



Northern Inyo County Local Hospital District

**Board of Directors Regular Meeting**

**Wednesday December 3 2008 5:30pm**

*Board Room  
Northern Inyo Hospital*

***DRAFT AGENDA***  
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT  
BOARD OF DIRECTORS MEETING

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**December 3, 2008 at 5:30 P.M.**  
***In the Board Room at Northern Inyo Hospital***

1. Call to Order (at 5:30 P.M.)
2. Opportunity for members of the public to comment on any items on this Agenda
3. Approval of minutes of the October 15, 2008 regular meeting
4. Financial and Statistical Reports for the month of September 2008; John Halfen
5. Administrator's Report; John Halfen
  - A. Building Update
    - 3-D Modeling, Phase II
    - Medicare Profitability
  - B. Settlement with Anthem Blue Cross
    - JPA for Bond Issue
  - C. Tobacco Funds Disbursement
    - BUHS District Office Dedication
  - D. Intersection of Pioneer Lane and West Line
    - New Health Information Privacy Bills
  - E. Advance Beneficiary Notice
    - Employee Retirement, Minta Ozolins
  - F. F.Y.I. Section
  - G. Other
6. Chief of Staff Report – Richard Nicholson, M.D.
7. Old Business
  - A. Reaffirmation of John Halfen as negotiator regarding potential acquisition of real property at 2957 Birch Street, Bishop, California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District (*action item*)
  - B. Reaffirmation of John Halfen as negotiator regarding potential acquisition of real property at 2296 N. Sierra Highway, Bishop, California. Negotiation will be with owner of property (*action item*)
  - C. RHC Action Plan (*update*)
  - D. RHC Director Agreement revision, Stacey Brown, M.D. (*action item*)
8. New Business
  - A. Approval of Equipment Purchase, Blood Count Instrument for Stat Lab (*action item*)
  - B. Election of District Board Officers for 2009 calendar year (*action item*)
  - C. Standard & Poor's Bond Rating Letter

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- D. Approval of EKG agreements with Vasuki Sittampalam, M.D.; James Richardson, M.D.; and Nickoline Hathaway, M.D. (*action item*)
  - E. Ratification of lease for 337 Hanby, Bishop, California (*action item*)
  - F. Lease for 153-C Pioneer Lane (*action item*)
  - G. Approval of Health Plan renewal report, Barry G. Miller & Associates (*action item*)
  - H. January Cost of Living Adjustment (*action item*)
  - I. Hospital Information Systems (HIS) Assessment proposal (*action item*)
  - J. Hold Harmless Agreement for Security Officers (*action item*)
  - K. Investment Risks and Direction (*possible action item*)
  - L. Status of 2<sup>nd</sup> Bond issue (*possible action item*)
  - M. Purchase of existing modular building (*action item*)
  - N. Vocera Communications Proposal (*action item*)
  9. Reports from Board members on items of interest
  10. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest
  11. Adjournment to closed session to:
    - A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962)
    - B. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of two real properties (Government Code Section 54956.8)
    - C. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a))
  12. Return to open session, and report of any action taken in closed session
  13. Opportunity for members of the public to address the Board of Directors on items of interest
  14. Adjournment

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# NORTHERN INYO HOSPITAL

Balance Sheet  
September 30, 2008

<i>Assets</i>	<i>Current Month</i>	<i>Prior Month</i>	<i>FYE 2008</i>
<b>Current assets:</b>			
Cash and cash equivalents	4,578,068	747,920	2,434,216
<b>Short-term investments</b>	14,551,588	15,755,275	15,199,287
Assets limited as to use	68,766	1,333,012	49,003
Plant Expansion and Replacement Cash	488,447	1,802,829	1,941,239
Other Investments (Partnership)	352,361	352,361	352,361
Patient receivable, less allowance for doubtful accounts \$556,121	8,622,659	8,913,097	8,273,347
Other receivables (Includes GE Financing Funds)	1,340,155	1,276,124	571,376
Inventories	2,173,040	2,169,207	2,177,577
Prepaid expenses	658,366	699,049	602,851
<b>Total current assets</b>	32,833,449	33,048,873	31,601,257
<b>Assets limited as to use:</b>			
Internally designated for capital acquisitions	559,269	559,114	558,237
Specific purpose assets	551,438	553,304	520,160
	1,110,707	1,112,418	1,078,397
<b>Revenue bond construction funds held by trustee</b>	913,829	870,108	782,802
Less amounts required to meet current obligations	67,932	1,333,012	49,003
<b>Net Assets limited as to use:</b>	1,956,604	649,514	1,812,196
<b>Long-term investments</b>	8,914,638	8,914,638	8,914,638
<b>Property and equipment, net of accumulated depreciation and amortization</b>	30,731,229	30,840,744	29,541,929
<b>Unamortized bond costs</b>	304,122	305,609	308,583
<b>Total assets</b>	74,740,042	73,759,378	72,178,602

# NORTHERN INYO HOSPITAL

## Balance Sheet

September 30, 2008

### Liabilities and net assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2008</u>
<b>Current liabilities:</b>			
Current maturities of long-term debt	638,857	646,270	683,626
Accounts payable	638,139	727,283	1,140,966
Accrued salaries, wages and benefits	3,112,303	3,024,465	2,600,516
Accrued interest and sales tax	455,188	355,694	172,391
Deferred income	428,858	476,508	-
Due to third-party payors	4,631,285	3,755,889	3,940,301
Due to specific purpose funds	-	-	-
<b>Total current liabilities</b>	<u>9,904,630</u>	<u>8,986,108</u>	<u>8,537,799</u>
<b>Long-term debt, less current maturities</b>	25,270,196	25,270,196	25,270,196
Bond Premium	388,187	389,393	391,804
<b>Total long-term debt</b>	<u>25,658,383</u>	<u>25,659,589</u>	<u>25,662,000</u>
<b>Net assets:</b>			
Unrestricted	38,625,591	38,560,378	37,458,642
Temporarily restricted	551,438	553,304	520,160
<b>Total net assets</b>	<u>39,177,029</u>	<u>39,113,681</u>	<u>37,978,803</u>
 <b>Total liabilities and net assets</b>	 <u>74,740,042</u>	 <u>73,759,378</u>	 <u>72,178,602</u>

**NORTHERN INYO HOSPITAL**

**Statement of Operations**

*As of September 30, 2008*

	MTD Actual	MTD Budget	MTD Variance \$	MTD Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	Prior YTD
<b>Unrestricted revenues, gains and other support:</b>									
In-patient service revenue:									
Routine	554,163	607,596	(53,433)	(8.8)	1,751,143	1,822,788	(71,645)	(3.9)	1,959,439
Ancillary	1,712,093	2,028,606	(316,513)	(15.6)	5,826,038	6,085,818	(259,780)	(4.3)	6,342,843
Total in-patient service revenue	2,266,255	2,636,202	(369,947)	-14.0%	7,577,181	7,908,606	(331,425)	-4.2%	8,302,282
Out-patient service revenue	4,075,771	3,948,747	127,024	3.2	12,844,372	11,846,241	998,131	8.4	11,346,822
<b>Gross patient service revenue</b>	<b>6,342,026</b>	<b>6,584,949</b>	<b>(242,923)</b>	<b>(3.70)</b>	<b>20,421,553</b>	<b>19,754,847</b>	<b>666,706</b>	<b>3.4</b>	<b>19,649,104</b>
<b>Less deductions from patient service revenue:</b>									
Patient service revenue adjustments	262,745	142,545	(120,200)	(84.3)	807,430	427,635	(379,795)	(88.8)	405,095
Contractual adjustments	2,491,176	2,535,204	44,028	1.7	7,854,082	7,605,612	(248,470)	(3.3)	8,444,707
Prior Period Adjustments	(75,245)	-	75,245	100.0	(225,418)	-	225,418	100.0	(41,889)
<b>Total deductions from patient service revenue</b>	<b>2,678,676</b>	<b>2,677,749</b>	<b>(927)</b>	<b>-</b>	<b>8,436,094</b>	<b>8,033,247</b>	<b>(402,847)</b>	<b>(5.0)</b>	<b>8,807,914</b>
<b>Net patient service revenue</b>	<b>3,663,350</b>	<b>3,907,200</b>	<b>(243,850)</b>	<b>-6%</b>	<b>11,985,459</b>	<b>11,721,600</b>	<b>263,859</b>	<b>2%</b>	<b>10,841,190</b>
Other revenue	16,282	28,005	(11,723)	(41.9)	80,503	84,015	(3,512)	(4.2)	81,422
Transfers from Restricted Funds for Other Operating Expenses	65,541	65,541	-	-	196,623	196,623	-	0.0	-
<b>Total Other revenue</b>	<b>81,823</b>	<b>93,546</b>	<b>(11,723)</b>	<b>(12.5)</b>	<b>277,126</b>	<b>280,638</b>	<b>(3,512)</b>	<b>(1.3)</b>	<b>81,422</b>
<b>Total revenue, gains and other support</b>	<b>3,745,173</b>	<b>4,000,746</b>	<b>(255,573)</b>	<b>(12.6)</b>	<b>12,262,585</b>	<b>12,002,238</b>	<b>260,347</b>	<b>(1.3)</b>	<b>10,922,613</b>
<b>Expenses:</b>									
Salaries and wages	1,322,572	1,407,426	84,854	6.0	4,028,479	4,222,278	193,799	4.6	3,831,559
Employee benefits	732,893	838,970	106,077	12.6	2,558,560	2,516,910	(41,650)	(1.7)	2,119,417
Professional fees	320,835	281,531	(39,304)	(14.0)	1,021,724	844,593	(177,131)	(21.0)	832,154
Supplies	473,970	474,570	600	0.1	1,454,408	1,423,710	(30,698)	(2.2)	1,310,138
Purchased services	176,372	194,833	18,461	9.5	557,762	584,499	26,737	4.6	459,146
Depreciation	212,710	209,150	(3,560)	(1.7)	635,224	627,450	(7,774)	(1.2)	370,096
Interest	111,588	45,836	(65,752)	(143.5)	321,006	137,508	(183,498)	(133.5)	96,812
Bad debts	239,615	168,022	(71,593)	(42.6)	266,552	504,066	237,514	47.1	459,178
Other	241,161	241,537	376	0.2	731,156	724,611	(6,545)	(0.9)	557,114
<b>Total expenses</b>	<b>3,831,715</b>	<b>3,861,875</b>	<b>30,160</b>	<b>0.8</b>	<b>11,574,870</b>	<b>11,585,625</b>	<b>10,755</b>	<b>0.1</b>	<b>10,035,614</b>
<b>Operating income (loss)</b>	<b>(86,542)</b>	<b>138,871</b>	<b>(225,413)</b>	<b>(13.4)</b>	<b>687,715</b>	<b>416,613</b>	<b>271,102</b>	<b>(1.4)</b>	<b>886,998</b>
<b>Other income:</b>									
District tax receipts	47,650	37,013	10,637	28.7	142,950	111,039	31,911	28.7	111,039
Interest	91,385	60,000	31,385	52.3	273,857	180,000	93,857	52.1	265,680
Other	19,689	8,333	11,356	136.3	75,813	24,999	50,814	203.3	18,839
Grants and Other Non-Restricted Contributions	9,105	3,333	5,772	173.2	9,105	9,999	(894)	(8.9)	10,000
Partnership Investment Income	-	-	-	-	-	-	-	-	-
<b>Total other income, net</b>	<b>167,829</b>	<b>108,679</b>	<b>59,150</b>	<b>54</b>	<b>501,725</b>	<b>326,037</b>	<b>175,688</b>	<b>53.9</b>	<b>405,559</b>
<b>Non-Operating Expense</b>									
Medical Office Expense	10,350	13,408	3,058	22.8	34,935	40,224	5,289	13.2	31,239
Urology Office	7,878	7,689	(189)	(2.5)	22,964	23,067	103	0.5	43,252
<b>Total Non-Operating Expense</b>	<b>18,228</b>	<b>21,097</b>	<b>2,869</b>	<b>13.6</b>	<b>57,899</b>	<b>63,291</b>	<b>5,392</b>	<b>8.5</b>	<b>74,491</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>63,058</b>	<b>226,453</b>	<b>(163,395)</b>	<b>(72.2)</b>	<b>1,131,541</b>	<b>679,359</b>	<b>452,182</b>	<b>66.6</b>	<b>1,218,066</b>

