



AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
El Camino Healthcare District

Wednesday, April 8, 2015, 5:30 – 5:45 p.m.

El Camino Hospital, Conference Rooms E, F & G (ground floor)
 2500 Grant Road, Mountain View, California

PURPOSE: The purpose of the District shall be (i) to establish, maintain and operate, or provide assistance in the operation of, one or more health facilities (as that term is defined in California Health and Safety Code Section 1250) or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District; (ii) to acquire, maintain and operate ambulances or ambulance services within or without the District; (iii) to establish, maintain and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and such other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; and (iv) to do any and all other acts and things necessary to carry out the provisions of the District’s Bylaws and the Local Health District Law.

| AGENDA ITEM | PRESENTED BY | | |
|---|--|-----------------------|----------------------------------|
| 1. CALL TO ORDER | Julia Miller, Board Chair | | 5:30 – 5:31 p.m. |
| 2. SALUTE TO THE FLAG | Julia Miller, Board Chair | | 5:31 – 5:32 |
| 3. ROLL CALL | Julia Miller, Board Chair | | 5:32 – 5:33 |
| 4. POTENTIAL CONFLICT OF INTEREST DISCLOSURES | Julia Miller, Board Chair | | 5:33 – 5:34 |
| 5. CONSENT CALENDAR ITEMS: Any Board Member may remove an item for discussion before a motion is made. Approval: a. Minutes of the Regular District Board Meeting (March 17, 2015) b. Appointment of Community Benefit Advisory Council Member ATTACHMENT 5 | Julia Miller, Board Chair | <i>public comment</i> | motion 5:34 – 5:35 |
| 6. SECOND AMENDMENT TO GROUND LEASE AGREEMENT WITH EL CAMINO HOSPITAL: FULL DISCUSSION AND SECOND OPEN MEETING REGARDING A PROPOSED AMENDMENT TO THE GROUND LEASE AS DESCRIBED IN HEALTH AND SAFETY CODE 32121 (p)(5) ATTACHMENT 6 | Mary Rotunno, Associate General Counsel Iftikhar Hussain, CFO Ken King, CASO | <i>public comment</i> | discussion 5:35 – 5:43 |
| 7. APPROVAL OF SECOND AMENDMENT TO GROUND LEASE WITH EL CAMINO HOSPITAL | Julia Miller, Board Chair | <i>public comment</i> | motion 5:43 – 5:44 |

A copy of the agenda for the Special Meeting will be posted and distributed at least twenty-four (24) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at 650-988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

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| AGENDA ITEM | PRESENTED BY | | |
|-----------------------|---------------------------|--|------------------|
| 8. ADJOURNMENT | Julia Miller, Board Chair | | 5:44 – 5:45 p.m. |

Upcoming 2015 meeting dates:

- April 21, 2015
- June 16, 2015
- October 20, 2015

Att 5a - Open Minutes ECHD Board 3 17 15(FINAL).docx

**Minutes of the Regular Meeting
El Camino Healthcare District Board of Directors
Tuesday, March 17, 2015
El Camino Hospital 2500 Grant Road, Mountain View, CA 94040
Conference Rooms E, F and G**

1. **Call to Order.** The Open Session meeting was called to order by Chair Julia Miller at 5:32 pm.
2. **Salute to the Flag.** At Chair Miller's request, Director Zoglin led the Board, staff and members of the public present in reciting the Pledge of Allegiance.
3. **Roll Call.**
Board Members Present: Dennis Chiu; Julia Miller; David Reeder; and John Zoglin.
Board Members Absent: Peter Fung, MD was absent at the time of roll call, but arrived at 5:36 pm following approval of Resolution 2015-02.
4. **Public Communication.** Deferred.
5. **Potential Conflict of Interest Disclosures.** Chair Miller asked if any Board member or anyone in the audience believes that a Board member may have a conflict of interest on any of the items on the agenda. No conflict was reported.
6. **Special Order of the Day: Community Benefit Spotlight – 5210 Program.**

