

**MINUTES OF STUDY SESSION
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
SEPTEMBER 25, 2007**

Administration Board Room, 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

In response to a member of the audience, President Kane explained the 1996 affiliation transaction involving the District, Sequoia Hospital and CHW.

3. Study Session:

Mr. Hudak stated that this meeting is a study session to allow the District Directors to receive information from its advisors and ask questions about the draft legal agreements relating to Sequoia Healthcare District's role in Sequoia Hospital's rebuilding project. No action will be taken on this agreement today. When the Board is ready the entire transaction will be brought back in a properly noticed public meeting for public comment, further deliberation and a vote at that time.

President Kane introduced Steven Hollis, Vice President, Municipal Finance, Investment Banking Division, Goldman, Sachs & Co. and Allen Briskin, Of Counsel, Davis Wright Tremaine LLP.

Mr. Hollis presented a summary of projections for the proposed revenue sharing arrangement based on Sequoia Hospital reaching various performance thresholds. A copy of his presentation is included with the original of these minutes.

Mr. Briskin explained different aspects of the draft Development Agreement between the District and CHW. He answered questions from Directors and noted that several sections of the Agreement are still being negotiated with CHW.

Mr. Briskin provided Directors with a first draft of Sequoia Hospital Physician Alignment Strategies which includes information technology and clinical integration. He asked that the Directors review the document and get back to him with questions or concerns.

4. Adjourn

Motion: At 6:55 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, October 3, 2007, 4:30pm, Sequoia Room, Sequoia Hospital.

Respectfully Submitted,

Don Horsley
Secretary