**NORTHERN INYO HOSPITAL**  
**Statement of Operations--Statistics**  
*As of September 30, 2008*

	Month		Month		Variance		YTD		Year	
	Actual	Budget	Variance	Budget	Percentage	Percentage	Actual	Budget	Variance	Percentage
<b>Operating statistics:</b>										
Beds	25.00	25.00	N/A	N/A	N/A	1.03	25.00	25.00	N/A	N/A
Patient days	274.00	265.00	9.00	9.00	1.03	1.03	853.00	795.00	58.00	1.07
Maximum days per bed capacity	750.00	750.00	N/A	N/A	N/A	N/A	2,300.00	2,250.00	N/A	N/A
Percentage of occupancy	36.53	35.33	1.20	1.20	1.03	1.03	37.09	35.33	1.76	1.05
Average daily census	9.13	8.83	0.30	0.30	1.03	1.03	9.27	8.83	0.44	1.05
Average length of stay	2.98	3.01	(0.03)	(0.03)	0.99	0.99	3.19	3.01	0.18	1.06
Discharges	92.00	88.00	4.00	4.00	1.05	1.05	267.00	264.00	3.00	1.01
Admissions	93.00	87.00	6.00	6.00	1.07	1.07	265.00	261.00	4.00	1.02
Gross profit-revenue depts.	4,205,390.05	4,321,007.00	(115,616.95)	(115,616.95)	0.97	0.97	13,643,882.23	12,963,021.00	680,861.23	1.05
<b>Percent to gross patient service revenue:</b>										
Deductions from patient service revenue and bad debts										
Salaries and employee benefits	46.02	43.22	2.80	2.80	1.06	1.06	42.62	43.22	(0.60)	0.99
Occupancy expenses	32.30	34.08	(1.78)	(1.78)	0.95	0.95	32.19	34.08	(1.89)	0.94
General service departments	5.54	4.38	1.16	1.16	1.26	1.26	5.24	4.38	0.86	1.20
Fiscal services department	6.71	6.28	0.43	0.43	1.07	1.07	6.22	6.28	(0.06)	0.99
Administrative departments	4.46	4.74	(0.28)	(0.28)	0.94	0.94	4.68	4.74	(0.06)	0.99
Operating income (loss)	5.18	5.37	(0.19)	(0.19)	0.96	0.96	5.00	5.37	(0.37)	0.93
Excess (deficiency) of revenues over expenses	(1.51)	1.84	(3.35)	(3.35)	(0.82)	(0.82)	3.13	1.84	1.29	1.70
	0.99	3.44	(2.45)	(2.45)	0.29	0.29	5.54	3.44	2.10	1.61
<b>Payroll statistics:</b>										
Average hourly rate (salaries and benefits)	40.38	43.24	(2.86)	(2.86)	0.93	0.93	42.22	43.24	(1.02)	0.98
Worked hours	44,755.39	47,276.00	(2,520.61)	(2,520.61)	0.95	0.95	137,253.31	141,828.00	(4,574.69)	0.97
Paid hours	50,727.51	51,895.00	(1,167.49)	(1,167.49)	0.98	0.98	155,717.02	155,685.00	32.02	1.00
Full time equivalents (worked)	260.21	273.27	(13.07)	(13.07)	0.95	0.95	261.93	273.27	(11.34)	0.96
Full time equivalents (paid)	294.93	299.97	(5.04)	(5.04)	0.98	0.98	297.17	299.97	(2.80)	0.99

**NORTHERN INYO HOSPITAL****Statements of Changes in Net Assets***As of September 30, 2008*

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Unrestricted net assets:</b>		
Excess (deficiency) of revenues over expenses	63,058.37	1,131,541.12
Net Assets due/to transferred from unrestricted	-	-
Net assets released from restrictions used for operations	2,000.00	34,375.00
<b>Net assets released from restrictions used for payment of long-term debt</b>	<b>(65,541.00)</b>	<b>(196,623.00)</b>
Contributions and interest income	154.62	1,032.21
<b>Increase in unrestricted net assets</b>	<u><b>(328.01)</b></u>	<u><b>970,325.33</b></u>
<b>Temporarily restricted net assets:</b>		
District tax allocation	-	65,518.13
Net assets released from restrictions	(2,000.00)	(34,375.00)
Restricted contributions	-	-
Interest income	134.35	134.35
Net Assets for Long-Term Debt due from County	65,541.00	196,623.00
<b>Increase (decrease) in temporarily restricted net assets</b>	<u><b>63,675.35</b></u>	<u><b>227,900.48</b></u>
<b>Increase (decrease) in net assets</b>	63,347.34	1,198,225.81
<b>Net assets, beginning of period</b>	39,113,681.30	37,978,802.83
<b>Net assets, end of period</b>	<u><u><b>39,177,028.64</b></u></u>	<u><u><b>39,177,028.64</b></u></u>

# NORTHERN INYO HOSPITAL

## Statements of Cash Flows

As of September 30, 2008

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	63,347.34	1,198,225.81
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting debt payment)	-	-
Depreciation	212,709.81	635,223.95
Provision for bad debts	239,614.84	266,551.63
Loss (gain) on disposal of equipment	5,129.70	11,229.70
(Increase) decrease in:		
Patient and other receivables	(13,208.28)	(1,384,641.95)
Other current assets	36,849.44	(50,978.16)
Plant Expansion and Replacement Cash	1,314,382.64	1,452,792.47
Increase (decrease) in:		
Accounts payable and accrued expenses	50,539.40	720,615.16
Third-party payors	875,396.34	690,984.34
<b>Net cash provided (used) by operating activities</b>	<u>2,784,761.23</u>	<u>3,540,002.95</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(104,029.32)	(1,825,358.59)
Purchase of investments	1,203,687.47	647,699.49
Proceeds from disposal of equipment	(5,129.70)	(11,229.70)
<b>Net cash provided (used) in investing activities</b>	<u>1,094,528.45</u>	<u>(1,188,888.80)</u>
<b>Cash flows from financing activities:</b>		
Long-term debt	(8,619.19)	(48,385.77)
Issuance of revenue bonds	(43,720.91)	(131,027.37)
Unamortized bond costs	1,486.95	4,460.85
Increase (decrease) in donor-restricted funds, net	1,711.03	(32,309.69)
<b>Net cash provided by (used in) financing activities</b>	<u>(49,142.12)</u>	<u>(207,261.98)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	3,830,147.56	2,143,852.17
<b>Cash and cash equivalents, beginning of period</b>	<u>747,920.16</u>	<u>2,434,215.55</u>
<b>Cash and cash equivalents, end of period</b>	<u>4,578,067.72</u>	<u>4,578,067.72</u>

BUDGET VARIANCE ANALYSIS

Sep-08 PERIOD ENDING PRIOR TO AUDIT

In the month, NIH was

3% over budget in IP days;  
( -0.1% ) under in IP Ancillary Revenue and  
( 3.2% ) over in OP Revenue resulting in  
\$ (242,923) ( -3.7% ) under in gross patient revenue from budget &  
\$ (243,850) ( -6.2% ) under in net patient revenue from budget

Total Expenses were:

\$ (30,160) ( -0.8% ) under budget. Wages and Salaries were  
\$ (84,854) ( -6.0% ) under budget and Employee Benefits  
\$ (106,077) ( -12.6% ) under budget.  
\$ 167,829 of other income resulted in a net income of  
\$ 63,058 \$ (163,395) under budget.