Motion: To approve Resolution 2015-02

Movant: Reeder

Second: Chiu

Ayes: Chiu, Miller, Reeder and Zoglin

Noes: None

Abstentions: None

Absent: Fung

Recused: None

Barbara Avery, Director of Community Benefits, presented Resolution 2015-02 to Jeremy Loader, 5210 Program Specialist with the Palo Alto Medical Foundation. Mr. Loader thanked the Board for its support and explained that the 5210 program is working to spread the word to school children throughout Santa Clara County that they should eat 5 servings of fruits and vegetables, have no more than 2 hours of screen time, have at least 1 hour of physical activity and have 0 sugary beverages daily. He reported that in year 1 the program was in 3 schools, now in year 5 is in 22 schools as well as after-school programs and reaches 15,000 school children. He also reported that they are seeing positive measurable outcomes in high school students who attended an elementary school with the 5210 program as compared to those who did not.

7. **Agenda Item 4 - Public Communication.** Cesar Molina MD, Medical Director, South Asian Heart Center (“SAHC”), thanked the Board for its support of the organization. In response to Chair Miller’s question, Dr. Molina explained that the SAHC is a community driven organization that trains and deploys volunteer heart health coaches to help facilitate behavior and lifestyle changes.

8. **Agenda Item 7 - Consent Calendar.** Director Zoglin requested that Item 7c “Draft Revised ECHD Rules of Order” be removed from the consent calendar.

Motion: To approve the Consent Calendar (Minutes of the Regular Meeting January 20, 2015 and FY 2015-2017 El Camino Hospital Physician Recruitment Plan).

Movant: Reeder

Second: Chiu

Ayes: Chiu, Fung, Miller, Reeder and Zoglin

Noes: None

Abstentions: None

Absent: None

Recused: None

Agenda Item 7c - In response to Director Zoglin’s question, Mary Rotunno, Associate General Counsel, responded that the proposed changes to ECHD Rules of Order, Chapter III, Section 9.3 would not preclude the Board from asking members of the public addressing the Board to give their names and addresses, but that the public cannot be required to provide this information. Chair Miller requested that the final document reflect the original date, as well as the revised date.

Motion: To approve Agenda item 7c – Draft Revised ECHD Rules of Order

Movant: Chiu

Second: Zoglin

Ayes: Chiu, Fung, Miller, Reeder and Zoglin

Noes: None

Abstentions: None

Absent: None

Recused: None

9. **Agenda Item 8 – ECHD Financials FY 2015 YTD.** Iftikhar Hussain, CFO, reported that the consolidated financial statement reflects an operating margin close to target with both revenue and expenses being lower than budgeted. He also explained that delayed receipt of funds from the Intergovernmental Transfer Program had a major impact on revenue, but payment is expected in March. Mr. Hussain also reviewed the El Camino Healthcare District Stand-Alone Financials.

Motion: To approve the ECHD Financials FY 2015 YTD (1/31/15).

Movant: Chiu

Second: Fung

Ayes: Chiu, Fung, Miller, Reeder and Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

10. **Agenda Item 9 – Second Amendment to Ground Lease Agreement with El Camino Hospital: Full Discussion and First Open Meeting Regarding a Proposed Amendment to the Ground Lease as Described in Health and Safety Code Section 32121(p)(5).** Mary Rotunno, Associate General Counsel, reported that the proposed amendment would extend the Ground Lease Agreement from December 31, 2039 to December 31, 2049 to permit El Camino Hospital to refinance a portion of its existing debt that was used for construction at the Mountain View campus and to permit financing of other Hospital projects now and in the future, as and when approved by the ECH Board. Ms. Rotunno reviewed some of the lease terms and advised the Board that the current payment is \$88,000 annually. She also explained that this proposal would be brought back to the Board, for public comment and approval on April 8, 2015.

Director Zoglin asked if any research into comparable leases between other Districts and District Hospitals had been done. Director Reeder noted that he had been on the Board when the 1st Amendment to the Ground Lease Agreement was approved in 2004, he did not recall any discussion about comparables at that time and that it might be useful to get some comparables, though an exhaustive search is not necessary and may not be fruitful due to the unusual nature of the lease. Directors Chiu and Fung also noted that some additional due diligence might be in order, but significant resources should not be dedicated to exhaustive research,

Ms. Rotunno agreed to attempt to find comparables and bring that information back to the Board on April 8, 2015.

