
West Contra Costa Healthcare District

Board of Directors

Tuesday, May 3, 2016

4:30 PM

**San Pablo City Council
Chambers**

**13831 San Pablo Avenue
San Pablo, CA**



**WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER**

BOARD OF DIRECTORS MEETING

**WCCHD DOCTORS MEDICAL CENTER
BOARD OF DIRECTORS
MEETING
May 3, 2016 - 4:30 P.M. PST
San Pablo City Council Chambers
13831 San Pablo Ave.
San Pablo, CA 94806**

Board of Directors
*Eric Zell, Chair
Deborah Campbell, Vice Chair
Irma Anderson
Nancy Casazza
Beverly Wallace*

AGENDA

1. **CALL TO ORDER** E. Zell, Chair
2. **ROLL CALL**
3. **PUBLIC COMMENTS** E. Zell, Chair
*[At this time persons in the audience may speak on any items not on the agenda
and any other matter within the jurisdiction of the District Board]*
4. **APPROVAL OF MINUTES OF March 17, 2016**
5. **ADJOURN TO CLOSED SESSION** E. Shaffer, Attorney
 - a. Conference with Real Property Negotiators (Gov. Code Section 54956.8) Regarding Pending Hospital Property Sale and Warehouse Sale
Agency Negotiators: K. White, E. Shaffer; Buyer: Royal Guest Hotels
 - b. Potential Litigation (Gov. Code Section 54956.9)(d)(4), One Potential Case
6. **ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY**
7. **OPERATIONS UPDATE** B. Ellerston, Interim CNO
 - a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: For Information Only*
8. **FINANCIAL UPDATE** V. Scharr, Associate Administrator
 - a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: For Information Only*

9. **VENDOR IT EQUIPMENT DISPOSITION AGREEMENT** B. Ellerston, Interim CNO
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval of Vendor IT Equipment Disposition Agreement*
10. **VENDOR GENERATOR/SWITCHES EQUIPMENT DISPOSITION AGREEMENT** B. Ellerston, Interim CNO
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval of Vendor Generator/Switches Equipment Disposition Agreement*
11. **AMENDMENT TO PURCHASE AND SALE AGREEMENT SELLING DOCTORS MEDICAL CENTER TO ROYAL GUEST HOTELS: EXTENDING BUYER'S CONTINGENCY PERIOD** E. Shaffer, Legal Council
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval of Resolution Amending the Purchase and Sale Agreement and Authorizing the Board Chair and Management to Take Action Necessary to Complete the Transaction*
12. **AMENDMENT TO AUTHORIZATION TO SELL AGREEMENT EXTENDING CONTRACT WITH KENNEDY WILSON PROPERTIES AND JOHN TROUGHTON TO MARKET DOCTORS MEDICAL CENTER PROPERTY TO DECEMBER 31, 2016** E. Shaffer, Legal Council
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval of Contract Extension*
13. **DISPOSITION OF WAREHOUSE PROPERTY AT 34TH STREET AND MORAN AVENUE IN RICHMOND** E. Shaffer, Legal Council
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval to Solicit Offers to Purchase Property*
14. **AUTHORIZATION TO SELL AGREEMENT WITH KENNEDY WILSON PROPERTIES AND JOHN TROUGHTON TO MARKET WAREHOUSE PROPERTY** E. Shaffer, Legal Council
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval of Authorization to Sell Agreement*

15. **PUBLIC HEARING ON PROPOSED AMENDMENTS TO TWO PROPERTY TAX TRANSFER AGREEMENTS WITH CONTRA COSTA COUNTY: EFFECT ON DISTRICT'S FEES, CHARGES, TAXES AND OTHER REVENUES** E. Zell, Chair
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Hold Public Hearing*
16. **AMENDMENTS TO TWO PROPERTY TAX AGREEMENTS WITH CONTRA COSTA COUNTY: REVISING ALLOCATION OF DISTRICT TAXES TO THE COUNTY** E. Zell, Chair
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval of Resolution Amending Two Property Tax Agreements and Authorizing the Board Chair to Execute Amendments*
17. **REQUEST APPROVAL OF A COUNTY SPONSORED/DRAFTED RESOLUTION CALLING FOR ELECTIONS FOR DISTRICT BOARD AND REQUEST CONSOLIDATION OF DISTRICT ELECTION WITH COUNTY-WIDE ELECTIONS** B. Ellerston, Interim CNO
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Approval of County Sponsored/Drafted Resolution*
18. **ELIMINATION OF DISTRICT-COUNTY JOINT GOVERNING BOARD AS NO LONGER NECESSARY GIVEN CLOSURE OF DOCTORS MEDICAL CENTER** E. Zell, Chair
- a. Presentation
 - b. Public Comment
 - c. Discussion
 - d. *ACTION: Instruct the Board Chair and Management to Discuss with the County*
19. **ADJOURNMENT OF MEETING** E. Zell, Chair

In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District meeting, please contact the District Clerk at 510-970-5250 at least 48 hours prior to the meeting.

MINUTES
MARCH 17, 2016

Agenda Item 4



West Contra Costa Healthcare District

BOARD OF DIRECTORS

**WCCHD DOCTORS MEDICAL CENTER
BOARD OF DIRECTORS**

**March 17, 2016 – 4:30 P.M.
San Pablo City Council Chambers
13831 San Pablo Ave.
San Pablo, CA 94806**

Board of Directors

**Eric Zell, Chair
Deborah Campbell, Vice Chair
Irma Anderson
Nancy Casazza
Beverly Wallace**

MINUTES

1. CALL TO ORDER

The meeting was called to order at 4:30 P.M.

2. ROLL CALL

Quorum was established and roll was called:

Present:

*Eric Zell, Chair
Irma Anderson
Beverly Wallace
Nancy Casazza via phone*

Not Present:

Deborah Campbell

3. PUBLIC COMMENTS

There were no public comments.

4. APPROVAL OF MINUTES OF January 11, 2016

The motion made by Director Anderson and seconded by Director Wallace to approve the January 11, 2016 minutes passed unanimously with Director Campbell and Director Casazza being absent.

5. OPERATIONS UPDATE

Bobbie Ellerston presented an update on the operations of the hospital. There are currently 9 employees on the payroll with a core of 7 employees working 3 days/week with 1 employee moving to per diem status at the end of March 2016. The positions represent information technology, finance, security, plant operations, housekeeping, and administration.

It was reported that phase I of the sale of medical equipment, supplies, and office furniture is complete. The sale went well and the building is in "broom swept clean" condition.

The record retention transition to Xerox for medical records, HR files, employee health, physician credentialing, and quality files was completed as of February 24, 2016. Validation of the information for transfer will be completed by March 18, 2016.

We are continuing to complete our year-end financial/audit reports and our maintenance is up to date. Inventory for phase II of the sale of the generator, kitchen equipment, and IT equipment is complete. Advertising and tours will be done once the RFP is approved.

The plan going forward includes phase II equipment disposition, consolidating bank accounts, continued vendor management, and successful sale of the property. We will also be transitioning to the new District Team. During this time, we will identify roles and responsibilities and personnel required, maintain a communication hub, and make a determination regarding a location vs. going "virtual". This transition should be complete by mid April 2016.

Eric Zell provided a LAFCO update. A special study has been set up to review the possibility of making a recommendation regarding the disposition of the District. They would look at the governmental department, finance options and debt for the District. The WCCHD Board would have to recommend dissolution to LAFCO and the largest city (Richmond) would assume the debt, as well as the payout once the debt is met.

PUBLIC COMMENTS

There were no public comments.

This report was informational only.

6. PHASE II VENDOR EQUIPMENT DISPOSITION RFP(Office Supplies, IT Equipment, Generator, Generator Switch, Kitchen Supplies

The Phase II Vendor Equipment Disposition RFP for IT equipment, generator and switches, and kitchen equipment was provided for approval. The RFP included the process for notification, vendor review of inventory, selection, and evaluation criteria. Advertising by paper and posting on the WCCHD website, as well as notification to interested parties will be done the week of March 21. Inventory lists will be shared and tours will be scheduled the week of March 29-31 and proposals will be due to DMC by April 12, 2016.

PUBLIC COMMENTS

There were no public comments.

The motion made by Director Wallace and seconded by Director Anderson to approve the Vendor Equipment Disposition RFP passed unanimously with Director Campbell and Director Casazza being absent.

7. RESOLUTION TO APPROVE SIGNATURES TO BANK ACCOUNTS

The Resolution to Approve Signatures to Bank Accounts was provided for approval.

PUBLIC COMMENTS

There were no public comments.