The following expense areas were over budget for the month:

\$ 39,304 14% Professional Fees; registry staff & Physicians  
Interest Expense due to 2005 General Obligation  
Bond Interest payments no longer being  
\$ 3,560 2% Capitalized  
Interest Expense due to 2005 General Obligation  
Bond Interest payments no longer being  
\$ 65,752 144% Capitalized  
\$ 71,593 43% Bad Debt coming in line for year as accounts age

Other Information:

46.02% Contractual Percentages for month  
42.62% Contractual Percentages for Year

\$ 1,131,541 Year-to-date Net Revenue

Special Notes for Month:

Interest Expense will remain high for year due to first Phase of Building Project being completed and the interest payments for the first issue of the 2005 General Obligation Bond will no longer be capitalized as it was during the construction. The depreciation expense was under estimated during the budget process and will be over budget all year.

We have added a new line on the Income Statement to show the amount of 3rd party contractals being reduced monthly. Auditors feel we have too high of an amount booked for Medicare and Medi-Cal Cost Report settlements.

## Investments as of 9/30/08

ID	Purchase Date	Maturity Date	Institution	Yield%	Principal Invested
1	02-Sep-08	01-Oct-08	Local Agency Investment Fund	2.77%	7,160,858.37
2	02-Sep-08	01-Oct-08	Local Agency Investment Fund	2.77%	305,218.00
3	15-Oct-03	15-Oct-08	R-G Crown Bank	4.00%	97,000.00
4	30-Sep-08	31-Oct-08	Prudential Instl Liquidity	2.40%	100,000.00
5	17-Jun-08	01-Nov-08	Associates Corp North America Sr Nts	3.26%	505,450.00
6	09-Oct-07	24-Nov-08	Citigroup Med Term Note	5.33%	1,330,153.95
7	28-Apr-08	08-Dec-08	First Tennessee Bank Note	5.21%	800,000.00
8	12-Jun-08	12-Dec-08	Federal Home Loan Bank-Wachovia	4.75%	101,361.11
9	04-Jan-05	05-Jan-09	Mututal Bank	4.36%	99,000.00
10	04-Aug-08	17-Feb-09	Wachovia Corp Senior Note	5.00%	1,985,580.00
11	17-Jun-08	16-Mar-09	Fedl National Mtg Asso-Wachovia	3.13%	100,626.26
12	21-Sep-07	01-Apr-09	Citigroup Med Term Note	3.38%	239,293.07
13	07-Aug-08	15-Jun-09	World Savings Bank Note	5.17%	1,105,772.80
14	12-Jun-08	19-Jun-09	Federal Home Loan Bank-Wachovia	5.25%	102,702.62
<b>Maturing Fiscal Year 2009</b>					<b>14,033,016</b>
15	03-Jun-08	01-Jul-09	International Lease Finance Corp	4.75%	1,005,500.00
16	21-Sep-07	01-Nov-09	Citigroup Med Term Note	6.88%	702,986.88
17	16-Sep-08	01-Nov-09	Federal Home Loan Mtg Corp-MBS	4.50%	79,809.56
18	22-Feb-08	07-Dec-09	Bear Stearns Co Note	4.58%	933,927.36
19	18-Aug-08	15-Dec-09	World Savings Bank Note	5.24%	492,950.00
20	30-Dec-04	30-Dec-09	Capital City Bank and Trust	4.75%	99,000.00
21	25-Jul-08	01-Mar-10	Schwab Medium Term Note	4.33%	528,440.00
22	22-Apr-05	22-Apr-10	Bank of Waukegan	4.75%	99,000.00
23	24-Apr-08	15-May-10	American General Finance Corp Note	4.47%	503,905.00
<b>Maturing Fiscal Year 2010</b>					<b>4,445,519</b>
24	13-Nov-07	04-Aug-10	Merrill Lynch & Co Inc	4.79%	986,000
<b>Maturing Fiscal Year 2011</b>					<b>986,000</b>
25	12-Mar-08	12-Sep-11	Federal Home Loan Mtg Corp-FNC	4.05%	1,000,000
<b>Maturing Fiscal Year 2012</b>					<b>1,000,000</b>
26	39525	41334	Federal Home Loan Mtg Corp-FNC	4.38%	3,000,000
<b>Maturing Fiscal Year 2013</b>					<b>3,000,000</b>
<b>Total Investments</b>					<b>23,464,535</b>





**Financial Indicators**

	Target	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08	Jan-08	Dec-07	Nov-07	Oct-07
Current Ratio	>1.5-2.0	3.31	3.68	3.64	3.70	4.28	4.09	3.85	4.22	4.42	4.43	4.28	4.12
Quick Ratio	>1.33-1.5	2.89	3.22	3.18	3.31	3.85	3.64	3.40	3.44	3.63	3.99	3.84	3.71
Days Cash on Hand	>75	229.56	229.67	222.74	233.39	239.70	254.30	229.19	274.52	258.26	270.34	263.64	267.90



NORTHERN INYO HOSPITAL  
DEPARTMENTAL NON-EMERGENCY OUTPATIENT VISITS

MONTHS 2008	DIAGNOSTIC RADIOLOGY		MAMMOGRAPHY		NUCLEAR MEDICINE		ULTRASOUND		CT SCANNING		MRI		LABORATORY		EKG/EEG		PHYSICAL THERAPY		RESPIRATORY THERAPY		RURAL HEALTH CLINIC		TOTALS	
	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08	06 / 07 / 08
JANUARY	312 / 308 / 544	229 / 198 / 193	29 / 36 / 71	107 / 166 / 205	123 / 112 / 170	85 / 86 / 89	1686 / 1621 / 1809	103 / 139 / 103	302 / 335 / 335	12 / 19 / 10	1029 / 941 / 1057	4017 / 3961 / 4586												
FEBRUARY	250 / 263 / 593	211 / 194 / 193	60 / 38 / 63	135 / 157 / 205	111 / 102 / 217	92 / 71 / 85	1633 / 1662 / 1744	82 / 84 / 113	361 / 302 / 364	19 / 19 / 11	970 / 965 / 1150	3924 / 3857 / 4738												
MARCH	329 / 269 / 529	83 / 122 / 311	52 / 29 / 133	133 / 144 / 223	126 / 95 / 233	105 / 76 / 403	1853 / 1734 / 1774	132 / 100 / 149	425 / 340 / 346	14 / 16 / 12	1099 / 1095 / 1211	4351 / 4020 / 5324												
APRIL	254 / 258 / 697	237 / 246 / 199	35 / 46 / 183	109 / 139 / 196	107 / 123 / 264	84 / 105 / 453	1984 / 1767 / 1984	84 / 85 / 121	397 / 300 / 410	21 / 14 / 14	915 / 883 / 1318	4227 / 3966 / 5839												
MAY	263 / 262 / 613	241 / 230 / 479	41 / 85 / 167	122 / 150 / 213	110 / 131 / 230	88 / 100 / 424	1741 / 1743 / 1758	95 / 112 / 137	374 / 295 / 349	18 / 18 / 9	958 / 1007 / 1308	4051 / 4133 / 5687												
JUNE	257 / 264 / 616	220 / 243 / 486	32 / 37 / 118	128 / 149 / 186	119 / 128 / 156	111 / 101 / 542	1828 / 2203 / 1752	104 / 90 / 123	370 / 260 / 314	10 / 7 / 19	859 / 864 / 1247	4038 / 4346 / 5559												
JULY	228 / 275 / 604	134 / 192 / 477	35 / 46 / 71	126 / 155 / 196	121 / 109 / 157	71 / 113 / 443	1615 / 1618 / 1716	93 / 94 / 142	379 / 276 / 357	13 / 17 / 15	946 / 887 / 1190	3761 / 3782 / 5368												
AUGUST	269 / 256 / 561	275 / 256 / 402	47 / 59 / 86	135 / 149 / 190	120 / 126 / 150	97 / 130 / 542	1741 / 1850 / 1647	132 / 115 / 145	408 / 289 / 325	14 / 17 / 11	1020 / 1064 / 1294	4258 / 4311 / 5353												
SEPTEMBER	251 / 224 / 567	229 / 218 / 464	45 / 75 / 70	126 / 149 / 191	99 / 101 / 157	78 / 55 / 502	1542 / 1667 / 1822	111 / 83 / 131	355 / 254 / 322	11 / 9 / 13	917 / 1047 / 1288	3764 / 3882 / 5527												
OCTOBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
NOVEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
DECEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
CALENDAR YEAR	2413 / 2379 / 5324	1859 / 1899 / 3204	376 / 451 / 962	1121 / 1358 / 1805	1036 / 1027 / 1734	811 / 837 / 3483	15623 / 15865 / 16006	936 / 902 / 1164	3371 / 2851 / 3122	132 / 136 / 114	8713 / 8753 / 11063	36391 / 36258 / 47981												
MONTHLY AVERAGES	268 / 264 / 592	207 / 211 / 356	42 / 50 / 107	125 / 151 / 201	115 / 114 / 193	90 / 93 / 387	1736 / 1763 / 1778	104 / 100 / 129	375 / 295 / 347	15 / 15 / 13	968 / 973 / 1229	4043 / 4029 / 5331												

\*Radiology has changed their methodology for capturing statistics and feel these are more accurate. They are much higher than previously reported.