11. **Agenda Item 10 – Process for Bi-Annual Election of Board Officers.** The Directors discussed the pros and cons of various processes for election of Board officers including (1) a competency-based approach by which candidates would self-nominate for the office of Board Chair, submit a statement in advance of the meeting and make a presentation to the Board during an open meeting with other offices to be filled by nomination from the floor. (2) automatic advancement of the Vice Chair to the Chair position, automatic advancement of the Secretary/Treasurer to the Vice Chair position and acceptance of nominations from the floor for the office of Secretary/Treasurer; or (3) acceptance of nominations from the floor for all offices.

Motion: To adopt the competency-based process used by El Camino Hospital in 2013 as presented in the Board materials with the following modifications: (1) change the title, (2) modify the dates for an election in 2015, (3) provide for a dual process for declaration of interest to the Board Liaison whereby, following an initial period for declaration of

interest, the Board Liaison shall provide the Board with a list of those Directors who have expressed interest and there shall be a second period for declaration of interest.

Movant: Reeder

Second: Zoglin

Ayes: Reeder and Zoglin

Noes: Miller and Chiu

Abstentions: Fung

Absent: None

Recused: None

The motion failed.

The Directors continued discussions on the various proposed processes.

Motion: To adopt a process that provides for automatic advancement of the Vice Chair to the Chair position, automatic advancement of the Secretary/Treasurer to the Vice Chair position and acceptance of nominations from the floor for the office of Secretary/Treasurer.

Movant: Chiu

Second: Miller

Director Zoglin expressed concern about adopting this process since, when the Board held its last election of officers, this process was not in place and the Board was unaware that the officers elected would automatically be promoted to higher offices.

Ayes: Chiu and Miller

Noes: Reeder and Zoglin

Abstentions: Fung

Absent: None

Recused: None

The motion failed.

Director Fung suggested that a process be adopted that does not require candidates to declare their competencies for office as the Board members all know each other well.

Motion: To accept nominations from the floor for all Board offices at the April 2015 Board meeting.

Movant: Fung

Second: Miller

Director Reeder commented that he was not in favor of this process as he believes a competency-based approach would be best, but this process is the second most favorable of the three. Director Chiu commented when he was elected to the Vice Chair position he assumed he would automatically ascend to the Chair position. Chair Miller commented that she had the option of withdrawing her second to the motion, or calling for a vote.

She further commented that it would be most democratic to call for vote and then called for the vote.

Ayes: Fung, Reeder and Zoglin

Noes: Chiu and Miller

Abstentions: None

Absent: None

Recused: None

The motion passed.

12. **Agenda Item 11 – Proposal to Adopt Ethics Policy: Draft Standards of Conduct.** The Directors discussed whether the Draft Standards of Conduct as presented in the Board packet are necessary and what gaps or issues need to be addressed. The Board members noted that there are other documents in place such as the Bylaws, the Rules of Order, and the El Camino Hospital Board Management Compact that may overlap with the Draft Standards of Conduct. Chair Miller commented that the actual signing of this document would enhance public accountability.

Motion: To approve the Draft Standards of Conduct.

Movant: Miller

Second: Chiu

Ayes: Chiu, Fung and Miller

Noes: None

Abstentions: Reeder and Zoglin

Absent: None

Recused: None

The motion passed.

13. **Agenda Item 12 - Hospital Board Member Election Ad Hoc Committee Report: Consider Re-Election of Hospital Board Member with Term Expiring June 30, 2015.** Tomi Ryba, CEO requested direction in regards to next steps for possible recruitment of a Non-District Board Member (“NDBM”) for the El Camino Hospital Board. The Directors reviewed ECH Director Tandon’s attendance in CY 2015 and for the period July 2013 – March 2015. Director Reeder asked when the Board is expected to make a decision regarding whether to re-elect ECH Director Tandon. Director Reeder also asked for clarification regarding the ECH Governance Committee’s role in the recruitment process. Director Zoglin noted that he did not believe it was the Ad Hoc Committee’s intent for the Governance Committee to drive the recruitment effort as noted in the NDBM Re-Election Process adopted by the Board in December 2014, but rather to identify 1 or 2 members of the ECH Governance Committee to assist the District Board.

