

**AGREEMENT BETWEEN
SEQUOIA HEALTHCARE DISTRICT
AND THE COUNTY OF SAN MATEO
REGARDING
THE SAN MATEO COUNTY CHILDREN'S HEALTH INITIATIVE**

This Agreement is made this ____ day of _____, 2002, by and between the Sequoia Healthcare District ("District") and the County of San Mateo ("County").

RECITALS

A. District is a public health care district formed and operating pursuant to The Local Health Care District Law (California Health and Safety Code Sections 32000 et seq.).

B. County has determined that there is a public health need for the provision of basic health care for indigent and needy children residing in San Mateo County.

C. County has created the San Mateo County Children's Health Initiative for the provision of health insurance for indigent and needy children throughout County ("County Health Initiative" or the "Program").

D. District's financial support of the County Health Initiative for children residing in District, as set forth herein, is consistent with District's healthcare purposes, which include providing "assistance in the operation of ...health services including ...other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district." (Health and Safety Code §32121(j)).

E. The parties believe that guaranteeing access to basic medical care to children is not only humane but also necessary to improve the health of the community and that providing health insurance is a sound way to help guarantee such access.

NOW, THEREFORE, County and District agree as follows:

1. **Purpose.**

This Agreement is entered into for the purpose of confirming District's decision on August 28, 2002, to support the Program for eligible children living in District.

2. **District to Help Fund County Health Initiative.**

To help assure the continuance of the County Health Initiative, District shall pay to County during the course of each of the five fiscal years, FY 2002/03 through FY 2006/07, a portion of the cost of the Program for children living within District. County is relying on District's payment of those funds for the Program. Notwithstanding the foregoing, County understands and acknowledges that this funding by District is subject to the following terms and conditions:

2.1 District's annual, fiscal year contribution shall be in the form of a grant equal to the lesser of: i) One Million Three Hundred Fifty Thousand Dollars (\$1,350,000); ii) 25% of the total countywide cost of the Program for that year; or iii) the property tax collected by District during the fiscal year, meaning, for example, that if District chooses not to accept (or otherwise does not receive) property tax collections for any given year, no funding shall be payable to County for such year.

2.2 County shall match the funding provided by District.

2.3 District's funds shall be targeted to be applied only to fund the costs of providing health insurance for children living within District.

2.4 County shall provide District with quarterly updates and progress reports regarding the Program.

2.5 District funds shall be provided on a semi-annual basis upon receipt of an invoice from County; provided, however, that the total grant for FY 2002/03 shall be paid between January 1, 2003, and June 30, 2003, upon receipt of the required invoice(s).

2.6 If the Program is terminated, District's obligation to fund as herein provided shall simultaneously terminate.

2.7 If the Program is substantially modified to such an extent that District determines that the Program no longer meets the expectations of District, then District shall notify County of such determination and the reasons thereof. County shall thereafter have 30 days to revise such

modification or to convince District to reverse its determination. If District's determination remains that the Program has been so substantially modified that it no longer meets the expectations of District, then District may terminate this Agreement effective upon such determination by District or upon any date thereafter as set by District and no grants shall be payable hereunder by District after such termination date.

2.8 If District is dissolved or otherwise permanently loses or permanently relinquishes its right to receive tax collections, this Agreement shall terminate effective as of the effective date of such event, and no grants shall be payable hereunder by District after such date.

2.9 County shall indemnify, defend, and hold harmless, District, its directors, officers, staff, and authorized representatives, from and against any and all claims, actions, losses, liabilities, or demands and from and against all costs, expenses, and attorneys' fees, arising, directly or indirectly, out of, in connection with, or relating to District's participation in the Program pursuant to this Agreement. This obligation shall not be qualified or eliminated by any allegation, finding, judgment, or verdict that any indemnitee is responsible for a passively negligent act or omission, except where such negligence was the principal cause.

3. **Other District Health Care Activities**

County supports and welcomes the continuation of District's involvement in the County Health Initiative (as well as the other health care-related activities of District) and supports and welcomes District's use of property tax revenues to help to support the County Health Initiative.

4. **Notices.**

All notices, payments, reports, requests, demands, and other communication to be given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally, or on the second day after mailing if mailed to the party to whom notice is given by first class mail, registered or certified, postage prepaid and addressed as follows:

District: Frank E. Gibson, CEO
Sequoia Healthcare District
170 Alameda de las Pulgas, #101
Redwood City, CA 94062-2799

County: County Manager
County of San Mateo
400 County Center
Redwood City, CA 94063

The parties shall provide notice in writing of any change in address.

5. **Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the respective successors or assigns of the parties hereto.

Date: _____

SEQUOIA HEALTHCARE DISTRICT

By: _____
President, Board of Directors

Date: _____

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors

Attest: _____
Clerk