

SOUTHERN INYO HEALTHCARE DISTRICT

Special Meeting of the Board of Directors Minutes

Date: Tuesday, February 26, 2019
Time: 4:30 p.m.

Location: Southern Inyo Hospital- Conference Room
501 E. Locust, Lone Pine, CA 93545

Mark Lacey, Vice President will be participating via phone from
335 Indian Springs Drive,
Lone Pine, CA 93555

PRESENT

Jaque Hickman, President
Carma Roper, Secretary
Charles Carson, Treasurer

ABSENT

Mark Lacey, Vice President
Richard Fedchenko, Director

OTHERS

Brian Cotter, CEO
Shannon Jimerson, CNO
Anita Sonke, AP
Roxanne Culp, HR
Ashley McDow, Attorney (via phone)
Maritza Perkins, Admin. Assistant

I. CALL TO ORDER

The meeting was called to order at 4:31 p.m.

Secretary Roper moved to approve the 02/26/2019 Special Board Meeting agenda. Treasurer Carson seconded. All Approved.

II. BUSINESS ITEMS

A. Consideration and Approval of Resolution 19-2 to apply for a short term Treasury Loan from Inyo County.

Brian Cotter, CEO and Treasurer Carson meet with the Inyo County Treasury Oversight Committee. They presented the upcoming IGT's for the total of

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381,597.00. The Inyo County Treasury Oversight Committee approved SIHD's application.

SIHD will look into participating in a revolving loan pool with Inyo County. Board Meeting to be announced. Inyo Co. recommends starting at the new fiscal year.

Action: Treasurer Carson moved to approve Resolution 19-2, short term treasury loan with Inyo County. Secretary Roper seconded. All approved.

Roll Call-

Carma Roper "AYE"
Charles Carson "AYE"
Jaque Hickman "AYE"

B. Fourth Addendum to Master License and Subscription Agreement with Medsphere Systems Corporation.

President Hickman stated that she and Brian Cotter spoke with Irv Lichtenwald with Medsphere.

January 15, 2019, SIHD did not pay the balloon payment and is in breach of Medsphere's contract agreed to, in the Third Amendment. Irv Lichtenwald was persistent on the breach being cured. Irv took charge of curing the breach so Medsphere's auditors can see that this breach was cured by another amendment.

President Hickman mentioned that Irv informed her and Brian Cotter that SIHD may have 800 amendments by the time SIHD is done with the Medsphere contract. Irv realizes that our ability of paying the lump sums that are mentioned, may not happen in the time that is set forth in the agreement. Irv stated if SIHD keeps amending the contract and moving forward, Irv is okay with that. Irv would like for SIHD to make the monthly payment of \$14,000.00. Currently SIHD is being debited \$12,000.00.

Attorney Nave is fine with the legal format of the presented contract. The only concern was the district's ability of making the balloon payment in September 2024. Attorney Nave wants to make sure that SIHD meets the terms of this amendment.

Irv wants to know the best guess date of the bankruptcy settlement and to use that date as the first payment, President Hickman told Irv that she absolutely cannot. SIHD does not know. Irv stated we may need a fifth amendment.

President Hickman asked Attorney Nave if it would be a good idea to include a cover letter with the Fourth Amendment agreement that reflects the conversation that she and Brian had with Irv. Attorney Nave stated that if Medsphere is willing to differ a payment if the bankruptcy has not been resolved at that time point in time, he thinks it makes more sense to include that in the amendment itself. Medsphere will not look at the cover letter

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but the actual contract. If that is something that Medsphere is formally willing to agree to, SIHD needs to include it in the amendment and not in a letter.

Attorney McDow agrees with Attorney Nave. Attorney McDow had a comment in regards to the effective date. She would like to be more specific on the resolution of the bankruptcy. In section 5b, b3. The last payment is due on July 2024 but in b2 it contemplates a payment on September 2024. Is the September 2024 supposed to be 2025?

Per President Hickman, Irv did say that we may need to stretch the contract out. President Hickman and Legal Counsel will need to go back to Irv and negotiate. Also there are concerns on D. where it has ACH (automatically be charge to SIHD's bank account). SIHD will need to push back on balloon payment but continue with the monthly \$14,000.00 payment.

Action: Secretary Roper moved to tentatively approve the Fourth Amendment to Master License and Subscription agreement subject to negotiations with Medsphere Systems Corporation, Legal Counsel, President Hickman and Brian Cotter. Treasury Carson seconded. All approved.

Roll Call-

Carma Roper "AYE"
Charles Carson "AYE"
Jaquie Hickman "AYE"

III. CLOSED SESSION


- A. Existing Litigation (Govt Code 54956.9): Chapter 9 Bankruptcy
- B. Personnel Evaluation: CEO

IV. CLOSED SESSION REPORT

The Board of Directors and Legal Team discussed Items A & B under Closed Session. No action taken.

V. ADJOURNMENT

The open session meeting adjourned at 4:54 p.m.



President or Secretary of the Board

3-12-19

Date

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