In response to Director Fung’s question, Ms. Ryba commented that, when present, Director Tandon has contributed greatly to the ECH Board, and that the three current priority

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competencies were identified by the ECH Governance Committee and approved by the ECH Board and the ECHD Board in January 2015. Director Ryba also reported to the Board that ECH Director Tandon has attended less than 2/3 of the Board and assigned committee meetings in calendar year 2015.

Ms. Ryba asked if the Board might consider ranking the three priority competencies to facilitate recruitment activities, and the Directors discussed ranking the competencies.

Motion: The Board should suggest to the CEO that the priorities #1 and #2 below are very closely related and they should be the primary competencies with Healthcare IT Transformation/EMR being a secondary competency.

1. Assumption of risk for population health (pacing)
2. Experience in specific areas of the continuum of care (e.g. SNFs and HHC)
3. Healthcare IT Transformation/EMR

Movant: Reeder

Second: Miller

Dr. Fung commented that the Board needs to consider whether it is going to re-elect Director Tandon

Ayes: Chiu, Fung, Miller, Reeder and Zoglin

Noes: None

Abstentions: None

Absent: None

Recused: None

Director Reeder asked Chair Miller to report on what discussions have been had with Director Tandon. Chair Miller stated that she believes Director Tandon understands the attendance expectations. In response to Director Chiu's question Ms. Ryba commented that she believes that Director Tandon understands the attendance requirements, but didn't know what Director Tandon may have understood about the time period that she would be measured against. The Directors discussed the weight that should be attributed to attendance and what time period Director Tandon's compliance would be measured against.

Motion: To place a decision to re-elect or not re-elect Director Tandon to the ECH Board of Directors on the District Board's agenda for its next meeting and to direct staff to begin recruitment activities in the meantime.

Movant: Chiu

Second: Zoglin

Following discussion on the motion, Director Chiu withdrew his motion and explained his reasoning.

Motion: To agendaize a decision on the Re-Election of ECH Director Tandon to the ECH Board of Directors for the April 21, 2015 District Board meeting, that the Ad Hoc

Committee meet with her prior to explain the situation and to offer the opportunity for Director Tandon to come speak with the Board, and to authorize the CEO to proceed with recruitment based on the competencies we approved earlier.

Movant: Reeder

Second: Miller

Ayes: Chiu, Fung, Miller, Reeder and Zoglin

Noes: None

Abstentions: None

Absent: None

Recused: None

Director Zoglin noted that he believed that the Re-Election Process document, though presumably correctly presented, did not reflect the Ad Hoc Committee's or the Board's intent regarding the level of involvement of the ECH Governance Committee in the recruitment process. Director Zoglin suggested that staff amend the document to reflect that the Governance Committee will participate in the recruitment process but not drive it, and the Board directed staff to do so.

14. **Agenda Item 13 – Pacing Plan.** Cindy Murphy, Board Liaison, reported that a meeting was added April 8, 2015 at 5:30 pm for the second full discussion and public hearing as well as for possible approval of a second amendment to the Ground Lease Agreement with El Camino Hospital. Ms. Murphy also noted that the appointment of Laura Macias to the Community Benefit Advisory Council would also be placed on that agenda. The Directors confirmed that it is not necessary to have a financial report at the April 21, 2015 meeting.

15. **Agenda Item 14 - Board Comments.** Chair Miller commented that she enjoyed attending the Scarlett Night event benefiting the South Asian Heart Center.

16. **Agenda Item 15 - Adjourn to Closed Session.**

Motion: To adjourn to closed session at 7:38 pm for a report pursuant to *Gov't Code Section 54957.2*: Approval of the Closed Session Minutes of January 20, 2015;

Movant: Chiu

Second: Reeder

Ayes: Chiu, Fung, Miller, Reeder and Zoglin

Noes: None

Abstentions: None

Absent: None

Recused: None

Agenda Items 16-19 were considered in closed session.

