

**MINUTES OF STUDY SESSION
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
OCTOBER 10, 2007**

Conference Rooms D & E, Sequoia Hospital, 170 Alameda de las Pulgas,
Redwood City, CA 94062

Directors Present

Director Faro
Director Hickey
Director Horsley
Director Kane
Director MacNaughton

Directors Absent

None

Also Present

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

1. Call to Order

By: President Kane

Time: 4:35pm

2. Public Comment/Non-Agenda Items

Director Faro welcomed Mr. Brent Britschgi, a former District Board member.

Director Hickey spoke to an article in the newspaper he read regarding the proposed new PAMF facility in San Carlos.

3. Study Session:

President Kane asked that Directors' questions or comments related to the most recent draft of the Development Agreement be forwarded to Ms. Scott who shall relay them to Allen Briskin, special legal counsel to the District.

President Kane reported that CHW has agreed to specific remedies for non-performance and they will be included in a later draft of the Agreement.

Various aspects of the draft Development Agreement were discussed including philanthropy, third party change of control and operation of Sequoia Hospital as a community hospital. Citing the reference to philanthropy, Director Hickey suggested that the Agreement state that excess funds raised by the Foundation would not be a credit to the District.

Mr. Britschgi expressed concern regarding adequate public disclosure and timing for finalizing the Development Agreement. President Kane reviewed the progression of events related to the timing and disclosure of the District's role in Sequoia Hospital's rebuild project including the District's negotiating committee's ongoing meetings with CHW, efforts to work with the media toward the goal of public awareness, a letter to be mailed to District residents and updates to the District's website.

Dr. Mike Griffin expressed concerns about the future of Sequoia Hospital without District oversight, the possibility that CHW is not successful and added that he feels the public needs more information.

4. Consider Estimate for Leveling Property Located at 525 Veterans Boulevard.

President Kane requested estimates from three companies to level the foundation at 525 Veterans Blvd. Two estimates were provided at \$22,000 and \$26,000, respectively, and the third company is not interested. President Kane would like to move forward with leveling the foundation and asked the Board to consider a motion to approve \$22,000 for this purpose.

Motion: To approve an expenditure of \$22,000 to level the foundation at 525 Veterans Blvd., Redwood City.

By: Director MacNaughton

Seconded by: Director Hickey

Vote: 5-0

Motion Passed

The estimate will be reviewed by legal counsel prior to entering a contract for work to begin.

Director Horsley would like to see estimates for leveling and remodeling of the building.

5. Fill Vacancy of Seat on SHS Board of Directors Previously Held by Joseph Akerman.

President Kane announced that this item has been removed from the agenda.

6. Adjourn

Motion: At 6:00 PM, adjourn meeting.

By: Director Faro

Seconded by: Director MacNaughton

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