

## PLEDGE AGREEMENT

This pledge agreement (“**Agreement**”) is made and effective \_\_\_\_\_, 2016 by and between Lucile Packard Children’s Hospital at Stanford, a nonprofit public benefit corporation (“**LPCH**”) and the County of San Mateo (the “**County**”).

### RECITALS

WHEREAS, the County operates health care facilities collectively known as the “San Mateo Medical Center” (“**SMMC**”) which provide care to, among others, those residents of San Mateo County who have little or no access to other sources of medical care and which serve as the public system hub of the health care safety net;

WHEREAS, LPCH is a not-for-profit hospital with a mission that includes a commitment to advancing family-centered care and advocating on behalf of children and expectant mothers;

WHEREAS, the parties, consistent with their respective missions, each seek to increase access to medical care, including quality pre and post-natal care, for the most underserved and vulnerable residents of San Mateo County and are therefore participating in the Community Health Network for the Underserved (“**CHNU**”) as a means of increasing access to such care; and

WHEREAS, in connection with its participation in the CHNU, and as a means of furthering its charitable mission in the community, LPCH desires to make a financial pledge to the County for the benefit of low income residents of the County; and

WHEREAS, the County desires to accept such pledge on the terms and conditions set forth herein.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements set forth below, the parties agree as follows:

- A. Pledge Payment and Schedule. LPCH shall, in accordance with the terms set forth herein, grant to the County Three Hundred Thousand Dollars (\$300,000) per year (the “**Pledge**”) during the term of this Agreement.
- B. Terms and Conditions. The Pledge payments will be made, contingent upon the following terms and conditions:
  1. Use of Pledge. The County agrees that the Pledge funds shall be used for the following purposes:
    - a. The County shall provide, or arrange for the provision of, quality prenatal and postnatal obstetric care, and gynecology services, through SMMC or otherwise, for San Mateo County’s low-income residents who may not otherwise have access to such services (the “**Service Population**”). The County shall track and monitor improvements in prenatal care access and delivery outcomes for the Service Population.

The County shall assist the Service Population in increasing access to and locating quality health care providers, keeping in mind the patient's preferences, clinical requirements, family circumstances and residential location.

- b. The County shall work with its partners to advance initiatives aimed at improving coordination of care for children in the Service Population with complex needs. In particular, the County shall work with the San Mateo Health Commission, dba Health Plan of San Mateo ("HPSM") to further the California Children's Services pilot awarded to HPSM.
  - c. The County understands and agrees that the Pledge funds and income earned thereon may be expended only for charitable, religious, scientific, literary or educational purposes. The County, or its designee, shall determine the timing of the release of Pledge funds to projects or programs of the County. The Pledge, (together with any income earned upon investment of Pledge funds) may not be expended for any other purpose without LPCH's prior written approval. The Pledge may not be used for or put toward any political or lobbying activity, to carry out propaganda, or otherwise to attempt to influence any legislation, within the meaning of sections 4945(d) (1) and (2) of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder, or for any purpose other than as specified herein.
2. No Assignment or Delegation. The County may not assign, or otherwise transfer, any rights to the Pledge, or delegate any of its obligations under this Agreement without prior approval of LPCH.
  3. Records and Reports. The County shall keep a record of all receipts and expenditures relating to the Pledge and to provide LPCH with a written report summarizing the use of the Pledge funds. On a semi-annual basis, the County will provide LPCH with a report setting forth its plans and progress with respect to improvements in prenatal delivery care access and delivery outcomes. The County also agrees to provide any other information reasonably requested by LPCH.
  4. Term and Termination. This Agreement shall commence on June 1, 2016 and, unless terminated sooner, shall continue until May 31, 2018. This Agreement shall be immediately terminated as follows: a) upon County's loss of certification as a Medicare and/or Medi-Cal provider; b) upon the closure of the San Mateo Medical Center. Either party may terminate this Agreement at any time in the event the other party engages in an act or omission constituting a material breach of any term or condition of this Agreement. The party electing to terminate this Agreement shall provide the breaching party with not less than thirty (30) days advance written notice specifying the nature of the breach. The breaching party shall then have (30) days from the date of the notice in which to remedy the breach and conform its conduct to this Agreement. If such corrective action is not taken within the time specified, this Agreement shall terminate at the end of the sixty (60) day period without further notice or demand. If the County is the breaching party and the

Agreement terminates pursuant to this Section, the County shall refund to LPCH a pro rata portion of the aggregate payment made by LPCH.

5. Notification. The County shall provide LPCH with immediate written notification of: (1) any inability of the County to expend the Pledge for the purposes described in this Agreement or (2) any expenditure from the Pledge made for any purpose other than those for which the Pledge was intended.
6. Reasonable Access. Upon receiving reasonable prior notice, the County will permit LPCH and its authorized representatives, at its request, to have reasonable access during regular business hours to the County's books and records as they relate to the disposition of the Pledge for the purpose of making such financial audits, verifications, or program evaluations as LPCH deems necessary or appropriate concerning the Pledge.
7. Additional Representations and Warranties. The County further represents and warrants that it has not provided any goods or services in consideration, in whole or in part, for the Pledge.
8. Referrals. The County, SMMC and HPSM shall be entitled to refer patients to any hospital or other health care facility or provider best qualified to deliver medical services to any particular patient. Nothing in this Agreement or in any other written or oral agreement between the parties, nor any consideration offered or paid in connection with this Agreement, contemplates or requires the admission or referral of any patients or business to LPCH or any affiliate. No party's rights under this Agreement shall be dependent in any way on the referral of patients or business to LPCH or any affiliate.
9. Right to Modify or Revoke. LPCH reserves the right to discontinue, modify or withhold any Pledge payments to be made under this Agreement, if, in LPCH's sole discretion, such action is necessary: (1) because the County has not fully complied with the terms and conditions of this Agreement; (2) to protect the purpose and objectives of the Pledge; or (3) to comply with the requirements of any law or regulation applicable to the County, LPCH or the Pledge.
10. Use of Name and Logo. LPCH may publicly identify the County as the recipient of the Pledge and may report on the purpose of the Pledge and the projects and programs supported by the Pledge. Any further use of the County's name or logo, or of any materials or photographs provided by the County, shall require prior written approval of the County. The County may not use the name, logo or corporate identity of LPCH, Stanford Health Care, Stanford Children's Health, Stanford Medicine, its physicians, facilities or other similar references for any purpose without the prior written consent of LPCH.
11. Entire Agreement and Confidentiality. This Agreement contains the entire agreement of the parties hereto and supersedes all prior agreements, contracts and understanding, whether written or otherwise, between the parties relating to the subject matter hereof. 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. Except for disclosure to each party's authorized employees and/or agents,

neither party shall disclose any terms of this Agreement to any person who is not a party to this Agreement unless disclosure thereof is required by law (including, but not limited to, the California Public Records Act and the Brown Act) or consented to in writing by the other party.


12. Representatives and Successors Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto, administrators, legal representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year herein above written.

**County of San Mateo**

**Lucile Packard Children's Hospital at  
Stanford**

\_\_\_\_\_  
President, Board of Supervisors,  
San Mateo County

  
\_\_\_\_\_  
Kim Roberts, Chief Strategy Officer

\_\_\_\_\_  
Date

3/10/16  
\_\_\_\_\_  
Date

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board