Agenda Item 20 – Reconvene Open Session. Open Session was reconvened at 7:39 pm. Chair Miller reported that during the closed session, the Board approved the closed

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March 17, 2015
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session minutes of the January 20, 2015 meeting by a vote of all Directors present in favor (Chiu, Fung, Miller, Reeder and Zoglin). Executive session was deferred.

17. **Agenda Item 23 – Adjournment.**

Motion: To adjourn at 7:40 pm

Movant: Chiu

Second: Fung

Ayes: Chiu, Fung, Miller, Reeder and Zoglin

Noes: None

Abstentions: None

Absent: None

Recused: None

Julia Miller
Chair, ECHD Board of Directors

Peter C. Fung, MD
ECHD Board Secretary

Prepared By: Cindy Murphy, Board Liaison

Att 5b - CBAC Appointment.pdf



2500 Grant Road
Mountain View, CA 94040
Phone: 650-940-7300
www.elcaminohealthcaredistrict.org

DATE: El Camino Healthcare District (“ECHD”) Board Meeting - April 8, 2015

TO: El Camino Healthcare District Board of Directors

FROM: Barbara Avery, Director, Community Benefit

SUBJECT: Appointment of Laura Macias to the Community Benefit Advisory Council (“CBAC”)

BOARD ACTION: For Possible Motion: To approve the appointment of Laura Macias to the CBAC

BOARD OF DIRECTORS

*Dennis W. Chiu, JD
Peter C. Fung, MD
Julia E. Miller
David Reeder
John L. Zoglin*

Summary:

The CBAC met on January 13, 2015 and agreed to support the appointment of Laura Macias to the CBAC. The El Camino Hospital Board approved the appointment on February 11, 2015. We are now seeking ECHD Board approval. Ms. Macias’ profile is attached. The addition of Ms. Macias to the CBAC will fill several important gaps per the following categories outlined by the ECHD Board during its December 9, 2014 meeting:

1. Non-Profit organizations related to health and social services
2. Community service agencies
3. Low income/homeless/disabled children/adults
4. Education/schools/preschool, and K-12
5. Youth, adult and senior advocacy groups
6. Ethnic groups (Latino, Asian, African American, Native American)
7. Healthcare groups (mental and physical health)
8. Food/nutrition groups

Ms. Macias brings extensive knowledge about the El Camino Healthcare District community having served eight years as a Councilmember for the City of Mountain View. She was recently the interim President of the private non-profit middle schools in the poverty-challenged Guadalupe Washington neighborhood in San Jose and is affiliated with numerous community groups in the region. Specifically, Ms. Macias would bring expertise and knowledge around the following areas: non-profit organizations, homelessness issues, education/schools, and issues disproportionately affecting the Latino community.

Attachment: Candidate Profile

Att 5b.2 - Laura Macias 9-2014.pdf

Laura Macias, profile
<lauramacias@juno.com>

Laura Macias served eight years as Councilmember for the City of Mountain View including Mayor 2007. Laura attributes her success in city government to responding to community needs by understanding deeply and analytically the varied communities in the greater Mountain View area; honoring their values and creating collaborative solutions for all communities.

As Mountain View Mayor, Laura signed the US Mayors Climate Change Initiative, which moved the city forward on environmental actions. She was appointed and chaired the Santa Clara County Emergency Preparedness Council, the Grand Boulevard (El Camino) Task Force and the Hispanic Foundation of Silicon Valley among many city, county and regional committees, and nonprofit boards during the past twenty years. She currently serves on the nonprofit board, the Day Worker Center of Mountain View.

Laura came to local government in 2000 with over twenty years' expertise-- managing global marketing strategies, operations, products, solutions, partner and professional services programs with her management skills honed at respected enterprise computing Valley companies and a few start-ups. Laura was the Director of Government Affairs at Comcast serving all the South Bay from 2007 to 2009 and partnering with community health and other non-profits on behalf of Comcast. On a consulting assignment for a biostatistics CRO, Laura partnered with the Fogarty Institute of Innovation of El Camino Hospital on Medical Device regulation.