**Northern Inyo Hospital**  
**Monthly Report of Capital Expenditures**  
**Fiscal Year Ending JUNE 30, 2008**  
**As of September 30, 2008**

<b>Administrator-Approved Item(s)</b>	<b>Department</b>	<b>Amount</b>	<b>Month Total</b>	<b>Grand Total</b>
Security Camera System	SAFETY & RISK MGMT	13,613		
SCISSOR LIFT	MAINTENANCE	5,657		
HIGH SPIN CENTRIFUGE	CHEMISTRY	7,813		
BI-DIRECTIONAL INTERFACE BECKMAN CO CHEMISTRY		5,926		
WHIRLPOOL W/DIAL THERMOMETER	PHYSICAL THERAPY	3,935		
E-22 M WHIRLPOOL W/DIAL THERMOMETEF	PHYSICAL THERAPY	2,938		
HI-LO TREATMENT TABLE	PHYSICAL THERAPY	2,027		
HI-LO MAT TABLE	PHYSICAL THERAPY	3,908		
<b>Month Ending September 30, 2008</b>			<b>45,816</b>	<b>254,345</b>

**Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2008  
 As of September 30, 2008**

<b>MONTH APPROVED BY BOARD</b>	<b>DESCRIPTION OF APPROVED CAPITAL EXPENDITURES</b>	<b>AMOUNT</b>
FY 2007-08	Seimens Patient Monitor SC 9000XL	7,799
	3-D FOR M.E.P.	45,000
	OMNICELL COLOR TOUCH	58,354
	Access II Immunoassay System (Approved 4-08 with Reagent Agreement)	64,724 *
	AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>175,877</u>
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>0</u>
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	175,877
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	<u>0</u>
	Year-to-Date Board-Approved Amount to be Expended	111,152
	Year-to-Date Administrator-Approved Amount	254,345 *
	Actually Expended in Current Fiscal Year	<u>64,724 *</u>
	Year-to-Date Completed Building Project Expenditures	0 *
	<b>TOTAL FUNDS APPROVED TO BE EXPENDED</b>	<u><u>430,222</u></u>
	<b>Total-to-Date Spent on Incomplete Board Approved Expenditures</b>	0

**Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2008  
 As of September 30, 2008**

<b>MONTH APPROVED BY BOARD DESCRIPTION OF APPROVED CAPITAL EXPENDITURES</b>	<b>AMOUNT</b>
Reconciling Totals:	
Actually Capitalized in the Current Fiscal Year Total-to-Date	319,070
Plus: Lease Payments from a Previous Period	0
Less: Lease Payments Due in the Future	0
Less: Funds Expended in a Previous Period	0
Plus: Other Approved Expenditures	<u>111,152</u>
<b>ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE</b>	<b><u><u>430,222</u></u></b>
Donations by Auxiliary	0
Donations by Hospice of the Owens Valley	0
Donations by Others (Barry Miller & Associates for Infant Security System)	0
Donations by Others (Union Bank of California for Infant Security System)	<u>0</u>
	<u><u>0</u></u>

\*Completed Purchase

(Note: The budgeted amount for capital expenditures for the fiscal year ending June 30, 2006, is \$3,600,000 coming from existing hospital funds.)

\*\*Completed in prior fiscal year

**Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2008  
 As of September 30, 2008**

<b>MONTH APPROVED BY BOARD</b>	<b>DESCRIPTION OF APPROVED CAPITAL EXPENDITURES</b>	<b>AMOUNT</b>
<b>Board Approved Construction and Remodel amounts to be Reimburse from Revenue Bonds:</b>		
FY 1996-97	Central Plant and Emergency Power Generator	3,000,884 **
FY 1997-98	Administration/Office Building (Includes Furniture and Landscaping)	1,617,772 **
FY 2000-01	New Water Line Construction	89,962 **
FY 2001-02	Siemens ICU Patient Monitoring Equipment	170,245 **
	Central Plant and Emergency Power Generator OSHPD Fee	18464.5 **
FY 2003-04	Emergency Room Remodel (Included in New Building & Remodel)	0
FY 2004-05	Emergency Room Remodel (add to \$500,000) (In New Building & Remodel)	0
FY 2005-06	Hospital Building and Remodel	39,500,000
FY 2005-06	Construction Cost Overrun Approval	15,250,000
FY 2008-09	Phase II-Bid 1 (Bid Approvals-part of above original numbers)	17,580,971
<b>Total-To-Date Board Approved Construction Amounts to be reimbursed from Revenue Bonds &amp; General Obligation Bond</b>		<u><u>77,228,299</u></u>
<b>Total-To-Date Spent on Construction In Progress from Rev Bonds for Incomplete Projects (Includes Architect Fees for Future Phases)</b>		

\*Completed Purchase



**Northern Inyo Hospital  
PLANT EXPANSION AND REPLACEMENT BUILDING PROJECTS**

**(Completed and Occupied or Installed)**

<b>Item</b>		<b>Amount</b>	<b>Grand Total</b>
Turner Construction; Retainer Payment for Phase I	Support Building	436,352	
Turner Construction; Retainer Payment for Phase I	Radiology Building	419,240	
<b>MONTH ENDING AUGUST 31, 2008</b>			<b>855,592</b>

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ANTHEM BLUE CROSS  
P.O. BOX 68086  
CINCINNATI, OH 45206

BANK OF AMERICA  
ATLANTA, DEKALB COUNTY, GA.

64-1278  
611

CHECK NUMBER  
61058657

C179

Date 10/08/2008

Pay Amount \*\*\*36,884.78

Pay \*\*\*\*THIRTY-SIX THOUSAND EIGHT HUNDRED EIGHTY-FOUR AND 78 / 100 DOLLAR\*\*\*\*

To The Order Of

NORTHERN INYO HOSPITAL  
150 PIONEER LANE  
BISHOP, CA 93514

*Wayne S. [Signature]*

⑈61058657⑈ ⑆061112788⑆ 329 912 6476⑈

Questions? Please call 1-888-236-0013

An independent licensee of the Blue Cross and Blue Shield Association

Check Date: 10/08/2008

Business Unit: AP200

Check No. 61058657

C179

Invoice Number	Invoice Date	Voucher ID	Gross Amount	Discount Available	Paid Amount
HJLJDNI Settlement of Class CASE# BC 360235	10/06/2008	04853091	36,884.78	0.00	36,884.78
Name NORTHERN INYO HOSPITAL			36,884.78	0.00	36,884.78

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500 Cardigan Road  
Shoreview, MN 55126  
USA  
EIN 41-0843524

Tel: (651)483-0900  
Fax: (651)481-1220  
Web: www.TSI.com  
Email: answers@TSI.com

# Invoice

Manufacturer of TSI®, Alnor® and Airflow branded

**Remit-To**  
TSI Incorporated  
SDS 12-0764 P.O. BOX 86  
MINNEAPOLIS, MN 55486-0764

**Bill-To-Party**  
NORTHERN INYO HOSPITAL  
ACCOUNTS PAYABLE - PH 760-873-2178  
150 PIONEER LN  
BISHOP, CA 93514-2556  
USA

**Ship-To-Party**  
NORTHERN INYO HOSPITAL  
PH 760-873-2178  
150 PIONEER LN  
BISHOP, CA 93514-2556  
USA

**Remit-To If payment by Wire:**  
US Bank National Association  
225 S. Sixth Street  
Minneapolis, MN 55402  
A.B.A. No. 091000022  
SWIFT No. USBKUS44IMT  
Account No. 1-502-5005-9915

REC'D OCT 02 2008

**Invoice Number** 90245252  
**Invoice Date** 09/27/2008  
**Reference Order** 202460/09/04/2008

**Delivery Note No./Date** 80220189/09/26/2008  
**PO No.** A63761  
**PO Date** 09/02/2008  
**Customer No.** 521392  
**Currency** USD  
**Term of Payment** Net 30 days  
**Incoterm** FOB: Prepay & Add  
TSI PREMISES  
**Ship Via** UPS GROUND [4-5 days]  
**Bill of Lading** 1Z7W697A0358885415

Item	Material/Description	Quantity	Unit Price	Value
1	8038 PortaCount Pro+ Respirator Fit Tester	1 EA	11,165.00	11,165.00
2	8025-N95R Fit Test Probe Refill Kit for 8025-N95	1 EA	105.00	105.00
<b>Net Total</b>				11,270.00
<b>Freight</b>				35.32
<b>Tax</b>				873.43
<b>Invoice Amount</b>				12,178.75

ENT'D OCT 23 2008

1-1241-1201  
~~7722-00~~

# PURCHASE ORDER

THIS NUMBER MUST APPEAR ON ALL  
CORRESPONDENCE, INVOICES,  
SHIPPING PAPERS AND PACKAGES.

A 63761

VENDOR TSI INC  
P+S-310-752-1010  
FAX-651-490-3824

BILL TO NORTHERN INYO HOSPITAL  
150 Pioneer Lane  
Bishop, California 93514  
(760) 873-2178  
FAX (760) 872-2768

ORDER DATE 9-2-08 F.O.B. \_\_\_\_\_ TERMS \_\_\_\_\_  TAXABLE  NON-TAXABLE PAGE 1 OF 1 PAGE

ADDRESS ALL INQUIRIES TO:

DELIVERY REQUIRED

ITEM	QTY.	UNIT	CATALOG NO.	DESCRIPTION	CHG. DEPT.	UNIT PRICE	AMOUNT
1	1		TSI 8038	POMACOUNT FIT Test System	7720		\$ 1165.00
2	1		TSI 8025-N95R	Sampling Probe Refill Kit			\$ 105.00
<del>\$ 11,270</del>							
<div style="border: 2px solid black; border-radius: 50%; padding: 20px; display: inline-block;"> <p style="font-size: 1.5em; margin: 0;">9-2-08 Tobacco Funds <del>Alpha Fund</del></p> </div>							

**SPECIAL INSTRUCTIONS:** ALL EQUIPMENT MUST HAVE UL AND/OR APPROPRIATE CITY APPROVAL.

White - Accounting  
Yellow - Departments  
Pink - Numerical File

BY \_\_\_\_\_ AUTHORIZED SIGNATURE

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People you know,  
caring for people you love

# NORTHERN INYO HOSPITAL

Northern Inyo County Local Hospital District

150 Pioneer Lane  
Bishop, California 93514  
(760) 873-5811 voice  
(760) 872-2768 fax

## Board of Directors

- ◆ Peter J. Watercott  
President
- ◆ M.C. Hubbard,  
Vice President
- ◆ Michael Phillips,  
M.D.  
Secretary
- ◆ John A. Ungersma,  
M.D.  
Treasurer
- ◆ Jeff Brown, Pharm  
D, Director

## Mission

To provide quality healthcare by maintaining an environment that is positive and caring for the patients, staff and community we serve, in a financially responsible manner.

