

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

This Addendum shall amend the agreement between Peninsula Healthcare District and the County of San Mateo regarding the San Mateo County Children's Health Initiative ("Agreement") entered into on January 16, 2003.

Notwithstanding any other provision of the above referenced Agreement to the contrary, the parties agree that the following sections of the Agreement shall be amended as follows:

Paragraph 2: District to Help Fund County Health Initiative.

To help assure the continuance of the County Health Initiative, District shall pay to County a portion of the cost of the Program for children living within the District as set forth in paragraphs 2.4 and 2.5 below. 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.

Paragraph 2.4:

The District's grant shall not exceed Six Hundred and Eighty Two Thousand Two Hundred and Fifty Dollars (\$682,250).

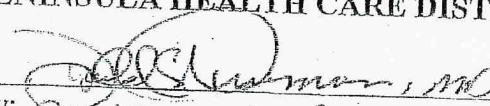
Paragraph 2.5:

The District's grant will be funded on a semi-annual basis in January of 2005 and July of 2005, 30 days after receipt of an invoice from the County.

The parties have entered into this Addendum on the _____ day of _____, 2005, and such Addendum shall be effective on and after this date.

Date: 2/5/05

PENINSULA HEALTH CARE DISTRICT


By: DONALD E. NEWMAN

Its: Chair, Board of Directors

Date: _____

COUNTY OF SAN MATEO

By: _____
Its: President Board of Supervisors

Attest: _____
Clerk