Most recently, Laura was the interim President of the private non-profit middle schools in the poverty-challenged Guadalupe Washington neighborhood in San Jose. 98% of the schools' funding was from private donors and foundations. She truly enjoyed working with the mostly first-generation Latino immigrants and respects their deep dedication to their children's education. Mental and physical health issues of the students and their families were important to the school community and we worked to address them as possible.

Laura is an Arizona native with Sonoran roots from her abuelos (grandparents) who lived in Arizona before it was a state. She attended college in Colorado and lived there for a while. Since 1989, Laura resides in a friendly neighborhood in Mountain View.

Some community groups:

Day Worker Center, Mountain View

St. Joseph's Parish and School, Mountain View

Sacred Heart Nativity for Boys and Our Lady of Grace for Girls Schools, San Jose

Latina Coalition of Silicon Valley

La Mesa Comunidad, Mountain View

Hispanic Foundation of Silicon Valley

**Att 6 - Second Amendment to Ground Lease
Agreement.pdf**



2500 Grant Road
Mountain View, CA 94040
Phone: 650-940-7300
www.elcaminohealthcaredistrict.org

Date: El Camino Healthcare District Board Meeting – April 8, 2015

To: El Camino Healthcare District (“ECHD”) Board

From: Mary Rotunno, Associate General Counsel
Ken King, Chief Administrative Officer

Subject: Second Amendment to Ground Lease Agreement

Board Action: **Possible Motion: To Approve the Second Amendment to Ground Lease Agreement**

BOARD OF DIRECTORS

Dennis W. Chiu, JD
Peter C. Fung, MD
Julia E. Miller
David Reeder
John L. Zoglin

Attached for your review and discussion at the El Camino Healthcare District (“ECHD”) Board meeting on April 8, 2015 is a copy of the Second Amendment to Ground Lease Agreement (the “Amendment”) between El Camino Healthcare District, as landlord, and El Camino Hospital (“ECH”), as tenant. The Amendment provides for the extension of the term of the Ground Lease Agreement (the “Lease”) to December 31, 2049 from December 31, 2039 when the current term ends.

Payment terms under the Lease are unchanged and include annual rent increase based on CPI for prior year (2015 rent is \$88,045 annually) and reimbursement by ECH for the liabilities and expenses incurred by Landlord in operating the leased assets, not to exceed \$100,000.

There is no legal requirement that rent under the Lease must be established at “fair market value.” When the Lease was originally entered into in 1992, it was part of a transfer of assets made in accordance with California Health & Safety Code Section 32121(p), which authorized ECHD to enter into the transaction with ECH “with or without consideration . . . for the benefit of the communities served by the district.” In addition to the rent required to be paid by ECH under the Lease, ECH provides additional benefit to ECHD and the communities served by ECHD under the Lease by virtue of its operating covenants in the Lease, including covenants that ECH must (i) use the leased premises and improvements thereon “for operating and maintaining a community hospital, for providing related health care services, or for the provision of such ancillary or other health care uses as may benefit the communities served by [ECH] and [ECHD]” (Lease, Section 1.2(a)), and (ii) “operate the Hospital according to the best interests of the public health of the communities served by [ECHD] and [ECH]” (Lease, Section 5.3).

To avoid any question of compliance with applicable law, the ECHD Board heard public comment on the proposed extension at its meeting of March 17, 2015 meeting and will vote at the conclusion of public comment during this meeting.

Dedicated to improving the health and well-being of the people in our community.

The extension of term is being proposed to permit ECH to refinance a portion of its existing debt that was used for construction at the Mountain View campus and to permit financing of other Hospital projects now and in the future, as and when approved by the ECH Board. The purpose of the change is to insure that the term of the Lease expires after any debt, such as bonds (typically repaid over 30 years) have been repaid.

ECHD is the sole voting member of ECH. As such, accounting standards require that ECHD and ECH consolidate their financial statements, so this action is in the best interests of ECHD.