## Web Site

[www.nih.org](http://www.nih.org)

## PETITION

We, the undersigned Directors and employees of Northern Inyo Hospital respectfully request your consideration in installing a stoplight at the intersection of West Line Street and Pioneer Lane. We believe this intersection is dangerous, in particular for employees of the Hospital, for Bishop Care Center, and for all students and parents driving to and from our public schools. We urge you to take action to install a traffic signal at this intersection before more injury accidents (or worse) occur.

Thank you for your consideration.

Sincerely,

\_\_\_\_\_  
Peter Watercott, President  
NIH Board of Directors

\_\_\_\_\_  
M.C. Hubbard, Vice President  
NIH Board of Directors

\_\_\_\_\_  
Michael Phillips, M.D., Secretary  
NIH Board of Directors

\_\_\_\_\_  
John Ungersma, M.D. , Treasurer  
NIH Board of Directors

\_\_\_\_\_  
Jeff Brown, Pharm D, Director  
NIH Board of Directors

\_\_\_\_\_  
John Halfen, Administrator  
Northern Inyo Hospital

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**Board of Directors**

◆ Peter J. Watercott  
President

◆ M.C. Hubbard,  
Vice President

◆ Michael Phillips,  
M.D.  
Secretary

◆ John A. Ungersma,  
M.D.  
Treasurer

◆ Jeff Brown, Pharm  
D, Director

**Mission**

To provide quality  
healthcare by  
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environment that is  
positive and caring for  
the patients, staff and  
community we serve,  
in a financially  
responsible manner.

**Web Site**

[www.nih.org](http://www.nih.org)

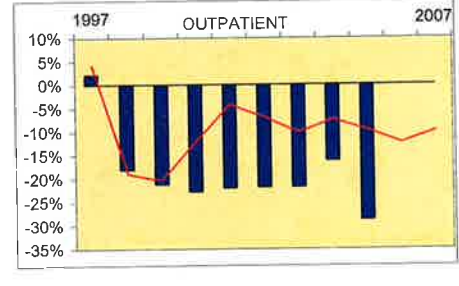
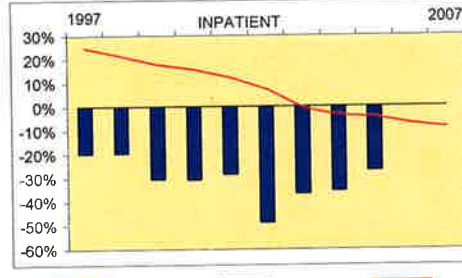
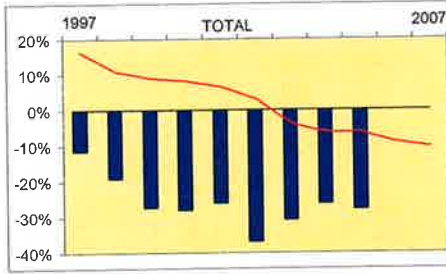
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## Northern Inyo Hospital

Source Data: HCRIS Master File 3Q - 2008 (September Release)



Hospital Margin      Zero Line      California Margin

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	PPS	PPS	PPS	PPS	PPS	PPS	PPS	PPS	PPS	0	0
<b>Medicare Discharges</b>	<b>369</b>	<b>425</b>	<b>460</b>	<b>418</b>	<b>371</b>	<b>356</b>	<b>430</b>	<b>442</b>	<b>486</b>	<b>0</b>	<b>0</b>
Hospital	369	425	460	418	371	356	430	442	486	0	0
Sub I	0	0	0	0	0	0	0	0	0	0	0
Sub II	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$5,895,969</b>	<b>\$6,495,074</b>	<b>\$7,010,949</b>	<b>\$6,372,513</b>	<b>\$6,290,679</b>	<b>\$6,545,522</b>	<b>\$8,083,395</b>	<b>\$9,799,796</b>	<b>\$10,456,340</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$5,895,969	\$6,495,074	\$7,010,949	\$6,372,513	\$6,290,679	\$6,545,522	\$8,083,395	\$9,799,796	\$10,456,340	\$0	\$0
Cost	\$6,573,637	\$7,739,139	\$8,924,950	\$8,165,231	\$7,932,074	\$8,967,720	\$10,578,538	\$12,373,328	\$13,367,849	\$0	\$0
Gains/(Losses)	(\$677,668)	(\$1,244,065)	(\$1,914,001)	(\$1,914,001)	(\$1,841,395)	(\$2,422,198)	(\$2,495,143)	(\$2,573,532)	(\$2,911,509)	\$0	\$0
Margin	-11.5%	-19.2%	-27.3%	-28.1%	-26.1%	-37.0%	-30.9%	-26.3%	-27.8%	0.0%	0.0%
<b>Inpatient</b>	<b>\$3,659,977</b>	<b>\$4,381,594</b>	<b>\$4,561,437</b>	<b>\$4,232,220</b>	<b>\$3,918,841</b>	<b>\$3,681,049</b>	<b>\$4,925,823</b>	<b>\$5,090,936</b>	<b>\$6,150,278</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$3,659,977	\$4,381,594	\$4,561,437	\$4,232,220	\$3,918,841	\$3,681,049	\$4,925,823	\$5,090,936	\$6,150,278	\$0	\$0
Cost	\$4,384,102	\$5,242,531	\$5,954,751	\$5,536,788	\$5,037,622	\$5,478,900	\$6,732,812	\$6,901,222	\$7,817,910	\$0	\$0
Gains/(Losses)	(\$724,125)	(\$860,937)	(\$1,393,314)	(\$1,304,568)	(\$1,118,781)	(\$1,797,851)	(\$1,806,989)	(\$1,810,286)	(\$1,667,632)	\$0	\$0
Margin	-19.8%	-19.6%	-30.5%	-30.8%	-28.5%	-48.8%	-36.7%	-35.6%	-27.1%	0.0%	0.0%
<b>Outpatient</b>	<b>\$2,235,992</b>	<b>\$2,113,480</b>	<b>\$2,449,512</b>	<b>\$2,140,293</b>	<b>\$2,371,838</b>	<b>\$2,864,473</b>	<b>\$3,157,572</b>	<b>\$4,708,860</b>	<b>\$4,306,062</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$2,235,992	\$2,113,480	\$2,449,512	\$2,140,293	\$2,371,838	\$2,864,473	\$3,157,572	\$4,708,860	\$4,306,062	\$0	\$0
Cost	\$2,189,535	\$2,496,608	\$2,970,199	\$2,628,443	\$2,894,452	\$3,488,820	\$3,845,726	\$5,472,106	\$5,549,939	\$0	\$0
Gains/(Losses)	\$46,457	(\$383,128)	(\$520,687)	(\$488,150)	(\$522,614)	(\$624,347)	(\$688,154)	(\$763,246)	(\$1,243,877)	\$0	\$0
Margin	2.1%	-18.1%	-21.3%	-22.8%	-22.0%	-21.8%	-21.8%	-16.2%	-28.9%	0.0%	0.0%
<b>Graduate Medical Education</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gains/(Losses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Psychiatric Unit</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gains/(Losses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Rehabilitation Unit</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gains/(Losses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Skilled Nursing Facility</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gains/(Losses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Home Health Agency</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gains/(Losses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Swing Beds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gains/(Losses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:  
Values that are identified as 'Extreme Values / Omitted' are not included in group averages for the specific margin identified. These values are, however, included in the hospital's overall Medicare margin. Inpatient Revenues exclude Direct and Indirect Medical Education (IME) payments for Medicare Managed Care patients



## **Medicare Margins Report Description**

The Medicare Margins Model shows the trends in Medicare margins from 1997 through 2007. Medicare margins are shown for the following areas/units: inpatient, outpatient, Graduate Medical Education, psychiatric unit, rehabilitation unit, skilled nursing unit, and swing beds.

### **Data Source:**

The source for the Medicare margin information in this model is the Healthcare Cost Report Information System (HCRIS) provided by the Centers for Medicare & Medicaid Services (CMS). The HCRIS database includes Medicare Cost Report data for all hospitals in the U.S. and is updated on a quarterly basis. This model reflects data from the third quarter 2008 HCRIS database.

### **Medicare Margin Report:**

The Medicare Margin analysis shows the total Medicare margins and service level margins by year. The top section of the report provides Medicare discharge volumes for the hospital. The next section shows margins for the various PPS service areas: inpatient, outpatient, Graduate Medical Education (GME), inpatient psych, inpatient rehab, skilled nursing, home health, and swing beds. Margin values for certain services may be flagged with the text "Extreme Value\Omitted." Flagged values are included in the hospital's total margins.

*Note:* Prior to July 2002, many Critical Access Hospitals may have had positive Outpatient margins in excess of 1 percent. This was due to a cost report software error that allowed for payment of 80 percent of costs by Medicare while the beneficiary co-pay was 20 percent of charges. In virtually all cases, the total was greater than 100 percent of costs.

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**JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

**WITNESSETH**

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Municipal Finance Authority" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**Section 1. Purpose.**

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

**Section 2. Term.**

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority's debts, liabilities and obligations.

**Section 3. Authority.**

**A. CREATION AND POWERS OF AUTHORITY.**

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Municipal Finance Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Members. Its

debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

**B. BOARD.**

The Authority shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the "Foundation"), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

**C. OFFICERS; DUTIES; OFFICIAL BONDS.**

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be



specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

#### D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

**Section 4. Powers.**

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in

connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

**Section 5. Fiscal Year.**

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

**Section 6. Disposition of Assets.**

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

**Section 7. Bonds.**

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

**Section 8. Bonds Only Limited and Special Obligations of Authority.**

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the

principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

#### **Section 9. Accounts and Reports.**

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

**Section 14. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

**Section 15. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

**Section 16. Amendments.**

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

**Section 17. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

**Section 18. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 19. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

**Section 20. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT,  
California, has caused this Agreement to be executed and attested by its duly authorized  
representatives as of the \_\_\_\_ day of November, 2008.

