

**MINUTES OF STUDY SESSION
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
6:00pm, Tuesday, OCTOBER 23, 2007
Rooms E & F, 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. Briskin, Special Legal
Counsel

1. Call to Order

By: President Kane

Time: 6:08pm

2. Public Comment/Non-Agenda Items

There was no public comment on non-agenda items.

3. Study Session

Mr. Allen Briskin, Special Legal Counsel to the District, reported on the status of the Development Agreement by and between Sequoia Healthcare District and Catholic Healthcare West (CHW). Mr. Briskin reported that for the most part the parties agree on the conceptual points of the Agreement and the work remaining pertains to making certain both parties are clear on the meaning of certain language in the Agreement. Mr. Briskin reviewed what in the past have been the substantive issues including the formula for revenue sharing, reporting, and CHW's right to sell Sequoia Hospital and timing for such a transaction.

Director Hickey expressed his wish to dissolve the District and suggested that funds from the shared revenues of Sequoia Hospital could be converted to a financial document and sold to a third party.

Director Horsley requested an update on the IT and physician strategies. Mr. Briskin reported that details for the IT and physician strategies are included in supplemental documents which are presently works in progress. Director Horsley advised that the timing of the transfer of District's assets into the Escrow account be performed in such a way that prevents losses to the District.

Mr. Briskin informed the Board that there are also administrative documents required to effect the transaction described in the Development Agreement such as an Escrow Agreement and the documents related to the transfer of the District's medical office building and property to Sequoia Hospital.

President Kane reminded Directors to send any comments related to the Development Agreement to Ms. Scott.

Dr. Michael Griffin expressed concerns about adequate public disclosure, Sequoia Hospital oversight, whether the transaction requires a vote of the public, contingency plans and timing of the approval of the Development Agreement. Dr. Griffin inquired about the counsel provided to the Board by its attorneys. Mr. Briskin explained the attorney-client privilege.

Dr. J.D. Hoff expressed concern regarding physician retention required to support Sequoia Hospital's viability and encouraged collaborative efforts with other local health providers.

4. Adjourn

Motion: At 7:00 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