The Resolution to Approve Signatures to Bank Accounts passed with the following vote:

Ayes– Chair Zell, Director Wallace, Director Anderson

Nays – 0

Abstain – 0

Absent – Director Campbell, Director Casazza

8. FINANCIAL UPDATE

Harold Emahiser and Vickie Scharr presented a financial update. The District currently has an estimated cash shortfall of \$975K prior to the closing of the hospital facility sale. Possible sources of outside funding include restructuring the cash advance from the county, outside high risk lenders, and early commitment funding from the facility purchaser. Until the current cash advance agreement with the county ends in 2022, the District has no outside funding available to fund ongoing operations and current obligations. The annual cash requirement for the next 10 years is \$2-\$2.4M which results in an estimated cash shortfall in 2019. These obligations are related to funding past employees workers compensation, unemployment, pension and medical retirement.

PUBLIC COMMENTS

There were no public comments.

This report was informational only.

9. REQUEST TO RESTRUCTURE TAX EXCHANGE AGREEMENT

The Request to Restructure the Tax Exchange Agreement was provided for approval. The proposed agreement would mean the county would keep 2/3 of the collected ad valorem tax on an annual basis, rather than keeping the entire portion. This restructure would extend the total repayment period by 4-5 years. It would allow DMC to make it to the closing of the sale and would increase funding so DMC could honor its other obligations more timely.

PUBLIC COMMENTS

There were no public comments.

The motion made by Director Anderson and seconded by Director Wallace to approve the Request to Restructure Tax Exchange Agreement passed unanimously with Director Campbell and Director Casazza being absent.

10. CLOSED SESSION

The meeting adjourned to Closed Session at 5:10 pm with Director Casazza joining the meeting via phone.

11. ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY

There were no reportable actions from closed session.

THE MEETING WAS ADJORNED AT 6:30 P.M.



OPERATIONS UPDATE

Agenda Item 7

**WEST CONTRA COSTA
HEALTHCARE DISTRICT**

**Operations Update
District Board Meeting
May 3rd, 2016**



PERSONNEL UPDATE

- As of May 1st, a core of 4 staff working 3 days/week and 4 per diem staff
- Continue to be closed Mondays and Fridays
- Have contracted staff, one for IT and one for Plant Ops, who work only when called

FOCUS OF OPERATIONS

- Phase II for sale of Generator/IT Equipment will be complete in May, once Board approves vendors
- Continue to complete year end Financial/Audit reports
- Basic maintenance continues
- Moving to Pinole office and staff being virtual

JANUARY 2016 – June 2016

- Vendor management continues
- Successful sale of property
- Transition to new District Team
 - Identify roles and responsibilities/new processes
 - Maintain communication (Website, phones, email)



FINANCIAL UPDATE

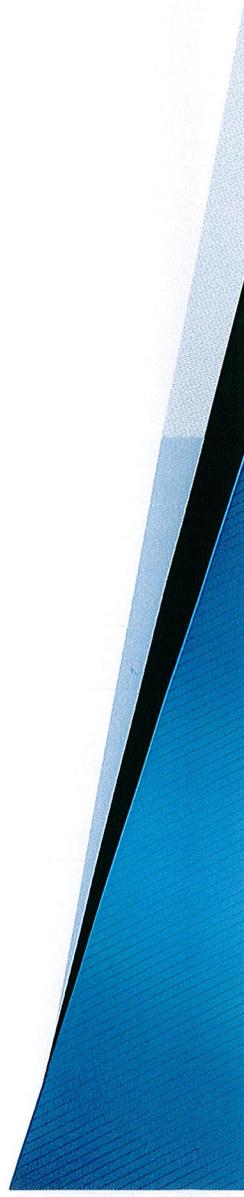
Agenda Item 8

***WEST CONTRA COSTA
HEALTHCARE DISTRICT***

Board Presentation

Financial Update

May 3, 2016



DMC Financial Update

West Contra Costa Healthcare District: Projected Weekly Cash Flow Analysis

Week Ending	Sale Closing										Total	
	4/29/16	5/13/16	5/27/16	6/10/16	6/24/16	7/8/16	7/22/16	8/5/16	8/19/16	9/16/16		9/30/16
Beginning Cash Balance	286,000	68,039	925,075	1,078,172	853,203	572,526	268,318	(166,289)	(309,845)	(657,009)	(791,518)	(1,004,173)
Cash Receipts:												
A/R Cash		5,000		5,000								
AB-915 Revenue			474,271									
Tax Revenue		1,000,000										
Kaiser-refund of premiums & claim settlement		78,977										
Sale of Generator, IT and Kitchen Equipment		60,000										
Sale of Warehouse												
Sale of Building												200,000
Total Cash Receipts		78,977	1,065,000	474,271	5,000							13,297,500
Total Cash Receipts												13,497,500
Total Cash Available												15,120,748
Cash Payments:												
Payroll/Administration	47,340	42,180	40,921	40,921	43,579	53,160	33,509	33,509	33,509	33,509	33,509	469,153
Bookkeeping Services	5,000		5,000		5,000		5,000		5,000		5,000	30,000
Cost Report Audits and Settlement	4,000		4,000		4,000		4,000		4,000		4,000	24,000
Annual Financial & Pension Audits & Actuarial	4,000		80,000				80,000				1,000	160,000
IT Costs	2,500	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Other	2,500	3,500	2,500	2,500	2,500	2,500	3,500	3,500	3,500	3,500	3,500	37,000
Total personnel/consulting costs	62,840	45,680	53,421	123,421	56,079	55,660	127,009	37,009	47,009	37,009	47,009	729,153
Office Expenses (see separate tab)	3,000		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	13,000
Insurance (Beta, Alpha, J&G, State fund)	5,098		5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	5,098	30,588
Security	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	192,000
Utilities	35,000		35,000		35,000		35,000		35,000		35,000	210,000
Landscaping		2,000		2,000		2,000		2,000		2,000		12,000
Property Insurance (POMS) - expires Mid May	13,694	55,736										69,430
Total facilities costs	72,792	73,736	58,098	18,000	58,098	18,000	58,098	18,000	58,098	16,000	60,098	527,018
Worker Comp -LWP(Replenish/Admin Fee)	129,806	59,548	50,000	59,548	50,000	59,548	50,000	59,548	50,000	59,548	59,548	737,094
EDD - 1st Quarter 2016			128,155									128,155
Legal	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
Lincoln - Pension Administration	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Records Storage			85,000				17,000		17,000		17,000	136,000
Fees and Other	17,500	15,000	17,500	15,000	17,500	15,000	23,500	15,000	17,500	17,500	15,000	201,000
Total other costs	161,306	88,548	209,655	88,548	166,500	88,548	104,500	88,548	98,500	81,500	105,548	1,370,249
Vendor Payments				142,000								175,000
Educational reimbursement												33,857
May Special Election Cost												444,794
EDD Payment - for 2015												1,300,000
Severance												145,000
Total post sale/other payments												1,953,651
Total Cash Payments	296,937	207,964	332,174	229,969	280,677	304,208	434,607	143,557	203,607	134,509	212,655	4,867,071
Net Cash Flow for a Week	117,961	857,036	153,097	(224,969)	(280,677)	(304,208)	(434,607)	(143,557)	(203,607)	(134,509)	(212,655)	10,253,677
Total Cash Available	68,039	853,203	978,172	853,203	572,526	268,318	(166,289)	(309,845)	(513,452)	(657,009)	(791,518)	10,539,677