---

Member:

NORTHERN INYO COUNTY LOCAL  
HOSPITAL DISTRICT, CALIFORNIA

By: \_\_\_\_\_

Peter J. Watercott  
President

ATTEST:

\_\_\_\_\_  
John Halfen  
Chief Executive Officer

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*Bishop Joint Union High  
School District*

WE'RE DELIGHTED TO INVITE YOU...

TO THE DEDICATION OF THE  
DISTRICT OFFICE

AND

RECEPTION IN THE HONOR OF  
WILFRED PARTRIDGE

WHEN: TUESDAY, NOVEMBER 25, 2008

TIME: 1:00 PM

WHERE: BJUHSD DISTRICT OFFICE

301 N FOWLER STREET

BISHOP, CA 93514

*For more information please call 760.872.3680*

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HOOPER, LUNDY & BOOKMAN, INC.

ROBERT W. LUNDY, JR.  
PATRIC HOOPER  
LLOYD A. BOOKMAN  
W. BRADLEY TULLY  
JOHN R. HELLOW  
LAURENCE D. GETZOFF  
JAY N. HARTZ  
BYRON J. GROSS  
DAVID P. HENNINGER  
TODD E. SWANSON  
LINDA RANDETT KOLLAR  
MARK E. REAGAN  
DARON L. TOOCH  
JONATHAN P. NEUSTADTER  
GLENN E. SOLOMON  
CRAIG J. CANNIZZO  
SCOTT J. KIEPEN  
MARK S. HARDIMAN  
CARY W. MILLER  
STEPHEN F. TREADGOLD  
MARK A. JOHNSON  
STEPHEN K. PHILLIPS  
HOPE R. LEVY-BIEHL  
JODI P. BERLIN  
STACIE K. NERONI  
DAVID M. LOGAN

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JORDAN B. KEVILLE  
MATTHEW CLARK  
MICHAEL A. DUBIN  
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BLAKE R. JONES  
FELICIA Y SZE  
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JOHN A. MILLS  
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DEVIN M. SENELICK  
DAVID A. HATCH  
JENNIFER A. HANSEN  
NINA N. ADATIA  
ABIGAIL H. WONG  
SALVATORE J. ZIMMITTI  
JOSEPH R. LAMAGNA  
KARL A. SCHMITZ  
JENNIFER A. GRAY  
GREG B. SHERMAN  
TIEN NGUYEN  
PAUL A. DEERINGER  
JONATHAN W. RADKE

OFFICES ALSO LOCATED IN  
SAN DIEGO  
SAN FRANCISCO

October 23, 2008

Re: *You Snoop, You Pay; The California Legislature Enacts Expanded Privacy Protections and Increases Penalties For Violations*

Dear Clients and Friends:

On September 30, 2008, Governor Arnold Schwarzenegger signed into law two new health information privacy bills -- AB 211 and SB 541 -- that impose new obligations on health facilities and permit the Department of Public Health (DPH) to levy substantially increased administrative penalties. Health & Safety Code §§ 1280.1, 1280.3, 1280.15 and 130200 – 130205. These become effective on January 1, 2009.

These companion bills are, in part, a legislative response to recent high profile medical information privacy breaches by an employee of a prominent teaching hospital. A hospital employee was charged with illegally accessing confidential medical records 939 times, and snooping into the medical information of more than 6,000 individuals. The California Legislature has expanded the reach of privacy protections beyond improper “use” or “disclosure” to the prevention of “access” to medical information.

Among other things, these laws require hospitals, clinics, skilled nursing facilities, hospices and health plans to establish and implement administrative, technical and physical safeguards to protect the privacy of patients’ medical information. AB 211 establishes the California Office of Health Information Integrity (the OHII) within the California Health & Human Services Agency to “ensure the enforcement of state law mandating the confidentiality of medical information and to impose administrative fines for the unauthorized use of medical information.”

The companion bill, SB 541, also impacts your facility in a number of important ways.

*Immediate Jeopardy*

The new law substantially increases the administrative penalties for a deficiency constituting an “immediate jeopardy” violation by a general acute care hospital, a psychiatric hospital or a specialty hospital. An immediate jeopardy violation means a situation in which a licensee’s noncompliance with the licensing regulations is likely to cause serious injury or death to a patient. Prior to the enactment of SB 541, hospitals could face administrative penalties that did not exceed \$25,000 per violation. Effective January 1, 2009, this amount increases to

\$100,000 per violation, based on the following graduated scale:

- for the first violation, up to \$50,000;
- for the second violation occurring within three years, up to \$75,000; and
- for the third and subsequent violations occurring within three years, up to \$100,000.

In addition, once regulations are adopted by the DPH, the maximum penalties at each level will increase by an additional \$25,000 per violation. For deficiencies that do not rise to the level of "immediate jeopardy," SB 541 increases the penalty from \$17,500 to up to \$25,000 per deficiency.

*Violations of Patients' Medical Information*

Under SB 541, the DPH will now have authority to fine health facilities not only for unlawful use or disclosure of patient medical information, but for the failure to prevent "unauthorized access" to such information. The new provisions apply to all health facilities including hospitals, nursing facilities, chemical dependency and psychiatric health facilities, clinics, home health agencies and hospices.

Effective January 1, 2009, the DPH may assess, after investigation, an initial administrative penalty of up to \$25,000 per patient whose medical information is accessed unlawfully or without authorization, used or disclosed. For each subsequent violation, the maximum sanction is \$17,500.


*Reporting Obligations and Penalties*

A health care facility is now required to report any unlawful or unauthorized access, use or disclosure of a patient's medical information to the DPH and the patient no later than 5 days after it has been detected. The failure to report such a violation subjects a facility to a penalty of \$100 per day. The combined total of the SB 541 medical information penalties cannot exceed \$250,000 for each reportable event.

AB 211 and SB 541 significantly expand patient privacy protections and create new burdens, financial, operational and administrative, on health care facilities. Providers must make some effort to reengineer compliance programs, assess and update medical information security systems, revise privacy and security policies and educate employees on the new laws.

If you have any questions about AB 211 or SB 541, please contact John Hellow in our Los Angeles office at (310) 551-8111; Mark Reagan, Steve Phillips or Michael Dubin in our San Francisco office at (415) 875-8500; or Cary Miller on our San Diego office at (619) 744-7300.

Very truly yours,

  
Hooper, Lundy & Bookman, Inc.

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One Market  
Steuart Tower, 15th Floor  
San Francisco, CA 94105-1000  
tel 415 371-5004  
reference no.: 40166849

October 20, 2008

Northern Inyo County Local Hospital District  
1500 Pioneer Lane  
Bishop, CA 93514  
Attention: Mr. John Halfen, Chief Executive Officer

Re: *Northern Inyo County Local Hosp Dist Go Bonds (Election Of 2005) Ser 2005 Due  
12/01/2035, California*

Dear Mr. Halfen:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating to "A-" from "BBB+" while affirming the stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Mr. John Halfen  
Page 2  
October 20, 2008

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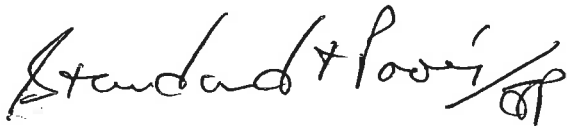
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Standard & Poor's Ratings Services  
Public Finance Department  
55 Water Street  
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at [nypublicfinance@standardandpoors.com](mailto:nypublicfinance@standardandpoors.com). For more information on Standard & Poor's, please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). We appreciate the opportunity to work with you and we look forward to working with you again.

Sincerely yours,

Standard & Poor's Ratings Services  
a division of The McGraw-Hill Companies, Inc.

A handwritten signature in black ink that reads "Standard & Poor's" in a cursive, stylized font. The signature is positioned above the initials "js".

js  
enclosure

**STANDARD  
& POOR'S**

One Market  
Steuart Tower, 15th Floor  
San Francisco, CA 94105-1000  
tel 415 371-5004  
reference no.: 1032847

October 20, 2008

Northern Inyo County Local Hospital District  
1500 Pioneer Lane  
Bishop, CA 93514  
Attention: Mr. John Halfen, Chief Executive Officer

Re: *US\$14,465,000 Northern Inyo County Local Hospital District, California, General  
Obligation Bonds, Series 2008, dated: Date of Delivery, due: November 1, 2038*

Dear Mr. Halfen:

Pursuant to your request for a Standard & Poor's rating on the above-referenced obligations, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions*, have assigned a rating of "A-". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on

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Mr. John Halfen  
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October 20, 2008

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CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

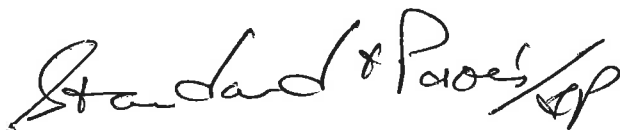
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Sincerely yours,

Standard & Poor's Ratings Services  
a division of The McGraw-Hill Companies, Inc.

A handwritten signature in black ink that reads "Standard & Poor's" with a stylized flourish at the end.

js  
enclosures

cc: Mr. Lennard Cuenco, Assistant Vice President  
Caldwell Flores Winters, Inc.

October 21, 2008

**Summary:**

# Northern Inyo County Local Hospital District, California; General Obligation

**Primary Credit Analyst:**

Matthew Reining, San Francisco (1) 415-371-5044; matthew\_reining@standardandpoors.com

**Secondary Credit Analyst:**

Keith I Dickinson, San Francisco (1) 415-371-5036; keith\_dickinson@standardandpoors.com

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Rationale

Outlook

## Summary:

# Northern Inyo County Local Hospital District, California; General Obligation

## Credit Profile

US\$14.465 mil GO bonds ser 2008 due 11/01/2038

*Long Term Rating*

A-/Stable

New

Northern Inyo Cnty Local Hosp Dist GO bonds (Elec Of 2005) ser 2005 due 12/01/2035

*Long Term Rating*

A-/Stable

Upgraded

## Rationale

Standard & Poor's Ratings Services raised its underlying rating (SPUR) to 'A-' from 'BBB+' on Northern Inyo County Local Hospital District, Calif.'s series 2005 general obligation (GO) bonds. In addition, Standard & Poor's assigned its 'A-' rating to the district's series 2008 GO bonds. The raised rating reflects the district's strong operating financial performance and its role as essential health care provider covering a large geographic area, as well as the stability and breadth of the tax base, even in light of the concentration in the largest taxpayer.

