

**FIRST AMENDMENT TO THIRD AGREEMENT FOR PROPERTY TAX TRANSFER
FROM WEST CONTRA COSTA HEALTHCARE DISTRICT TO CONTRA COSTA
COUNTY**

This First Amendment to Third Agreement for Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County (this “Amendment”), dated April 12, 2016 (the “Effective Date”), is by and between the West Contra Costa Healthcare District, a California local health care district (“District”), and the County of Contra Costa, a political subdivision of the State of California (“County”), and amends the Third Agreement for Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County, dated July 1, 2014 (the “Third Agreement”), between District and County.

RECITALS

I. WHEREAS, District previously operated an acute care hospital in San Pablo, California, doing business as “Doctor’s Medical Center – San Pablo” (“DMC”), at which it provided care to, among others, Medi-Cal beneficiaries;

II. WHEREAS, on July 16, 2013, County and District entered into the Amended and Restated Second Agreement for Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County, dated July 1, 2014, which provides that the County Auditor shall allocate and transfer to County the entirety of the general *ad valorem* property tax revenues that otherwise would be collected and allocated to District commencing July 1, 2013, as authorized by Section 99.02 of the California Revenue and Taxation Code, until the sum of all such allocations to County equals \$17,096,223.18;

III. WHEREAS, on July 1, 2014, County and District entered into the Third Agreement, which provided for County to transfer \$6,000,000 to District, and that the County Auditor shall allocate and transfer to County the entirety of the general *ad valorem* property tax revenues that otherwise would be collected and allocated to District commencing once the Second Agreement property tax transfers are complete, until the sum of all such allocations to County equals \$8,200,000;

IV. WHEREAS, in April, 2015, District announced that it would close DMC due to funding shortfalls; and

V. WHEREAS, as of the Effective Date of this Amendment, the remaining amount of *ad valorem* property tax revenues to be transferred to County under the Third Agreement is \$8,200,000.

VI. WHEREAS, District has requested that County agree to forego \$1,000,000 of District’s *ad valorem* property tax allocation that would otherwise be transferred to County on an annual basis under the Third Agreement for the purpose of assisting District in winding down its affairs;

VII. WHEREAS, County has agreed to forego \$1,000,000 of District’s *ad valorem* property tax allocation that would otherwise be transferred to County on an annual basis under

the Third Agreement for the purpose of assisting District in winding down its affairs pursuant to the terms of this Amendment; and

VIII. WHEREAS, in consideration of County's agreement to forego \$1,000,000 in ad valorem property taxes that would otherwise be transferred to it annually under the Third Agreement, and the resulting extension of time in which County will receive the ad valorem property taxes under the Third Agreement, District has agreed to authorize the County Auditor to make a final transfer of District ad valorem property taxes to County in the amount of \$645,000, to be transferred after \$8,200,000 in District ad valorem property taxes have been transferred under the Third Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the following terms and conditions, the parties hereto agree as follows:

AGREEMENT

A. PROPERTY TAX TRANSFER AGREEMENT AMENDMENT. The Third Agreement is hereby amended as follows:

Section 2(A) – Continuing Property Tax Allocation. The third sentence of Section 2(A) of the Third Agreement is hereby deleted in its entirety and replaced with the following:

“Once the County Auditor has allocated and transferred to County general *ad valorem* property tax revenues in the amount of the Existing Property Tax Transfer Amount pursuant to the Amended and Restated Second Agreement, the County Auditor then shall (1) allocate and transfer to County from year to year, pursuant to this Agreement, an amount equal to the general *ad valorem* property tax revenues that otherwise would be collected and allocated to District less \$1,000,000 (such reduced amount, the “New Transfer Amount”), commencing July 1, 2016, as authorized by R&T Code Section 99.02, until the sum of all such allocations are equal to the New Property Tax Transfer Amount, and (2) after all of the New Property Tax transfer Amount has been transferred to County, allocate and transfer to County from year to year (as necessary), the entirety of the general *ad valorem* property tax revenues that otherwise would be collected and allocated to District as authorized by R&T Code Section 99.02, until the sum of all such allocations are equal to \$645,000.”

B. COUNTERPARTS. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

County of Contra Costa

West Contra Costa Healthcare District

By: _____
Name: David Twa
Title: County Administrator
Contra Costa County

By: _____
Name: Irma Anderson
Title: Chair, Board of Directors

Approved as to form:
Sharon L. Anderson, County Counsel

Approved as to form:

By: _____
Name: _____
County Counsel

By: _____
Name: Colin Coffey
District Counsel