended is further extended for an additional 45 years, to end on June 30, 2105.

**2. Amended Legal Description:**

The following legal description of the leased property is hereby deleted:

Tract A, South Peninsula Hospital Subdivision, filed as Plat No. 98-41.

The following legal description is hereby substituted as the description of the leased premises:

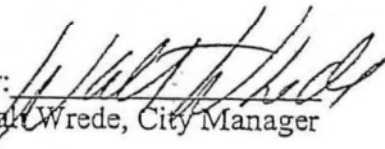
Tract A-1, South Peninsula Hospital Subdivision 2005 Addition, filed as Plat No. 2006-38.

**3. Lease Remains in Effect:**

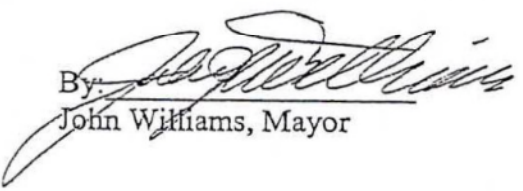
Every other provision of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed as of the day and year first above written.

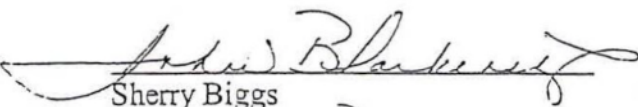
**LESSOR:  
CITY OF HOMER**

By:   
Walt Wrede, City Manager

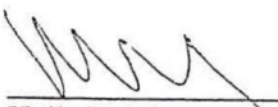
**LESSEE:  
KENAI PENINSULA BOROUGH**

By:   
John Williams, Mayor

ATTEST:

  
Sherry Biggs  
Borough Clerk, Deputy

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

  
Holly B. Montague  
Deputy Borough Attorney



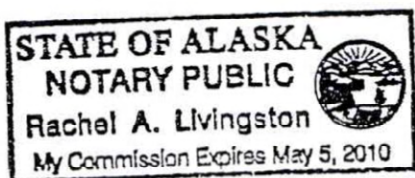
Third Amendment to Lease Agreement



ACKNOWLEDGEMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

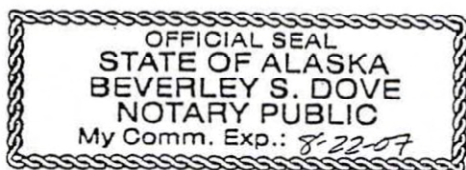
The forgoing instrument was acknowledged before me on June 23<sup>rd</sup>, 2006, by Walt Wrede, City Manager of the City of Homer, on behalf of the City of Homer



[Signature]  
Notary in and for the State of Alaska  
Term Expires: 5-5-10

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The forgoing instrument was acknowledged before me on June 22<sup>nd</sup>, 2006, by John Williams, Mayor of the Kenai Peninsula Borough, on behalf of the Kenai Peninsula Borough.



[Signature]  
Notary in and for the State of Alaska  
Term Expires: 8-22-07

Return To:  
Kenai Peninsula Borough  
144 N Binkley  
Soldotna AK 99669