The rating further reflects:

- Strong creditworthiness of the district's leading taxpayer, the Los Angeles Department of Water and Power (LADWP; 'AA-' long-term rating), as well as the essentiality of its assets within the district boundaries;
- The district's average unemployment levels for an area anchored by public sector employment; and
- The district's good income levels with high per capita assessed value (AV), at \$268,000.

Tempering factors include:

- Concentration in the largest single taxpayer, LADWP, which accounts for 46% of total AV;
- Operational risks associated with operating a small regional hospital; and
- A sizable capital improvement plan relating primarily to mandated seismic regulations.

The unlimited general obligation pledge of the district secures the bonds.

The district operates a 25-bed hospital facility located in the City of Bishop, serving the residents of northern Inyo County and the Owens Valley. The district is located approximately 300 miles north of Los Angeles and 160 miles south of Reno, Nev. The district hospital is the sole health care provider in Inyo County and provides emergency medical care as well as inpatient services for travelers and tourists along the Highway 395 corridor, the primary north/south transportation corridor in the eastern part of the state.

The district's population is small at roughly 8,000 residents, 3,600 of which are in the City of Bishop. The district's hospital serves a larger population, however, with 18,300 residents in all of Inyo County and an estimated service population of 23,000 when including travelers on Highway 395. Countywide, income levels are good with median household and per capita effective buying incomes at 88% and 95% of the nation, respectively. Unemployment was moderate at 4.6%, the same as the national rate in 2006, due in part to the presence of government employment in

Bishop. Public sector jobs account for an estimated 59% of the workforce; much of the remainder is attributed to services, trade, and outdoor tourism.

The tax base is concentrated due to the LADWP's ownership of an aqueduct and land accounting for 46% of the total tax base. LADWP owns substantial portions of the Owens River Valley, which supplies water to the Los Angeles Basin via the Los Angeles Aqueduct. However, Standard & Poor's currently maintains an 'AA-' long-term rating on LADWP's outstanding power revenue bonds, indicating that the creditworthiness of this taxpayer and essentiality of the asset are strong. There is no taxpayer concentration after LADWP holdings. The total tax base has recently grown, increasing 31% over the past three years to \$2.1 billion in fiscal 2008. Market value per capita is high at \$268,000, reflecting the low population and geographically large district.

Northern Inyo County Hospital District has recorded strong net operating income over the past four years. The net operating margin for fiscal 2008 (June 30 year-end) was 9.7% (\$4.5 million) and for fiscal 2007 stood at 7.9% (\$3.2 million), excluding the GO tax support. When combined with tax support, investment income, and contributions, the excess margin was 10.7% and 9.0%, respectively. Operating revenues increased by 15.2% between fiscals 2007 and 2006 to \$45.6 million from \$39.5 million, as a result of a 16.1% increase in patient days (to 4,090 from 3,522), a 6.9% increase in emergency room visits (to 7,129 from 6,667), and a 3.6% increase in outpatient visits (to 38,956 from 37,619). Investment income was a healthy \$982,000 in fiscal 2007, up from \$906,000 in fiscal 2006. Leverage, exclusive of GO debt, is low at 15.7% for 2008, versus 40.2% when including the GO debt. Days' cash on hand grew to a robust 250 days, or \$27.5 million, in 2008, up from 211 days, or \$20.6 million in 2007, which produced a strong cash to debt ratio (excluding GO debt) of 385% in fiscal 2008 and 282% in fiscal 2007. Maximum annual debt service coverage is a very healthy 13.6x in fiscal 2008 excluding the GO debt and tax revenues, and a respectable 4.7x when including them.

The district's net overall property tax debt is high on a per capita basis at \$5,593, but a moderate 2.1% of market value. However, approximately 46% of property taxes levied to pay debt service come solely from LADWP. The district is midway through a \$52 million capital improvement plan to support seismic upgrades required by the state. This plan involves the use of \$29.5 million in bond proceeds plus \$15 million from reserves; management projects the plan will be completed by 2010. The series 2008 bonds are the second and final issuance under a \$29.5 million authorization from 2005. The district does not have plans for additional debt in the immediate future.

## Outlook

The stable outlook reflects our expectation that the district's financial performance will remain healthy, with at least balanced cash flows from operations after payment of outstanding revenue debt.

Complete ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at [www.ratingsdirect.com](http://www.ratingsdirect.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com); under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

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November 5, 2008

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## **RHC ACTION PLAN (REVISED)**

**JANUARY 2008:** Linda Goldsmith's report issued

**FEBRUARY 2008:**

Simple logistical recommendations implemented: Refill medications during provider visits, patients returned for lab/xray review instead of nurse phone call

**MARCH 2008:**

Management team constructed: Halfen, Batchelder, Peterson, Aspel, Brown  
Initial review of consultant's report and proposed action plan

**APRIL 2008:**

Series of initial RHC provider meetings  
Appropriate consultant report information discussed with provider staff  
Introduction of compensation formulas and discussion

**MAY 2008:**

RHC provider meeting with Halfen  
Establishment of initial fiscal goals to cover gross and net expenses ("life-cycle goals")  
Establishment of time frame to reach fiscal goals (eg, 1 year to reach 1<sup>st</sup> goal)

**JULY 2008:**

Action plan revised to accommodate some of consultant's recommendations  
1<sup>st</sup> coding primer/review at provider meeting  
Review of MD provider data to produce new compensation formula

**AUG-SEP 2008:**

2<sup>nd</sup> coding review workshop with provider staff (working examples/testing)  
Compensation for MD providers changed to new formula (to BOD Sept, implement in Oct when current contract extension lapses)  
Review patient throughput data for 1<sup>st</sup> 2 quarters of 2008 with changes  
Decision whether to buy Practice Management Software module to Centricity Electronic Health Record for "decentralization" (admissions, billing, coding, scheduling, financials)

**SEPT 2008:**

RHC provider meeting with Halfen (update, compensation formulas for NPs)  
Scheduling pattern solutions discussed (wave scheduling, sick call provider) for upcoming winter season  
3<sup>rd</sup> coding review mechanism decided (chart reviews by outside consultant by December)

**OCT - DEC 2008:**

Decentralization committee formed to review feasibility

Scheduling pattern adjustments implemented for winter season  
Review of 2008 NP provider data to produce new draft compensation formula model

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JAN 2009:

Review of coding consultant data – remedial action taken if necessary  
Review of calendar year 2008 data (patient throughput, provider efficiency, revenue, life-cycle goals)  
Staffing adjustments (front-admissions, back-nursing, RN staff) discussed  
Discussion of new changes to meet fiscal goal deadline of May 2009

FEB-MARCH 2009:

Decentralization readdressed

MAY 2009:

Evaluation of 1<sup>st</sup> life-cycle/fiscal goal  
RHC provider meeting with Halfen – review of fiscal goals, timeline for next goal



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NORTHERN INYO HOSPITAL  
RURAL HEALTH CLINIC  
MEDICAL DIRECTOR AND  
PROFESSIONAL SERVICES AGREEMENT

This Medical Director and Professional Services Agreement (this "Agreement") dated as of 10-1-2008, is entered into by and between Northern Inyo Hospital Local Hospital District ("Hospital") and Stacey Brown, M.D. ("Physician").

RECITALS

A. Hospital operates a general acute care hospital, which, among other things, owns and operates a Rural Health Clinic (the "Clinic"), located at 153 B Pioneer Lane, Bishop, California.

B. Physician is an individual duly licensed to practice medicine in the State of California, specializing in primary care, and is a member of the Northern Inyo Hospital Active Medical Staff.

C. Hospital desires to obtain administrative and professional medical services from Physician for the patients of Clinic, and Physician desires to furnish such services upon the terms and conditions set forth in this Agreement.

D. Hospital believes that high standards of patient care can be achieved if Physician assumes the responsibilities set out further in this Agreement.

THEREFORE, THE PARTIES AGREE:

I. PHYSICIAN RESPONSIBILITIES.

1.01 Professional Services. Physician shall provide the following services, consistent with the Clinic's policies and procedures, to the Clinic and Clinic patients, provided that Physician's obligations hereunder are limited to the provision of services within his professional capabilities:

A. Medical Services. In cooperation with the Hospital, arrange for appropriate coverage for the provision of professional primary health care services to Clinic patients.

Physician shall cooperate in Clinic's participation in the Medicare and Medi-Cal programs. Physician shall provide services to Medicare and Medi-Cal beneficiaries in a nondiscriminatory manner.

B. On-Call Coverage. Physician shall provide such on call coverage as is necessary to provide primary health care call coverage as necessary to provide primary health care services for Clinic patients during the Clinic's operating hours, excluding inpatient admission responsibilities. Physician shall provide Emergency Room Call as may be required by the Medical Staff bylaws for the privileges held. Physician will be required to provide up to 10 weeks per year Emergency Room Call for RHC patients without additional compensation. Call taken in excess of above shall be compensated at rate equivalent to agreements with other physicians who provide call for these patients.

C. Supervision. Monitor and review the clinical performance of all physician and non-physician providers of medical and technical services, including nurse practitioners and Clinic and/or Hospital employees who provide services to Clinic patients.

1.02 Medical Director and Administrative Services. Physician shall act as Medical Director of Clinic, and in this role, Physician shall provide to Clinic those services set forth on Exhibit A.