In response to the question asked at the March 17, 2015 meeting concerning comparable ground leases we have evaluated two other Leases between Hospital Districts and public-benefit nonprofit organizations. In one case an annual rent is paid to the Hospital District and in the other no rent is paid to the Hospital District. In both Leases the operator of the hospital is required to maintain the operation and assets to the benefit of the District.

Attachments:

Second Amendment to Ground Lease

**Att 6b - Second Amendment to Ground Lease
Agreement.docx**

SECOND AMENDMENT TO GROUND LEASE AGREEMENT

This Second Amendment to Ground Lease Agreement (this “Amendment”) is entered into as of this ____ day of _____, 2015 (the “Effective Date”) by and between EL CAMINO HEALTHCARE DISTRICT (whose name was changed from El Camino Hospital District), a political subdivision of the State of California (“Landlord”), and EL CAMINO HOSPITAL, a California nonprofit public benefit corporation (fka El Camino Healthcare System and referred to herein as the “Tenant”).

RECITALS

A. Landlord and Tenant entered into that Ground Lease Agreement dated as of December 17, 1992 (the “1992 Lease”), as amended by that certain First Amendment to Ground Lease Agreement dated as of November 3, 2004 (the “First Amendment”) (the 1992 Lease, as amended by the First Amendment, is referred to herein as the “Original Lease”), which Original Lease covers certain real property and improvements located in the City of Mountain View, County of Santa Clara, California, as more particularly described in the Original Lease. A memorandum of the 1992 Lease was recorded in the Official Records of Santa Clara County, California, on January 4, 1993, as Document No. 11716716 (M570 Page 2006). A memorandum of the First Amendment was recorded in the Official Records of Santa Clara County, California, on February 10, 2006, as Document No. 18804781. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Original Lease. The Original Lease, as amended by this Amendment, is sometimes referred to herein as the “Lease.”

B. The 1992 Lease and the recorded memorandum of the 1992 Lease provided for an initial term of the 1992 Lease expiring on December 31, 2022. The First Amendment and the recorded memorandum of First Amendment provided for an additional term of the Original Lease, commencing immediately upon the December 31, 2022 expiration of the initial term, and expiring on December 31, 2039 (any reference in the First Amendment to the extended term expiring on December 31, 2054 was a clerical error and is hereby deemed to be a reference to the extended term expiring on December 31, 2039, as correctly reflected in the recorded memorandum of the First Amendment).

C. Landlord and Tenant desire to modify the terms of the Original Lease to further extend the term of the Lease, as provided herein.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct, and are incorporated herein by this reference.

2. **Extension of Term.** Section 2.1 of the Original Lease is hereby deleted in its entirety and replaced with the following:

“The initial term of this Lease shall commence at 11:00 p.m. on December 31, 1992 (“Effective Date”) and shall continue for 30 years until 10:59 p.m. on December 31, 2022, unless otherwise terminated or extended pursuant to this Lease. Immediately upon the termination of such initial Term, an additional term shall commence and shall continue until 10:59 p.m. on December 31, 2049, unless otherwise terminated or extended pursuant to the Lease.”

3. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of California.

4. **Brokers.** Landlord and Tenant each represents and warrants to the other that neither it nor its officers or agents nor anyone acting on its behalf has dealt with any real estate broker in the negotiating or making of this Amendment, and that no broker or finder is entitled to any brokerage or finder’s fee or other commission or fee based upon arrangements made by or on behalf of that party relating to the transactions contemplated by this Amendment.

5. **Amended Memorandum of Lease.** Concurrently herewith, Landlord and Tenant shall execute and record in the Official Records of Santa Clara County, California, a Second Amendment to Memorandum of Lease in substantially the form attached hereto as ***Exhibit A***.

6. **Miscellaneous.**

(a) **Interpretation; Assigns.** As amended hereby, the Lease is hereby ratified and confirmed in all respects. In the event of any inconsistencies between the terms of this Amendment and the Original Lease, the terms of this Amendment shall prevail. The Lease shall bind and inure to the benefit of Landlord and Tenant and their respective legal representatives and successors and assigns. Landlord may assign its obligations hereunder without the prior consent of Tenant.