DMC Financial Update

West Contra Costa Healthcare District: 10 Year Annual Cash Forecast

	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	Total
Oct - Dec 2016 Total											
Beginning Balance (Operating Acct at Citibank)	10,539,677	7,969,717	6,411,606	5,319,729	3,798,922	2,751,675	1,559,536	834,043	(342,690)	(1,077,027)	
Cash Receipts:											
Ad Valorem tax receipts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,950,000	11,950,000
Total Cash Receipts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,950,000	11,950,000
Cash Payments:											
Payroll/Administration	110,537	259,906	266,404	273,064	279,891	286,888	294,060	301,412	308,947	316,671	2,840,811
Bookkeeping Services	15,000	18,000	18,450	18,911	19,384	19,869	20,365	20,874	21,396	21,931	218,181
Cost Report Audits and Settlement	12,000	30,000	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	157,690
Annual Financial Audit	3,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	336,101
Audit/Actuarial for Successor Pension Plan	3,000	61,500	63,038	64,613	66,229	67,884	69,582	71,321	73,104	74,932	672,203
IT Costs	18,500	12,000	12,608	12,923	13,246	13,577	13,916	14,264	14,621	14,986	134,441
Other	18,500	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489	112,034
Total personnel/consulting costs	159,037	423,456	434,043	444,894	456,016	433,474	444,311	455,419	466,805	478,475	4,471,461
Office Expenses	6,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	336,101
Total facilities costs	6,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	336,101
Worker Comp - LWP (Replenish/Admin Fee)	388,192	500,000	250,000	250,000	250,000	-	-	-	-	-	1,500,000
EDD - 2nd Quarter 2016	50,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
Legal	14,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	270,000
Lincoln	10,500	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	270,000
Records Storage	51,000	216,164	164,316	131,606	96,116	62,722	34,391	23,653	18,980	15,045	954,897
Fees and Other	48,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
Election costs every two years	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	2,250,000
CNA Medical Pension Plan	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
Successor Pension Plan Payments	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	9,000,000
Total other costs	1,012,192	2,103,904	1,626,316	2,043,606	1,558,116	1,724,722	1,246,391	1,685,653	1,230,980	1,677,045	16,824,897
Total Cash Payments	1,177,229	2,392,731	2,558,110	2,091,878	2,520,807	2,192,139	1,725,493	2,176,733	1,734,337	2,192,985	21,632,459
Net Cash Flow for a Week	(1,177,229)	(1,392,731)	(1,558,110)	(1,520,807)	(1,047,246)	(1,192,139)	(725,493)	(1,176,733)	(734,337)	757,015	
Total Cash Available	9,362,448	7,969,717	6,411,606	5,319,729	3,798,922	2,751,675	1,559,536	834,043	(342,690)	(1,077,027)	(320,012)

DMC Financial Update

- The District has an estimated cash shortfall of \$1M prior to closing on hospital facility sale with an extended closing date of September 2016 after receipt of \$1M advance from the county.
- Delay in closing to September 2016 requires an additional \$1M in costs beyond the original close date of June 2016.
- Potential cash flow management options for covering this \$1M shortfall include:
 - Renegotiation with certain vendors to delay agreed upon payment dates
 - Delay payment of August/September worker's compensation claims – Vendor currently holds \$150,000 in reserve
 - Reduction/control of other costs including relocating to a small office in Pinole
 - Short-term loan from the City

VENDOR IT EQUIPMENT DISPOSITION

Agenda Item 9



DOCTORS MEDICAL CENTER Disposition Proposal

April 12, 2016

We are proposing an all-inclusive liquidation of IT equipment to maximize Doctors return but our program can be customized to meet the needs of Doctors, the Board management, District and County leaders.

Our President ran both the Service and Equipment Divisions for GE and Philips Healthcare Businesses and our CEO is an RN with 30 years of experience. Surplus Service (SS) is a local woman owned green certified small business that has worked with many hospitals. Our exclusive UpcylIT® services reduce your overall reported disposal by providing dramatic reuse opportunities over typical methods of liquidation so equipment is reused, staying green longer. We also provide on/off site support and reverse logistics services. Our stringent oversight and detailed reporting enable executives to highlight the value of their Zero Waste performance. Our unique experience and dependable service reduces worries to make the liquidation process easy for Doctors.

ABOUT SURPLUS SERVICE

- Easy turnkey, all-inclusive solutions
- Does Medical, IT, reuse, recycle, disposal and Data destruction (NSA/NIST 800-88r1)
- Extensive liquidation experience
- E-commerce and Auction savvy
- 3 Appraisers w/ extensive experience
- Local business and active in community
- Certified Small Business
- Principals have medical industry experience
- Minority Business Development Agency (MBDA, US Dept. of Commerce) registered
- Fremont warehouse (additional sqft if req.)

Local Activities and Community Outreach

We have worked with a number of **Oakland/Richmond West County** area based organizations for hiring employees, interns and clients including Inner City Advisors (ICA), Stride, Bay Area Business RoundTable, Computer Technology Program (CET), AC Hire, Swords and PlowShares, RichmondWorks, Oakland VA, Workforce Investment Board, Center for Employment Opportunities (CEO Works), Oakland Pic and BOSS Self Sufficiency.

Although a small business, some of the **community programs we support** are Achieve Kids. Kids with significant developmental disabilities come to our facility a few times per week to do activities that help

Surplus Service®



build self-esteem. We support the Veterans Administration and local colleges through hiring, volunteering and internships and do mentoring of students. The SBA's (Small Business Administration) Small business Development Center (SBDC) recently did a video and news release on us for our exceptional UpcyclIT® practices. We also serve as elected members for Santa Clara County on the Recycle Waste Reduction Commission Technical Advisory Committee. We are honored to be nominated by Acterra with a select group including Google for their Business Sustainability Award, identifying us as one of the most sustainable businesses in the Bay Area. Additionally, we've been recognized in recent articles, interviews and case studies by San Jose, Alameda County, Contra Costa County, StopWaste and Fremont. Many community, committee, boards, education and "hard to hire" programs recognize us for our community, legislative and business involvement and support. We sit on Education, Government, Environmental and Healthcare Committees and are Champions for "Young Men's Leadership Summit" and "Turning Red Tape into Red Carpet". Also, we volunteer and support Turkey Trot and Santa Run with donations. As a graduate of Leadership Contra Costa, we are very active volunteering for numerous County events including Health and Aging education. Lastly, we actively work with the Boy Scouts and are sponsoring their Sustainability Eagle Scout Merit Badge.

Surplus Service Proposal for Disposition of Doctors Medical Center:

Proposal:

Surplus Service will disconnect, de-install and remove all IT assets from Doctors Medical Center. Doctors Medical Center will receive \$11,200 at time of signature. Surplus Service retains the right to adjust its offer as contingent on a final walk through to confirm assets listed in the inventory list are still there in the condition inspected.

Certifications, Standards, Recognition:

- ✓ CalRecycle (CEWID# 103392)
<http://www.calrecycle.ca.gov/Electronics/Collection/Detail.aspx?ParticipantID=338&ReturnUrl=http%3a%2f%2fwww.calrecycle.ca.gov%2fElectronics%2fCollection%2fList.aspx%3fCountyID%3d1%26CountyName%3dAlameda%26Mode%3dView>
- ✓ Department of Toxic Substances Control
- ✓ California EPA, (Cal000397287)
- ✓ California Integrated Waste Management Board
- ✓ Certified Small business Enterprise (SBE) SB/MB #1744284
- ✓ Registered Nurse (RN)

Surplus Service®



- ✓ Approved Recyclers by Federal General Services Administration (GSA)
- ✓ Woman Owned Business, listed Minority Business Development Agency (MBDA, US Dept. of Commerce)
- ✓ CAGE (Commercial and Government Entity) Code# 6VWP8i8
- ✓ Certified Bay Area Green Business
- ✓ California Business License and City Sales Permit
- ✓ Support R2, ISO and NAID operating and data destruction standards; and BAN and SV Toxics Coalition to eliminate trans-boundary disposal of waste guidelines
- ✓ Duns# – 013233654
- ✓ Elected to Santa Clara County Recycle Waste Reduction Commission and Technical Advisory Committee
- ✓ PHI HDD Wiping & Destruction to DoD/NSA, NIST 800-88r1 standard; HIPAA, SOX, HITECH Acts
- ✓ Veteran's Administration (VA) Letter of Recognition
- ✓ Prestigious Business Sustainability Award by Acterra
- ✓ County of Alameda and StopWaste article on our green reuse services
- ✓ Small Business Administration's (SBA), Small Business Development Center video and news release
- ✓ Worked with a number of Oakland/Richmond West County area based organizations for hiring employees and clients including Inner City Advisors (ICA), Stride, Bay Area Business RoundTable, Computer Technology Program (CET), AC Hire, Swords and PlowShares, RichmondWorks, Oakland VA, Workforce Investment Board, Center for Employment Opportunities (CEO Works), Oakland Pic and Self Sufficiency.

References:

**VENDOR
GENERATOR/SWITCHES
EQUIPMENT DISPOSITION**

Agenda Item 10

RFP

From: Erik Tivin [erik@centurionservice.com]
Sent: Tuesday, April 12, 2016 1:34 PM
To: rfp@wcchd.ca.gov
Cc: Ellerston, Bobbie
Subject: Bid for the generator

Centurion Service Group hereby submits its offer for the generator and switchgear the purchase price of:
\$53,000.00

Out right cash purchase and we will pay for all removal expenses.

