

**SECOND AMENDMENT TO AMENDED AND RESTATED SECOND AGREEMENT
FOR PROPERTY TAX TRANSFER FROM WEST CONTRA COSTA HEALTHCARE
DISTRICT TO CONTRA COSTA COUNTY**

This Second Amendment to Amended and Restated Second 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 Amended and Restated Second Agreement for Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County, dated July 1, 2014 (the “Second 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 Second Agreement, 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 for Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County, 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, District and County entered into the First Amendment To Amended And Restated Second Agreement For Property Tax Transfer From West Contra Costa Healthcare District To Contra Costa County, dated December 3, 2014, to document the one-time temporary suspension of up to \$3,000,000 of the fiscal year 2014-15 *ad valorem* property taxes that would otherwise be allocated to County under the Second Agreement;

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

VI. 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 Second Agreement is \$13,277,804;

VII. 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 Second Agreement for the purpose of assisting District in winding down its affairs; and

VIII. 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 Second Agreement for the purpose of assisting District in winding down its affairs pursuant to the terms of this Amendment.

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 Second Agreement is hereby amended as follows:

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

“The County Auditor shall allocate and transfer to County 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, and thereafter shall continue to allocate the New Transfer Amount of *ad valorem* property tax revenues to County from year to year, as authorized by R&T Code Section 99.02, until the sum of all such allocations to County equals the Restated Property Tax Transfer Amount and District has satisfied all of its other obligations herein.”

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