

**Second Amendment to the Hospital Services Agreement
By and Between Martin Luther King, Jr. County by and through its Executive
and its Board of Trustees for Harborview Medical Center
and
The Regents of the University of Washington**

Pursuant to Section 14.2 of the Hospital Services Agreement by and between Martin Luther King, Jr. County (“the County”) and the University of Washington (“the University”) effective February 25, 2016 and amended in 2024 (hereinafter referred to as “HSA”), the Parties agree to amend the HSA as follows:

1. DELETE the text of Section 1.7 and REPLACE with the following:

1.7 Capital Improvement Plan or CIP. The County Council-approved Capital Improvement Plan includes capital projects that are funded by Harborview Medical Center revenues or available cash reserves. The CIP shall be developed and submitted on an annual basis and may include multi-year projects that are budgeted on a total project-cost basis.

2. Add new definitions as follows:

1.56 Other Medical Center-Related Capital Projects. All capital projects funded by sources other than the 2020 Proposition 1 Capital Program, including but not limited to major maintenance, repairs, replacement, renovations, or other capital projects to construct, acquire, or add to the Medical Center buildings, physical plant, and components thereof.

1.57 County Hospital Tax. The tax authorized by RCW 36.62.090, which allows the County to annually levy a property tax for the operation, maintenance, and capital expenses of the County hospital, and any outpatient clinics operated by the County hospital, and for the payment of principal and interest on bonds issued for such purposes.

3. DELETE the text of Section 3.1.9 and REPLACE with the following:

The University shall be responsible for the management, design, planning, development and contract oversight of Board-approved Medical Center capital projects funded either by Medical Center revenues and/or with University support, (a) which are budgeted, over the life of the project, for an amount not exceeding five-million dollars (\$5,000,000) in 2015 dollars, which amount shall increase automatically each year in an amount consistent with the Consumer Price Index for that year or (b) for projects which the County Executive and University agree in writing shall be the responsibility of the University. Such projects shall be procured and delivered in accordance with University procurement and delivery policies, procedures and statutes, and KCC 2.42.080. The University shall be authorized to execute all documents necessary to complete such projects. All other capital projects shall be subject to, planned and administered consistent with the KCC, as it now reads or is hereafter amended. The Parties will work together to propose amendments to the KCC as necessary and desirable to facilitate efficient capital activities. The CPOC, through unanimous consensus of its members, shall provide oversight of bond-financed capital projects.

Second Amendment to the Hospital Services Agreement

4. DELETE the text of Section 6.4.2 and REPLACE with the following:

By December 31 of each year but subject to Section 6.4.3 below, the Board shall allocate from authorized Medical Center revenues or reserves five million dollars (\$5,000,000) to a fund to support Mission Population programs and services that are currently being provided by the County.

5. DELETE the heading and text of 6.4.3 and REPLACE with the following:

6.4.3 Increased Support for Mission Population. In response to an urgent, increased need to support Mission Population programs and services that are provided by the County, the Board shall allocate, from authorized Medical Center revenues or reserves, three payments of twenty-eight million dollars (\$28,000,000) each by December 31 of 2025, 2026, and 2027 to a County fund to support Mission Population programs and services to be provided by the County (“Increased Mission Payments”).

6.4.3.1 The Board makes these increased payments in recognition of the Parties’ shared interest in stabilizing programs and services to the Mission Population.

6.4.3.2 The University shall ensure that no County Hospital Tax revenue is used to make Mission Population support payments, including the Increased Mission Payments.

6.4.3.3 Except as provided in 6.4.3.4, the Board shall not be obligated to make any payments to the County to support the Mission Population, including Increased Mission Payments, after the third and final payment of \$28,000,000 by December 31, 2027.

6.4.3.4 As additional consideration for the Increased Mission Payments in 2025, 2026, and 2027, the County will release its rights to receive annual allocations of five million dollars (\$5,000,000) to support Mission Population programs and services provided by the County, as described in 6.4.2, except that if the County is required or compelled, as determined in the sole discretion of the County, to return the Increased Mission Payments to the Board, then the Board shall authorize payments to the County from Medical Center authorized revenues or reserves of five million dollars (\$5,000,000) for each Increased Mission Payment the County returns to the Board and thereafter the provisions of Section 6.4.2. shall apply. In the instance that the County is required or compelled, as determined in the sole discretion of the County, to partially return the Increased Mission Payments to the Board, any payments thereafter due to the County pursuant to Section 6.4.2, whether retroactive or prospective in nature, shall be offset by the amount of Increased Mission Payments not returned.

6. DELETE section 6.4.4 in its entirety.
7. ADD a new Section 8.9 to read as follows:

Second Amendment to the Hospital Services Agreement

8.9 County Hospital Tax. In each year the County levies the County Hospital Tax, the proceeds shall be used at the Medical Center for expenditures allowed under RCW 36.62.090 and as set forth in the County's budget for the applicable fiscal period. The Parties agree that of the amount of County Hospital Tax proceeds appropriated by the County for Medical Center operating expenses, none may be used to satisfy the Mission Population support payment and Increased Mission Payment set forth in Sections 6.4.2 and 6.4.3.

This Second Amendment shall be effective on the date it is fully executed by the Parties.

All other terms of the HSA remain the same.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed in triplicate in their names and on their behalf by their duly authorized officers.

**MARTIN LUTHER KING, JR. COUNTY,
WASHINGTON**

By _____
[Name], County Executive

Dated: _____

**BOARD OF TRUSTEES,
HARBORVIEW MEDICAL CENTER**

By _____
[Name], President

Dated: _____

**THE REGENTS OF THE UNIVERSITY
OF WASHINGTON**

By _____
[Name], Chair

Dated: _____

Approved as to form:
**LEESA MANION, KING COUNTY
PROSECUTING ATTORNEY**

By _____
John Gerberding, Senior Deputy
Prosecuting Attorney

Dated: _____

Approved as to form:
**NICHOLAS W. BROWN,
WASHINGTON STATE ATTORNEY
GENERAL**

By _____
[Name], Assistant Attorney General

Dated: _____