Thank you

Erik Tivin
CEO
Centurion Service Group
708-761-6655

**AMENDMENT TO PURCHASE AND SALE
AGREEMENT SELLING DOCTORS MEDICAL
CENTER TO ROYAL GUEST HOTELS;
EXTENDING BUYER'S CONTINGENCY PERIOD**

Agenda Item 11

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (“**Second Amendment**”) is made and entered into as of APRIL 19, 2016 by and between WEST CONTRA COSTA HEALTHCARE DISTRICT, a political subdivision of the State of California, dba Doctors Medical Center of San Pablo (“**Seller**”), and RGH SAN PABLO, LLC, a California limited liability company or its affiliated successor or assign (collectively “**Buyer**”). Buyer and Seller may be individually identified herein as a “Party” or jointly as the “Parties”.

RECITALS

A. Buyer and Seller are parties to that certain Purchase and Sale Agreement dated as of January 11, 2016 as amended by that certain First Amendment (collectively the “**Agreement**”) regarding Buyer’s purchase of Doctors Medical Center in San Pablo, California (“**DMC**”).

B. Buyer and Northlight Capital Partners (“Northlight”) have agreed to an understanding pursuant to which Northlight is prepared to joint venture with Buyer and provide financing with regard to the acquisition of the property that is the subject of the Agreement. Northlight requires an extension of time to complete its due diligence and so that the joint venture may make application to the City of San Pablo for approvals to build a 180-room hotel and for ancillary retail and commercial uses at the project site.

C. Buyer and Seller also wish to memorialize their understanding that all fixtures [except as described in Section 5 below] in the existing kitchen area are included in the purchase price and that Seller has agreed to safeguard all fixtures on the real property that is the subject of the Agreement and deliver same to Buyer at close of escrow in the condition such fixtures were in on January 11, 2016.

D. Deposit – Section 2.02 of the Agreement is hereby modified such that Buyer will within Five Business days of the execution and delivery by Seller of this Second Amendment increase the initial deposit under the Agreement to \$250,000 with the full amount of such Deposit remaining fully refundable until the expiration of the Contingency Period and as otherwise provided for in the Agreement.

Accordingly, the Parties now hereby agree as follows:

Agreement

1. Seller understands and agrees that Buyer intends to enter into a joint venture agreement with Northlight Capital Partners as to Buyer’s performance under the Agreement.

2. Extension. Section 3.01 is hereby modified so that the Contingency Period will be extended until and including August 8, 2016.
3. Close of Escrow. Section 5.02 of the original agreement is hereby modified so that the Close of escrow will be September 8, 2016.
4. INTENTIONALLY OMITTED

5. Notwithstanding any other provision of the Agreement, it is understood and agreed by the Parties that all fixtures in the existing kitchen area are included in the purchase price [other than (1) Caterpillar generator, Model #3512 (1250 KW), Serial #24Z09224 (2). Simplex Day Tank (50 gallon capacity), Model SST-50 and (3) By-Pass Isolation Switch (1 SWITCH GEAR), Model #567688G02, Asset #28329 (collectively the "Excluded Items") , which equipment Seller may remove and sell as Seller may determine in its sole discretion] and that Seller has agreed to safeguard all fixtures other than Excluded Items on the real property that is the subject of the Agreement and deliver same to Buyer at close of escrow in the condition such fixtures were in on January 11, 2016.

6. Section 2.02 of the Agreement is hereby modified such that Buyer will within Five Business Days of the execution and delivery by Seller of this Second Amendment increase the initial deposit under the Agreement to \$250,000 with the full amount of such Deposit remaining fully refundable until the expiration of the Contingency Period and as otherwise provided for in the Agreement.

7. Miscellaneous. Except as amended by this Second Amendment, the terms and provisions of the Agreement shall remain unmodified and shall continue in full force and effect, and Buyer and Seller hereby ratify and affirm all their respective rights and obligations under the Agreement. Any capitalized term not defined in this Second Amendment shall have the meaning set forth in the Agreement. In the event of any conflict between this Second Amendment and the Agreement, this Second Amendment shall govern. The terms and provisions of this Second Amendment, together with the Agreement, shall constitute all of the terms and provisions to which Buyer and Seller have agreed with respect to the Agreement and the Property, and there are no other terms and provisions, oral or written, that apply to the Agreement and/or the Property other than as set forth herein and in the Agreement.

8. Signatures. This Second Amendment may be signed by the Parties in counterpart with each such signed document being read and interpreted collectively as a single document. Facsimile or emailed signatures shall have the same force and effect as a wet signature.

[signatures on following page]

IN WITNESS WHEREOF, Seller and Buyer have executed this Second Amendment the day and year first above written.

BUYER: RGH SAN PABLO, LLC,
a California limited liability company

By:



Name: Edward R DeLorme _____

Its: Managing Member _____

Dated: April 26, 2016 _____

SELLER: WEST CONTRA COSTA HEALTHCARE
DISTRICT, a political subdivision of the State of
California

By: _____

Name: _____

Its: _____

Dated: _____

WEST CONTRA COSTA HEALTHCARE DISTRICT

RESOLUTION NO. 2016-03

**RESOLUTION AUTHORIZING AND DIRECTING EXECUTION OF
SECOND AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE OF REAL
PROPERTY, AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the Board of Directors (the “Board”) of the West Contra Costa Healthcare District, Contra Costa County, California (the “District”), as follows:

WHEREAS, pursuant to Section 32121 (c) of the California Health and Safety Code, the District has the power to buy and sell interests, including leaseholds and easements, in real property;

WHEREAS, the District entered into that certain Purchase and Sale Agreement dated as of January 11, 2016 (the “PSA”) by which the District agreed to sell Doctors Medical Center – San Pablo (“DMC”) to RGH San Pablo, LLC (“RGH”), and the District subsequently entered into that certain First Amendment to Purchase and Sale Agreement dated as of March 18, 2016 by which the District agreed to sign development applications as the owner of DMC that RGH intended to submit to the City of San Pablo;

WHEREAS, the PSA provides a certain “Contingency Period” during which RGH may conduct due diligence investigations before determining if it will proceed to purchase DMC, which Contingency Period currently will expire on June 1, 2016;

WHEREAS, RGH has requested that its Contingency Period be extended so it may complete its desired due diligence efforts and satisfy the parties providing financing for the purchase, which extension will delay the Closing Date;

WHEREAS, extending the Contingency Period and delaying the Closing Date so that RGH may complete its due diligence and secure its financing will provide more assurance to the District that RGH will proceed to purchase DMC, which benefits the District by helping it meet certain financial obligations in a manner that it would not be able to otherwise meet in a timely fashion;

WHEREAS, members of the Board have reviewed the proposed amendment to the PSA attached to this Resolution as Attachment 1 with the aid of its management; and

WHEREAS, the Board has considered whether the proposed amendment requires new consideration under the California Environmental Quality Act;

NOW, THEREFORE, the Board of Directors hereby DECLARES and ORDERS, as follows:

1. The Board of Directors of the West Contra Costa Healthcare District hereby approves the proposed Second Amendment to Purchase and Sale Agreement in the form attached to this Resolution as Attachment 1 (the “PSA Second Amendment”) and directs and authorizes the Chair of the Board or the District’s Chief Executive Officer to finalize and execute the PSA Second Amendment.

2. The Board finds that approval of the PSA Second Amendment is exempt from the need for consideration under Public Resources Code section 21000 et seq., the California Environmental Quality Act (“CEQA”), and under California Code of Regulations Title 14, Chapter 3 (the “CEQA Guidelines”), as a minor change to the PSA that will have no environmental effects not considered when the Board found approval of the PSA exempt.

3. This Resolution shall take effect upon its adoption by this Board.

PASSED AND ADOPTED this 3rd day of May, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Eric Zell, Chair of the Board of Directors
West Contra Costa Healthcare District

Nancy Casazza, Secretary of the Board of Directors
West Contra Costa Healthcare District

Secretary's Certification

I, the undersigned Secretary of the West Contra Costa Healthcare District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the District at a meeting thereof held on the 3rd day of May, 2016.