(b) **Counterparts.** This Amendment may be executed in counterparts each of which counterparts when taken together shall constitute one and the same agreement.

(c) **Full Force and Effect.** Except as set forth in this Amendment, all terms and conditions of the Original Lease shall remain in full force and effect in accordance with its terms.

(d) **Third Parties.** Nothing in this Amendment shall be construed to give any person other than the express parties to this Amendment any benefits, rights or remedies.

(e) **Severability.** If any provision of this Amendment, or the application thereof, will for any reason and to any extent be invalid or unenforceable, the remainder of this Amendment and application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Amendment with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision.

(f) Further Assurances. Each party shall execute and deliver such further documents and instruments and shall take such other further actions as may be required to carry out the intent and purposes of this Amendment.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

LANDLORD: EL CAMINO HEALTHCARE DISTRICT,
a political subdivision of the State of California

By: _____
Name: _____
Title: _____

TENANT: EL CAMINO HOSPITAL,
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

Form of Second Amendment to Memorandum of Lease

(Attached)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

El Camino Hospital
2500 Grant Road
Mountain View, CA 94040
Attn: Ken King, Chief Administrative
Services Officer

(Space above this line for Recorder's use)

THE UNDERSIGNED LESSEE DECLARES
DOCUMENTARY TRANSFER TAX IS EXEMPT
The remaining term of the Lease (including all extensions) is less than 35 years

SECOND AMENDMENT TO MEMORANDUM OF LEASE

THIS SECOND AMENDMENT TO MEMORANDUM OF LEASE (the "Amended Memorandum") is made as of _____, 2015, by and between EL CAMINO HEALTHCARE DISTRICT (whose name was changed from El Camino Hospital District), a political subdivision of the State of California ("Landlord") and EL CAMINO HOSPITAL, a California nonprofit public benefit corporation ("Tenant"), with reference to the following facts:

1. Landlord and Tenant previously entered into that Ground Lease Agreement dated as of December 17, 1992 (the "1992 Lease"), as amended by that certain First Amendment to Ground Lease Agreement dated as of November 3, 2004 (the "First Amendment") (the 1992 Lease, as amended by the First Amendment, is referred to herein as the "Original Lease"), pursuant to which Landlord leased to Tenant certain real property and improvements located in the City of Mountain View, County of Santa Clara, California, as more particularly described in the Original Lease as the "Properties."

2. A memorandum of the 1992 Lease was recorded in the Official Records of Santa Clara County, California, on January 4, 1993, as Document No. 11716716 (M570 Page 2006) (the "Memorandum"). A memorandum of the First Amendment was recorded in the Official Records of Santa Clara County, California, on February 10, 2006, as Document No. 18804781 (the "First Amendment to Memorandum"). The Memorandum, as amended by the First Amendment to Memorandum, is referred to herein as the "Original Memorandum."

3. On or about even date herewith, Landlord and Tenant are entering into a Second Amendment to Ground Lease Agreement (the "Second Amendment") to make certain modifications to the Original Lease.

4. The purpose of this Amended Memorandum is to give notice of the Original Lease (as amended by the Second Amendment, the "Lease"), and of the rights created thereby, all of which are hereby confirmed, shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors and assigns, and all the terms and conditions of the Lease are incorporated herein by reference as if they were fully set forth herein.

5. The initial term of the Lease expires on December 31, 2022, with the term created by the Second Amendment, ending December 31, 2049, unless otherwise terminated or extended pursuant to the terms of the Lease.

6. This Amended Memorandum may be executed in counterparts, and all counterparts so executed shall constitute one agreement, binding on all of the parties hereto. Except as expressly modified herein, the Original Memorandum shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF; the parties hereto have executed this Amended Memorandum as of the date first above written.

LANDLORD: EL CAMINO HEALTHCARE DISTRICT,
a political subdivision of the State of California

By: _____
Name: _____
Title: _____

TENANT: EL CAMINO HOSPITAL,
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____
(insert name and title of the officer),

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____
(insert name and title of the officer),

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]