

"Newco" Board Meeting Minutes

December 19, 2007

Present: Kevin Cichocki, D.C., David Dunn, M.D., Evan Evans, M.D., James Evans, M.D., Robert Gioia, Mary Gresham, Sharon L. Hanson, James Kaskie, Jody Lomeo, Brenda McDuffie, Judge James McLeod, Sundra Ryce, Irene Snow, M.D., Edward Walsh, Jr., Robert Zak, David Zebro, Michael Young, Robert Wild, Betsy Baumler.

Absent: John Simpson

The meeting was called to order at 8:40 AM by the Chair, Robert Gioia.

Minutes

The minutes of the November 21, 2007 Board Meeting and December 5, 2007 Board Retreat were presented for approval. **Upon motion duly made and seconded, the minutes of the November 21, 2007 Board Meeting and December 5, 2007 Board Retreat were unanimously approved with suggested revisions.**

Committee Reports

Due Diligence:

Mr. Zebro highlighted the most recent due diligence meeting between Kaleida Health's and ECMCC's finance and legal departments. Mr. Zebro outlined the summary discussion paper distributed to the Board prior to the meeting and highlighted the reports presented by the independent auditors for both ECMCC and Kaleida Health along with Mercer and PricewaterhouseCoopers. He indicated he had also met individually with each auditor in addition to the meeting on December 14th. **Upon motion duly made and seconded, the report was unanimously approved as presented.**

Governance:

Mr. Wild highlighted two Memorandums of Understanding (MOU) - one prepared by Mr. Wild and one prepared by ECMCC - and then outlined the "thought process" he followed when drafting his MOU. He indicated he felt his draft included what was needed to move the process forward. Mr. Gioia asked each Board member and Mr. Young to express their opinion and/or concerns regarding the document individually. Extensive discussion ensued regarding whether specific financial requirements from the State should be included in an initial MOU and a request was made that the "walkaway provisions" be highlighted more specifically. The Board decided that the specific financial requests should be included in the cover letter, not as part of the formal MOU.

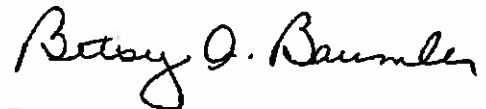
After considerable discussion and upon motion duly made and seconded, the Memorandum of Understanding (copy attached to these minutes) drafted by Robert Wild was unanimously approved by 11 members of the Board who cast a vote, along with a recommendation to the ECMCC and Kaleida Health Boards of Directors that they approve this Memorandum of Understanding at their subsequent Board meetings on the following day. Three members namely, Dr. Cichocki, Ms. Sharon L. Hanson, and Mr. Jody Lomeo abstained from voting.

Calendar Issues

Mr. Gioia stated the next two Board meetings scheduled for Wednesday, December 26th and January 2nd are cancelled due to the holidays. He indicated the next Board meeting is currently scheduled for January 9th.

The meeting was adjourned at 10:20 AM.

Respectfully submitted,



Betsy A. Baumler