Nancy Casazza, Secretary of the Board of Directors
West Contra Costa Healthcare District

**AMENDMENT TO AUTHORIZATION TO SELL
AGREEMENT EXTENDING CONTRACT WITH
KENNEDY WILSON PROPERTIES AND JOHN
TROUGHTON TO MARKET DOCTORS
MEDICAL CENTER PROPERTY TO
DECEMBER 31, 2016**

Agenda Item 12

AUTHORIZATION TO SELL AGREEMENT

1. In consideration of the authorization to sell the real property hereinafter described (the "Property") by KENNEDY WILSON PROPERTIES, LTD. an Illinois Corporation ("Broker"), and Broker's agreement to use its reasonably best commercial efforts to effect a sale of same, the undersigned ("Owner") hereby grants to Broker authorization to sell the Property ("Authorization") for a period commencing May 12, 2015, and ending midnight December 31, 2016, (the "Term"), upon the terms described below. The Property shall be offered at a price of Twenty Million Dollars (\$20,000,000.00). The Property is situated in the City of San Pablo, County of Contra Costa, State of California and is further described on Exhibit A attached hereto. References herein to the Property shall be understood to include portions of the Property; provided, Owner is under no obligation to sell a portion of the Property or to pay any commission based on an offer to buy a portion of the Property that does not culminate in a sale.
2. The "Scope" of this Authorization shall primarily involve Broker serving as an advisor to Owner in the structuring of a purchase and sale agreement with a purchaser ("Agreement"). Such advisory services shall include, but not be limited to assisting Owner with the negotiations of said Agreement and providing information on current market conditions and market-based purchase and sale terms and conditions.
3. Broker acknowledges and agrees to the following terms:
 - a. Owner concurrently will be soliciting offers to operate the Property as a healthcare facility and may retain a healthcare consulting company for such purpose, and no commission or other compensation shall be payable to Broker based on sale of the Property as an operating healthcare facility or under an agreement requiring the buyer to commence such operations after purchase. The scope of this Authorization and Broker's right to a commission is limited to selling the Property for a use other than a healthcare facility.
 - b. Owner may sell the Property for use as a healthcare facility even if the sale price is lower than an offer for non-healthcare use procured by Broker.
 - c. Owner may postpone considering offers procured by Broker to negotiate offers to operate a healthcare facility.
 - d. Owner retains sole and absolute discretion regarding every aspect of marketing and selling the Property, including but not limited to deciding who to negotiate with, whether and to whom to sell the Property, the terms of sale, and holding of an election. Owner shall have no liability to Broker for failing to sell the Property, even if Broker procures an all-cash unconditioned offer at the price described in Paragraph 1.
 - e. The City of San Pablo has a right of first refusal to buy the Property.
4. Owner agrees to pay Broker a sales commission ("Commission") equal to one and half percent (1.5%) of the gross sales price (the "Fee Schedule"). Gross sales price shall include any and all consideration received or receivable, in whatever form, including but not limited to assumption or release of existing liabilities. This Commission shall be earned for services rendered if, during the Term: (a) the Property is sold to a purchaser procured by Broker; (b) a purchaser is procured by Broker who is ready, willing and able to purchase the Property at the price and on the terms above stated, or on any other price and terms agreeable to Owner; (c) any contract for the sale of the Property is entered into by Owner; or (d) Owner contributes or conveys the Property to a partnership, joint venture or other business entity and Owner receives financial consideration for such contribution or conveyance. Broker is authorized to co-operate with and to share the

Commission with other licensed real estate brokers, regardless of whether said brokers represent prospective purchasers or act as Broker's subagents. To avoid misunderstanding, Broker acknowledges that in addition to the limitation on earning a Commission described in Paragraph 3, Broker shall not earn a Commission if (x) the Property is sold to a purchaser procured by Owner or anyone else, or (y) Owner contributes or conveys the Property to a partnership, joint venture or other business entity and does not receive financial consideration; provided, Owner agrees not to actively work with any other broker during the Term, and Owner agrees that any purchaser brought to Owner by another real estate broker shall be required to work through Broker and share the Commission with Broker.

5. As used in this Agreement the term "sale" shall include an exchange of the Property, and also the granting of an option to purchase the Property. Owner agrees that in the event such an option is granted, Owner shall pay Broker a Commission in accordance with the Fee Schedule on the price paid for the option and for any extensions thereof. This Commission shall be paid upon receipt by Owner of any such payment(s). In the event such an option is exercised, whether during the Term or thereafter, Owner shall also pay Broker a Commission on the gross sales price of the Property in accordance with the Fee Schedule. Notwithstanding the foregoing, to the extent that all or part of the price paid for the option or any extension thereof is applied to the sales price of the Property, then any Commission previously paid by Owner to Broker on account of such option payments shall be credited against the Commission payable to Broker on account of the exercise of the option.
6. Broker understands that sale of the Property may require an election to confirm the sale, and no Commission will be earned if such election is not held or does not confirm the sale. Broker acknowledges that Owner wishes to market and sell the Property on an expedited basis, with goals of receiving offers by June 30, 2015, negotiating terms in time to select a buyer and schedule an election (if required) in November 2015, and closing the sale by December 31, 2015. Broker shall prepare an offering memorandum ("OM") and e-teaser in draft form on or before ten (10) days from mutual execution of this Authorization, which must be approved by Owner prior to its use. All "for sale" advertising shall identify Broker as Owner's exclusive sales agent for the Property if sold for non-healthcare use.
7. Owner further agrees that Owner shall pay Broker a Commission in accordance with the Fee Schedule if, within six (6) months after the expiration or termination of the Term, the Property is sold to, or Owner enters into contract of sale of the Property with, or negotiations continue, resume or commence and thereafter continue leading to a sale of the Property to the City of San Pablo for non-healthcare use. To avoid misunderstanding, Broker acknowledges that it shall not be entitled to a Commission or other compensation if following expiration or termination of the Term, the Property is sold to any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term, if such sale does not satisfy the timing for any of the conditions to earn a Commission described in Paragraph 4 .
8. This commission shall be paid when earned or at the close of escrow through escrow, or if there is no escrow, then upon recordation of the deed; provided, however if the transaction involves an installment contract, then payment shall be made upon execution of such contract. In the event Owner contributes or conveys the Property or any interest therein to a joint venture, partnership, or other business entity, the commission shall be calculated on financial consideration received by Owner and shall be paid at the time Owner receives such consideration.
9. Any offer may contain normal and customary contingencies such as those relating to the condition of the Property, title report, and timing of closing; provided, Owner may reject any offer based on inclusion of such contingency without any liability to Broker.

10. Owner and Broker agree that the Property will be offered in compliance with all applicable anti-discrimination laws.
11. Owner agrees to cooperate with Broker in bringing about a sale of the Property by making information regarding the Property in the possession of Owner available to prospective purchasers procured by Broker, and by providing access to the Property for inspection; provided, no person may enter the Property without first providing proof of insurance reasonably required by Owner to protect Owner from liability or harm arising from such entry.. Broker is authorized to accept a deposit from any prospective purchaser and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and, exclusively, to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the sale of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a purchase and sale agreement and other documents relating to any transaction contemplated by this Agreement.
12. It is essential that all parties to real estate transactions be aware of the health, liability and economic impact of environmental factors on real estate. Broker does not conduct investigations or analysis of environmental matters and accordingly, urge its clients to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminants or petro-chemical products stored in underground tanks) or other undesirable materials or conditions are present at the property and, if so, whether any health danger or other liability exists. Such substances may have been used in the construction or operation of buildings or may be present as a result of previous activities at the Property. Various laws and regulations have been enacted at the federal, state and local levels dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. Depending upon past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection. If hazardous or toxic substances exist or are contemplated to be used at the Property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present. Owner agrees to disclose to Broker and to prospective purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks, in, on or about the Property. Broker is authorized to disclose any such information to prospective purchasers or tenants.
13. Owner represents that it is the owner of the Property and that, except as may be set forth in an addendum attached hereto, no person or entity who has an ownership interest in the Property is a foreign person as defined in the Foreign Investment in Real Property Tax Act (commonly known as "FIRPTA").
14. Owner shall defend, indemnify, and hold harmless Broker and each of its agents, employees, directors, shareholders, contractors and representatives from and against any and all losses, claims, allegations, liabilities, damages, costs and expenses (including, without limitation, reasonable attorneys' and experts' fees), caused by or arising in connection with: (i) information supplied by Owner or Owner's agents, employees, contractors or consultants regarding the Property; (ii) information not supplied by Owner to Broker regarding the Property; (iii) the negligence of Owner or its agents, employees, contractors or invitees; and (iv) a breach of Owner's obligations under this Agreement. Notwithstanding this provision, Owner's obligation shall not extend to protect Broker to the extent of Broker's negligence or misconduct
15. Owner acknowledges that Broker, in some cases, may represent prospective purchasers and tenants. Owner desires that the Property be presented to such persons or entities and consents

to the dual representation created thereby. Broker shall not disclose the confidential information of one principal to the other. The undersigned acknowledge(s) having received and read the foregoing disclosures, and hereby consents to Broker and its agents may act as agent for the Owner and any buyer (i.e. dual agent) in connection with the Property.

16. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.
17. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

OWNER

BROKER

18. In the event that Owner lists the Property with another broker after the expiration or termination of this Agreement, Owner agrees to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraph 4 or 5 hereof. Owner's failure to do so, however, shall not affect Owner's obligation to Broker under paragraph 4 or 5.
19. Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement on behalf of the party for whom he or she signs and that this Agreement binds such party.
20. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment, alteration, cancellation or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile and each facsimile

copy shall be deemed an original. This Agreement shall be binding upon, and shall benefit, the heirs, successors and assignees of the parties.

- 21. In the event either party shall commence litigation against the other party to enforce its rights under this Authorization, the party prevailing in such litigation shall be entitled to recover from the other party the costs and expenses (including reasonable attorneys' fees) thereby incurred.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement and the Schedule.

Licensed Real Estate Broker:
Kennedy Wilson Properties, Ltd.

OWNER: Doctors Medical Center

By: _____
 Edmond A. Sachse
 Executive Managing Director
 CalBRE: 01021349
 Address: 9701 Wilshire Blvd # 700
 Beverly Hills, CA 90212
 Tel: 310.887.6250
 Email: esachse@kennedywilson.com

By: _____
 Print name
 with title
 Address: _____
 Tel: _____
 Fax: _____
 Email: _____

John Troughton
 Vice President CalBRE: 01137509
 1860 Howe Ave, Ste 210
 Sacramento, CA 95825
 510.908.5007 – FAX: 916.927.1011
jtroughton@kennedywilson.com

CONSULT YOUR ADVISORS - This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.

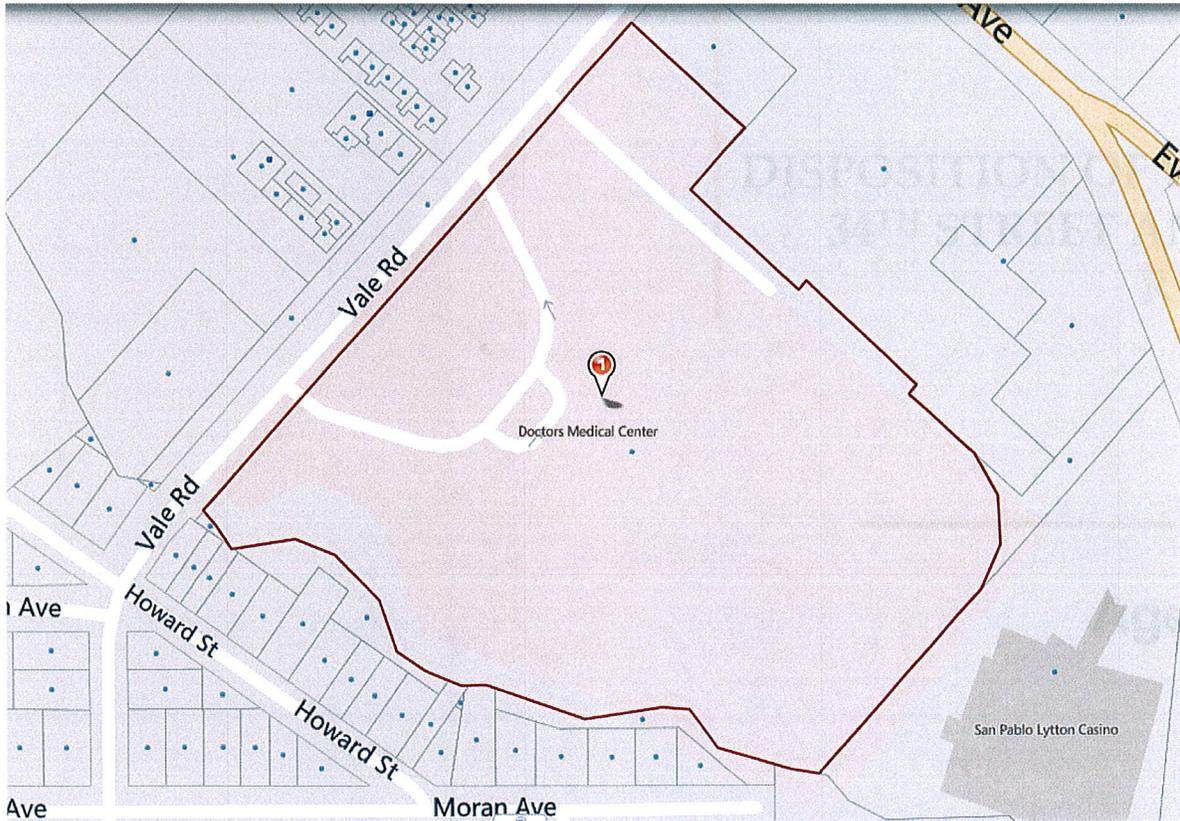
Exhibit "A"

Property

2000 Vale Road, San Pablo, CA -

APN: 417-190-019-6,

consisting of approximately 10.8 acres of land less the approximate 2.5 acres of the rear parking lot and access easements to the rear parking lot, already sold to the City of San Pablo



EXCLUSIVE AUTHORIZATION TO SELL AGREEMENT

1. In consideration of the authorization to sell the real property hereinafter described (the "Property") by KENNEDY WILSON PROPERTIES, LTD. an Illinois Corporation ("Broker"), and Broker's agreement to use its reasonably best commercial efforts to effect a sale of same, the undersigned ("Owner") hereby grants to Broker the exclusive authorization to sell the Property ("Authorization") for a period commencing **April 26, 2016**, and ending midnight **December 31, 2016** (the "Term"). The Property shall be offered at a price of **Three hundred thousand (\$300,000.00)**. The Property is situated in the City of **Richmond**, County of **Contra Costa**, State of **California**, and is further described as **5,000± of improvements on 1.25 acres located at Moran Ave, Richmond, CA. APN: 526-170-001-6**. References herein to the Property shall be understood to include portions of the Property. Broker acknowledges that Owner is under no obligation to sell the Property or a portion of the Property, or to pay any commission based on an offer to buy the Property or a portion of the Property that does not culminate in a sale, or to accept the highest offer that may be received. Owner shall have no liability to Broker for failing to sell the Property, even if Broker procures an all-cash unconditioned offer at the price described in this Paragraph.
2. The "Scope" of this Authorization shall primarily involve Broker serving as an advisor to Owner in the structuring of a purchase and sale agreement with a purchaser ("Agreement"). Such advisory services shall include, but not be limited to assisting Owner with the negotiations of said Agreement and providing information on current market conditions and market-based purchase and sale terms and conditions.
3. Owner agrees to pay Broker a sales commission ("Commission") equal to **four percent (4%)** of the gross sales price (the "Fee Schedule"). Gross sales price shall include any and all consideration received or receivable, in whatever form, including but not limited to assumption or release of existing liabilities. This Commission shall be earned for services rendered if, during the Term: (a) the Property is sold to a purchaser procured by Broker, Owner or anyone else; (b) a purchaser is procured by Broker, Owner, or anyone else who is ready, willing and able to purchase the Property at the price and on the terms above stated, or on any other price and terms agreeable to Owner; (c) any contract for the sale of the Property is entered into by Owner; (e) Owner contributes or conveys the Property to a partnership, joint venture or other business entity and Owner receives financial consideration for such contribution or conveyance; (f) Owner is a corporation, partnership or other business entity and an interest in such corporation, partnership or other business entity is transferred, whether by merger, outright purchase or otherwise, in lieu of a sale of the Property. Broker is authorized to co-operate with and to share the Commission with other licensed real estate brokers, regardless of whether said brokers represent prospective purchasers or act as Broker's subagents.
4. As used in this Agreement the term "sale" shall include an exchange of the Property, and also the granting of an option to purchase the Property. Owner agrees that in the event such an option is granted, Owner shall pay Broker a Commission in accordance with the Fee Schedule on the price paid for the option and for any extensions thereof. This Commission shall be paid upon receipt by Owner of any such payment(s). In the event such an option is exercised, whether during the Term or thereafter, Owner shall also pay Broker a Commission on the gross sales price of the Property in accordance with the Fee Schedule. Notwithstanding the foregoing, to the extent that all or part of the price paid for the option or any extension thereof is applied to the sales price of the Property, then any Commission previously paid by Owner to Broker on account of such option payments shall be credited against the Commission payable to Broker on account of the exercise of the option.
5. Owner further agrees that Owner shall pay Broker a Commission in accordance with the Fee Schedule if, within one hundred twenty (120) calendar days after the expiration or termination of the Term, the Property is sold to, or owner enters into contract of sale of the Property with, or negotiations continue, resume or commence and thereafter continue leading to a sale of the Property to any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property



has been submitted prior to the expiration or termination of the Term. Broker is authorized to continue negotiations with such persons or entities. Broker agrees to submit a list of such persons or entities to Owner no later than fifteen (15) calendar days following the expiration or termination of the Term, provided, however, that if a written offer has been submitted then it shall not be necessary to include the offeror's name on the list.

