

**MINUTES OF A SPECIAL MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
4:00pm, Friday, November 30, 2007
Sequoia Room, Ground Floor, Sequoia Hospital
170 Alameda de las Pulgas, Redwood City, CA 94062**

Directors Present

Director Faro
Director Hickey
Director Horsley
Director Kane

Directors Absent

Director MacNaughton

Also Present

Ms. Scott, CEO
Mr. Hudak, Legal Counsel
Ms. Johnson, Recorder

1. Call to Order

By: President Kane

Time: 4:05pm

2. Public Comment/Non-Agenda Items

There was no public comment on non-agenda items.

3. Development Agreement

3.a. Consider and Approve Resolution 07-1

President Kane stated that Resolution 07-1 approves the proposed Development Agreement between Sequoia Healthcare District and Catholic Healthcare West (CHW) providing for the use of \$75 million in District assets including the District property located at 2900 Whipple Avenue, Redwood City, for the rebuilding and seismic retrofitting of Sequoia Hospital and the dissolution of Sequoia Health Services (SHS).

Public Comment:

Betty Till, of Sequoia Hospital's Community Advisory Council spoke to the services Sequoia provides to the community and encouraged the Board to approve the Development Agreement.

Frank Bartaldo, former chair of the SHS Board spoke of Sequoia Hospital services and urged the Board to vote in favor of the Development Agreement.

A representative of Sequoia Hospital ancillary staff spoke to the positive working relationship with CHW and encouraged the Board to move forward with the Development Agreement.

Dr. Michael Griffin spoke to concerns regarding the change in the relationship between the District and CHW, adequate public disclosure of the Agreement and the future of Sequoia Hospital and urged the Board to vote No on the Development Agreement.

Dr. Michael Papalian, member of the SHS Board and past chief of staff, cited the 10 year relationship with CHW and spoke to physician support of the Development Agreement.

Keith Bautista, member of the SHS Board, spoke to CHW's successful management of Sequoia Hospital, its excellent patient care and encouraged the Board to approve the Agreement.

Brent Britschgi encouraged the Board to vote in favor of the agreement.

Linda Gregory, president of the San Mateo County Labor Council, stated that the rebuilding of Sequoia hospital is essential, CHW is an excellent corporate citizen and urged the Board to approve the agreement.

Bill Nack of the Building Trades Council supports the Agreement and encouraged the Board to vote in favor of both Resolutions.

Motion: To waive reading of Resolution 07-1.

By: Director Faro

Seconded by: President Kane

Vote: 5-0.

Motion Passed

Director Hickey said he appreciates the bonded indebtedness CHW took on in 1996 which has been paid off and that the District's \$75 million portion of this Agreement is not a gift to CHW.

Director MacNaughton spoke to concerns that the Board is not handing over the Hospital but assuring that it will continue.

Director Faro reviewed the variety of efforts on behalf of the District related to public outreach regarding the Development Agreement, including meetings and forums held to evaluate and deliberate on the Development Agreement, a letter sent to District residents and updates to the District's website.

Herbert Marks of Nevada asked why the decision of approving the Development Agreement was not submitted to the voters. Special legal counsel to the District Board, Allen Brisken explained why voter approval was not required.

Motion: To approve Resolution 07-1.

By: Director Horsley

Seconded by: Director Faro

Vote: 5-0.

Motion Passed

3.b. Consider and Approve Resolution 07-2

Resolution 07-2 approves and authorizes the liquidation and transfer of a portion of the District' investment funds into escrow to fund the District's cash obligations under the Development Agreement with Catholic Healthcare West.

Motion: To waive reading of Resolution 07-2.

By: Director Horsley

Seconded by: Director Faro

Vote: 5-0.

Motion Passed

Motion: To approve Resolution 07-2.

By: Director Hickey

Seconded by: Director Faro

Vote: 5-0.

Motion Passed

4. Adjourn

Motion: At 4:40 PM, adjourn meeting.

By: Director Faro

Seconded by: Director Horsley

Vote: Unanimous

Motion Passed

The next regularly scheduled meeting of the Sequoia Healthcare District Board of Directors is Wednesday, December 5, 2007, 4:30pm, Sequoia Room, Sequoia Hospital.

Respectfully Submitted,

Don Horsley
Secretary