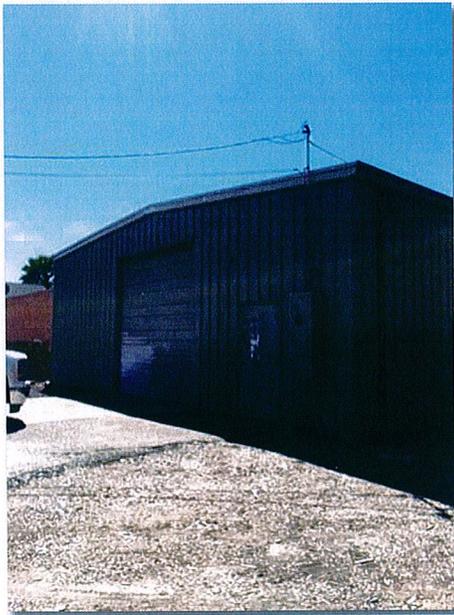
6. This commission shall be paid when earned or at the close of escrow through escrow, or if there is no escrow, then upon recordation of the deed; provided, however if the transaction involves an installment contract, then payment shall be made upon execution of such contract. In the event Owner contributes or conveys the Property or any interest therein to a joint venture, partnership, or other business entity, the commission shall be calculated on the financial consideration, if any, received by Owner and shall be paid at the time Owner receives such consideration. If Owner is a partnership, corporation or other business entity, and an interest in the partnership, corporation or other business entity is transferred, whether by merger, outright purchase, or otherwise, in lieu of a sale of the Property, and applicable law does not prohibit the payment of a commission in connection with such sale or transfer, the commission shall be calculated on the fair market value of the Property, rather than the gross sales price, multiplied by the percentage of interest so transferred, and shall be paid at the time of the transfer.
7. Unless otherwise provided herein, the terms of the sale shall be, at the option of the purchaser, either cash or cash to any existing loan. Any offer may contain normal and customary contingencies such as those relating to the condition of the Property, title report, and timing of closing; provided, Owner may reject any offer based on inclusion of such contingency without any liability to Broker.
8. Owner and Broker agree that the Property will be offered in compliance with all applicable anti-discrimination laws.
9. Owner agrees to cooperate with Broker in bringing about a sale of the Property and to refer immediately to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective purchaser and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and, exclusively, to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the sale of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a purchase and sale agreement and other documents relating to any transaction contemplated by this Agreement.
10. In the event the Property is removed from the market due to the opening of an escrow or acceptance of an offer to purchase the Property during the Term, or any extension thereof, and the sale is not consummated for any reason then, in that event, the Term shall be extended for a period of time equal to the number of days that the escrow had been opened and/or the Property had been removed from the market, whichever is longer, provided that, in no event shall such extension(s) exceed one hundred eighty (180) calendar days in the aggregate.
11. It is essential that all parties to real estate transactions be aware of the health, liability and economic impact of environmental factors on real estate. Broker does not conduct investigations or analysis of environmental matters and accordingly, urge its clients to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminants or petro-chemical products stored in underground tanks) or other undesirable materials or conditions are present at the property and, if so, whether any health danger or other liability exists. Such substances may have been used in the construction or operation of buildings or may be present as a result of previous activities at the Property. Various laws and regulations have been enacted at the federal, state and local levels dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. Depending upon past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection. If hazardous or toxic substances exist or are contemplated to be used at the Property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be

- substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present. Owner agrees to disclose to Broker and to prospective purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks, in, on or about the Property. Broker is authorized to disclose any such information to prospective purchasers or tenants.
12. Owner represents that it is the owner of the Property and that, except as may be set forth in an addendum attached hereto, no person or entity who has an ownership interest in the Property is a foreign person as defined in the Foreign Investment in Real Property Tax Act (commonly known as "FIRPTA").
 13. Owner shall defend, indemnify, and hold harmless Broker and each of its agents, employees, directors, shareholders, contractors and representatives from and against any and all losses, claims, allegations, liabilities, damages, costs and expenses (including, without limitation, reasonable attorneys' and experts' fees), caused by or arising in connection with: (i) information supplied by Owner or Owner's agents, employees, contractors or consultants regarding the Property; (ii) information not supplied by Owner to Broker regarding the Property; (iii) the negligence of Owner or its agents, employees, contractors or invitees; and (iv) a breach of Owner's obligations under this Agreement. Notwithstanding this provision, Owner's obligation shall not extend to protect Broker to the extent of Broker's negligence or misconduct
 14. Owner acknowledges that Broker, in some cases, may represent prospective purchasers and tenants. Owner desires that the Property be presented to such persons or entities and consents to the dual representation created thereby. Broker shall not disclose the confidential information of one principal to the other. The undersigned acknowledge(s) having received and read the foregoing disclosures, and hereby consents to Broker and its agents may act as agent for the Owner and any buyer (i.e. dual agent) in connection with the Property.
 15. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.
 16. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS

Small warehouse on 1.25 acres FOR SALE

Moran Avenue (access via 34th Street) • Richmond, California



Property Highlights

- ◆ 1.25± acres available for sale
- ◆ Approx. 5,120± SF Metal building with concrete floor
- ◆ Gated and fenced yard
- ◆ Parcel #: 526-170-001-6
- ◆ Power, but no sewer
- ◆ Zoned: "Public and Civic Uses"
- ◆ Sale price: \$300,000

John Troughton

Vice President • CalBRE: 01137509

510.908.5007 cell

jtroughton@kennedywilson.com

KENNEDY WILSON

Kennedy Wilson Brokerage Group

1860 Howe Avenue, Suite 210

Sacramento, CA 95825

The information contained herein was obtained from third parties, and it has not been independently verified by the real estate brokers. Buyer/tenants should have the experts of their choice inspect the property and verify all information. Real estate brokers are not qualified to act as or select experts with respect to legal, tax, environment, building construction, soils-drainage or other such matters.

Kennedy Wilson**John Troughton** — (510) 908-5007

Industrial Property For Sale

Offers taken until 5/6/16

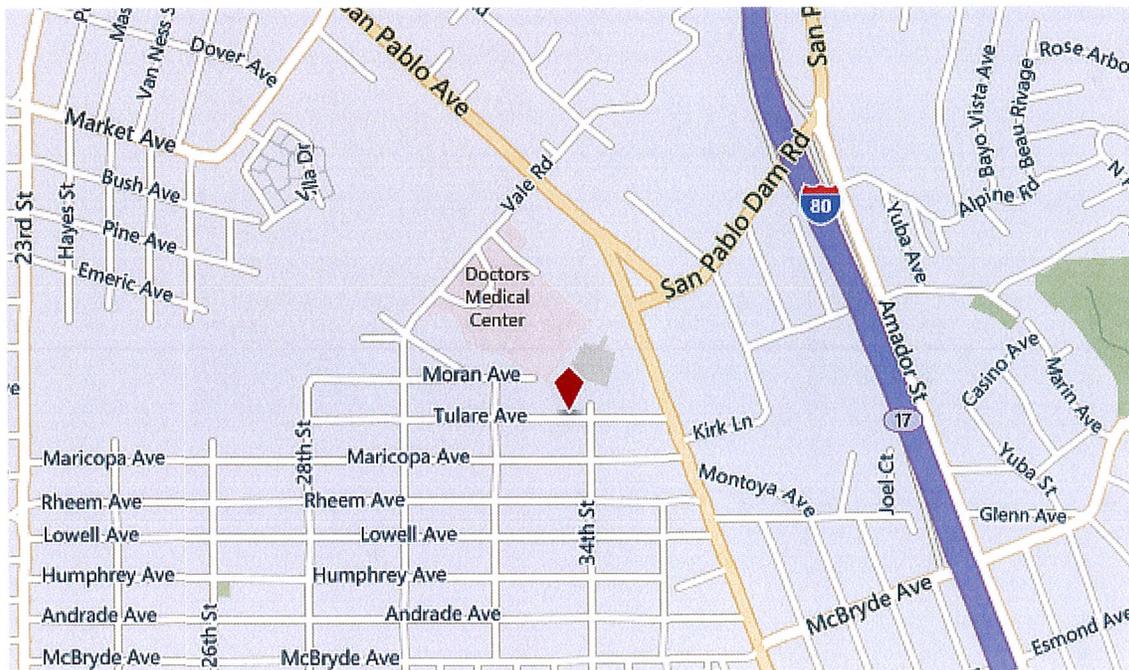
Moran & 34th St, Richmond, CA 94804



Price:	\$300,000
Building Size:	5,000 SF
Price/SF:	\$60
Property Type:	Industrial
Property Sub-type:	Warehouse
Property Use Type:	Vacant/Owner-User
Clear Ceiling Height:	14 ft.
Lot Size:	1.25 AC
APN / Parcel ID:	526-170-001-6
Listing ID	19729533
Last Updated	today

[Find Out More...](#)

Map of Moran & 34th St, Richmond, CA 94804 (Contra Costa County)



**PUBLIC HEARING ON PROPOSED AMENDMENTS TO
TWO PROPERTY TAX TRANSFER AGREEMENTS
WITH CONTRA COSTA COUNTY; EFFECT ON
DISTRICT'S FEES, CHARGES, TAXES AND OTHER
REVENUES**

Agenda Item 15

NOTICE OF PUBLIC HEARING

WEST CONTRA COSTA HEALTHCARE DISTRICT

The Board of Directors of the West Contra Costa Healthcare District will conduct a public hearing at a meeting of the Board to be held on Tuesday, May 3, 2016 at 4:30 p.m. at the San Pablo City Council Chambers, 13831 San Pablo Ave, San Pablo, CA. The Board will consider proposed amendments to two Property Tax Transfer Agreements with Contra Costa County revising the allocation of District taxes to the County and the effect on the District's fees, charges, taxes and other revenues. For information call (510) 970-5250.

**AMENDMENTS TO TWO PROPERTY TAX
AGREEMENTS WITH CONTRA COSTA
COUNTY; REVISING ALLOCATION OF
DISTRICT TAXES TO THE COUNTY**

Agenda Item 16

**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 May 3, 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 transfer to County the entirety of the general *ad valorem* property tax revenues that otherwise would be collected and paid 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 transfers 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 transfer to County the entirety of the general *ad valorem* property tax revenues that otherwise would be collected and paid to District commencing once the Second Agreement property tax transfers are complete, until the sum of all such transfers 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 *ad valorem* property taxes 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 *ad valorem* property taxes 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 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) 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 apportioned to District less \$1,000,000 (such reduced amount, the “New Transfer Amount”), as authorized by R&T Code Section 99.02, until the sum of all such apportionments 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, 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 apportioned to District as authorized by R&T Code Section 99.02, until the sum of all such apportionments 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: Eric Zell
Title: Chair, Board of Directors

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

Approved as to form:

By: _____
Name: Eric Gelston
Deputy County Counsel

By: _____
Name: Colin Coffey
District Counsel

**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 May 3, 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 transfer to County the entirety of the general *ad valorem* property tax revenues that otherwise would be collected and paid 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 transfers 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 transfer to County the entirety of the general *ad valorem* property tax revenues that otherwise would be collected and paid to District commencing once the Second Agreement property tax transfers are complete, until the sum of all such transfers 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 transferred 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 ad valorem property taxes 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 ad valorem property taxes 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 transfer to County an amount equal to the general *ad valorem* property tax revenues that otherwise would be collected and apportioned to District ~~less~~ \$1,000,000 (such reduced amount, the “New Transfer Amount”), commencing upon approval of this Amendment by the governing boards of both County and District, and thereafter shall continue to apportion 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 apportionments to County equals the Restated Property Tax Transfer Amount.”

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: Eric Zell
Title: Chair, Board of Directors

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

Approved as to form:

By: _____
Name: Eric Gelston
Deputy County Counsel

By: _____
Name: Colin Coffey
District Counsel

WEST CONTRA COSTA HEALTHCARE DISTRICT

RESOLUTION No. 2016-04

RESOLUTION AUTHORIZING AMENDMENTS TO PROPERTY TAX TRANSFERS TO CONTRA COSTA COUNTY

WHEREAS, the West Contra Costa Healthcare District (“**District**”) previously operated Doctors Medical Center – San Pablo (“**DMC**”); and

WHEREAS, California Revenue and Taxation Code Section 99.02 (“**Section 99.02**”) authorizes the District and Contra Costa County (“**County**”) to modify the allocation of property tax revenues between them, provided the modification does not violate the conditions set forth in Section 99.02 and does not affect the tax revenue allocation for any other public entity; and

WHEREAS, the District and County previously entered into two agreements that authorize the County Auditor to transfer and allocate to the County ad valorem property tax revenues that otherwise would be allocated to the District, being the Amended and Restated Second Agreement for Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County dated July 16, 2013 (“**Second Agreement**”) and the Third Agreement for Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County dated July 1, 2014 (“**Third Agreement**”); and

WHEREAS, the County and the District entered into an amendment to the Second Agreement, effective December 3, 2014, which directed the County Auditor Controller to allocate and transfer to the District \$3,000,000 in District ad valorem property taxes that otherwise would be transferred to the County under the Second Agreement; and

WHEREAS, a total of \$13,277,804 in ad valorem property tax revenue remains to be transferred to the County pursuant to the Second Agreement, and a total of \$8,200,000 in ad valorem property tax revenue remains to be transferred to the County pursuant to the Third Agreement, for a total combined sum of \$21,477,804 that remains due and owing to the County; and

WHEREAS, in April 2015, the District closed DMC due to funding shortfalls; and the District subsequently has been working to wind down its affairs and satisfy its obligations related to its operation of DMC; and

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

WHEREAS, in consideration of the County agreeing to the District's request, and the resulting extension of time in which the County will receive ad valorem taxes under the Second Agreement and the Third Agreement, the District agreed to make the end result for the County cost neutral over time by authorizing the County Auditor to make a final transfer of District ad valorem property taxes to the 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; and

WHEREAS, the District and County have negotiated a Second Amendment to Second Agreement attached to this Resolution as Attachment 1 and a First Amendment to Third Agreement attached to this Resolution as Attachment 2 implementing the above-described terms; and

WHEREAS, on April 12, 2016, the County Board of Supervisors approved execution of the Second Amendment to Second Agreement and the First Amendment to Third Agreement; and

WHEREAS, prior to the presentation and approval of this Resolution and the Second Amendment to Second Agreement and the First Amendment to Third Agreement, the Board of Directors of the District have conducted a duly noticed public hearing on May 3, 2016, to consider the effect of the proposed change in transfers on fees, charges, assessments, taxes, and other District revenues.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the West Contra Costa Healthcare District do hereby find and determine the following:

- A. The foregoing recitals are incorporated herein by reference.
- B. The property tax revenues to be transferred as changed by the two amendments are available to further the purposes of the Second Agreement and the Third Agreement as amended.
- C. The changes in timing and amount of transfer will not result in any increase in the ratio between the amount of District revenues generated by District charges or fees and the amount of revenues used to finance services provided by the District.

- D. The changes in timing and amount of transfer will not impair the ability of the District to provide existing services and will help wind down the District's affairs and cover its obligations.
- E. The changes in timing and amount of transfer will not result in a reduction of property tax revenues to school districts or other public agencies.

BE IT FURTHER RESOLVED, that the Board of Directors hereby adopts and approves the Second Amendment to Second Agreement and the First Amendment to Third Agreement, authorizes the Chair of the Board or the Chief Executive Officer to execute both documents, and directs their implementation as of their Effective Date and according to their terms and conditions.

PASSED AND ADOPTED by the Board of Directors of the West Contra Costa Healthcare District on this 3rd day of May, 2016, by the following vote:

AYES:

NO:

ABSTAIN:

Eric Zell, Chair of the Board of Directors
West Contra Costa Healthcare District

Nancy Casazza, Secretary of the Board of Directors
West Contra Costa Healthcare District

Secretary's Certification

I, the undersigned Secretary of the West Contra Costa Healthcare District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the District at a meeting thereof held on the 3rd day of May, 2016.

Nancy Casazza, Secretary of the Board of Directors
West Contra Costa Healthcare District

B0050168/4817-2961-4384-1

**REQUEST APPROVAL OF A COUNTY
SPONSORED/DRAFTED RESOLUTION
CALLING FOR ELECTIONS FOR DISTRICT
BOARD AND REQUEST CONSOLIDATION OF
DISTRICT ELECTIONS WITH COUNTY-WIDE
ELECTIONS**

Agenda Item 17

**ELIMINATION OF DISTRICT-COUNTY JOINT
GOVERNING BOARD AS NO LONGER
NECESSARY GIVEN CLOSURE AND SALE OF
DOCTORS MEDICAL CENTER**

Agenda Item 18