- A. Time Commitment. Physician shall devote a minimum of eight (8) hours per month to provide the administrative services described in this Agreement.
- B. Physician Time Reports. Physician shall maintain quarterly time reports, which provide accurate accountings of his time spent, providing administrative services to the Clinic. Such reports shall be substantially in the form attached as Exhibit B, or as otherwise required by Hospital or State and Federal Payers, and shall document Physician's actual provision of administrative services. All time reports shall be submitted to Hospital no later than the 10<sup>th</sup> day of the calendar month following the quarter in which the services are performed.

1.03 Personal Services. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Physician. Physician shall continue to be primarily responsible for fulfilling the terms of the Agreement, except as specifically set forth in this Agreement.

1.04 Absences. In the event Physician is unable to perform the obligations under this Agreement due to illness, continuing education responsibilities, leave or other justifiable cause, Hospital shall designate a qualified replacement. The person who provides services on behalf of Physician in Physician's absence shall be bound by all terms of this Agreement. Hospital shall have the right to approve the length of Physician's absence, and any unapproved absence shall constitute a breach of this Agreement. Physician may elect to seek his own locums coverage at his option.

1.05 Availability. Physician shall inform Hospital, on a monthly basis, of Physician's schedule and availability to provide services pursuant to this Agreement. Physician shall not be required to provide professional services in the Clinic in excess of twenty (20) hours per week. Physician's availability shall be subject to the following:

- A. Physician may take up to four (4) weeks per year of personal vacation;
- B. Physician may take up to one (1) day per month of personal business leave;
- C. Physician may take up to one (1) week per year of leave for the purpose of fulfilling continuing medical education requirements; and
- D. Except in emergency situations or pursuant to Physician's scheduled on-call services, Physician is not required to provide services at the Clinic during holidays designated annually by the Hospital.

1.06 Professional Services. Physician shall provide professional services to and for the benefit of the Clinic. All revenues associated with Clinic activities belong to the Clinic. Physician shall give first priority to performing all Clinic activities consistent with the terms of this Agreement. Physician shall not undertake non-Clinic activities to the extent that such undertaking would interfere with his obligations under this Agreement.

1.07 Limitation on Use of Space. No part of the Clinic's premises shall be used at any time by Physician as an office for the private practice of medicine or to see patients other than Clinic patients.

## II. HOSPITAL RESPONSIBILITIES.

### 2.01 Hospital Services.

- A. Space. Hospital shall make available for Physician reasonably necessary facilities for the operation of Clinic.

B. Equipment. In consultation with Physician, Hospital shall make decisions regarding the acquisition of all equipment as may be reasonably necessary for the proper operation and conduct of Clinic. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02 General Services. Hospital shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Clinic.

2.03 Supplies. Hospital shall purchase and provide all supplies as may be reasonably required for the proper treatment of Clinic patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04 Personnel. Hospital shall determine and furnish all other personnel required to operate Clinic taking into consideration recommendations of Physician in his role as Medical Director.

2.05 Business Operations. Hospital shall be responsible for all business operations related to operation of the Clinic, including personnel management, billing and payroll functions.

2.06 Hospital Performance. The responsibilities of Hospital under this Article shall be subject to Hospital's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

### III. COMPENSATION.

3.01 Compensation. Hospital shall pay Physician \$5,457.08 per month for administrative services during the term of this Agreement. In addition, Hospital shall pay Physician for professional medical services a flat fee of \$40/hour and \$37.50 per encounter for patients seen in the Clinic by Physician. These rates will be adjusted annually by the amount of the NIH employee board approved Cost of Living Adjustment. Said sums are payable on the 20th day of the calendar month following the month in which the services are performed.

3.02 Community Pool. In addition to 3.01 above, Hospital shall contribute \$2.50 per patient seen into a pool of all patients seen by all participating contracted providers. Funds in the pool shall be distributed amongst all the contracted and eligible providers quarterly beginning with the first full quarter of 2009 (paid within 10 working days of the end of each quarter) in accordance with a Quality Assurance and Performance Plan established by the RHC Medical Director. Disputes will be adjudicated by the Hospital District Board.

3.03 Reports. Payment of the compensation described in section 3.01 is conditioned on Physician's proper maintenance of Physician Time Study reports, as described in Exhibit B, Hospital's timely receipt of such time reports, and Hospital's reasonable verification of such time reports. Physician's time reports shall be considered timely received if they are submitted to Hospital within at least ten (10) days after the end of each quarter in which the services are performed.

3.03 Allocation Agreement. Physician shall allocate time between administrative services provided to Clinic, services provided to individual patients, and services, which are not reimbursed by Medicare. Physician shall indicate such time allocation on the Physician's time report attached, as Exhibit B. Physician and Hospital shall retain Physician's time reports for four (4) years after the cost-reporting period to which the report applies. It is understood by the parties that the requirement for allocation of time and all supporting time reports and documentation are prepared expressly in response to the requirements of the Medicare program and do not constitute the creation of an employer-employee relationship.

3.04 Billing for Professional Services. Physician assigns to Clinic all claims, demands and rights of Physician to bill and collect for all professional services rendered to Clinic patients. Physician acknowledges that Clinic shall be solely responsible for billing and collecting for all professional services provided by Physician to Clinic patients at Clinic, and for managing all Clinic receivables and payables, including those related to Medicare and Medi-Cal beneficiaries. Physician shall not bill or collect for any services rendered to Clinic patients, and all Clinic receivables and billings shall be the sole and exclusive property of Clinic. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Clinic. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Clinic.

IV. TERM AND TERMINATION.

4.01 Term. The term of this Agreement shall be for a period of two years beginning on 10-1-08 ("Effective Date"), and ending on 10-1-10 .

4.02. Termination. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

- A. Either party at any time, without cause or penalty, upon sixty (60) days' prior written notice to the other party;
- B. Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;
- C. Immediately upon closure of the Hospital or Clinic;
- D. By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or

4.03 Rights Upon Termination. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.

V. PROFESSIONAL STANDARDS.

5.01 Medical Staff Standing. Prior to performing services pursuant to this Agreement, Physician must obtain Medical Staff privileges (sufficient to carry out the obligations of this contract) on the Active Medical Staff of Hospital, and maintain such membership and privileges throughout the term of this Agreement. Such membership and privileges shall be subject to all of the privileges and responsibilities of Medical Staff membership.

5.02 Licensure and Standards. Physician shall:

- A. At all times be licensed to practice medicine in the State of California;
- B. Comply with all policies, bylaws, rules and regulations of Hospital and Clinic and its Medical Staff, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;
- C. Be a member, in good standing, of the Active Medical Staff of the Hospital;
- D. Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of the Hospital;
- E. Participate in continuing education as necessary to maintain licensure and the current standard of practice; and
- F. Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.

VI. NONPHYSICIAN PERSONNEL.

All nonphysician personnel required for the proper operation and conduct of Clinic shall be employed and paid by Hospital. With the advice and recommendation of Physician, Hospital shall establish and classify all nonphysician positions and shall designate the persons assigned to each nonphysician position. Although Physician may make recommendations to Hospital relating to the performance of nonphysician employees, Hospital shall have the sole and exclusive right to control, select, schedule and discharge such employees, and to take any direct disciplinary measures as needed.

VII. RELATIONSHIP BETWEEN THE PARTIES.

7.01 Professional Relations.

- A. Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine.

Hospital and Clinic shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved

methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement. The sole interest of Hospital is to insure that such services are performed and rendered in a competent and cost effective manner.

B. Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, unemployment benefits, sick leave, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

7.02 Responsibility for Own Acts. Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses of all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

#### VIII. GENERAL PROVISIONS.

8.01 No Solicitation. Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Clinic.

8.02 Access to Records. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of \$10,000 or more over a twelve-month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those

provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

8.03 Amendment. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties.

8.04 Arbitration and Dispute Resolution.

A. Non Medical Disagreements. In the event that disagreements arise between the parties concerning their performance under this Agreement, or on other matters, such disagreements shall be the subject of negotiations between Physician and the Hospital Administrator. In the event Physician is not satisfied with the decision of the Administrator, the dispute shall be submitted to the Hospital's Board of Directors and the decision of the Board Shall be final.

B. Medical Disagreement. Any questions or disagreements concerning standards of professional practice or the medical aspects of the service furnished in Clinic shall be referred to a peer group of qualified physicians recommended by the Medical Executive Committee, which shall recommend a resolution of the matter to the Administrator. In the event Physician is not satisfied with the decision of the Administrator, the dispute shall be submitted to the Hospital Board of Directors and the decision of the Board shall be final.

8.05 Assignment. Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.

8.06 Attorneys' Fees. If any legal action or other proceeding is commenced by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee and costs. As used in this Section 8.06, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

8.07 Choice of Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

8.08 Exhibits. All Exhibits attached and referred to herein are fully incorporated by this reference.

8.09 Notices. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514



Physician: Stacey Brown, M.D.  
153 B Pioneer Lane  
Bishop, CA 93514

8.10 Records. All files, charts and records, medical or otherwise, generated by a Medical Professional in connection with services furnished during the term of this Agreement are the property of Clinic. Physician agrees to maintain medical records according to Clinic policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.

8.11 Prior Agreements. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement.

8.12 Referrals. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.

8.13 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.

8.14 Waiver. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.

8.15 Gender and Number. Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.

8.16 Authority and Executive. By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

PHYSICIAN

By: \_\_\_\_\_  
Peter Watercott, President  
Board of Directors

By: \_\_\_\_\_  
Stacey Brown, MD

## EXHIBIT A

### ADMINISTRATIVE SERVICES TO BE PROVIDED

Physician shall:

- 1) Provide general administration of the day-to-day operations of the clinic
- 2) Advise and assist in the development and implementation of the clinic's policies and procedures
- 3) Provide medical consultation in the area of the Physician's specialty as needed
- 4) Schedule, coordinate and supervise the provision of medical and ancillary services within the clinic
- 5) Advise, assist and assure physician coverage of the clinic, with cooperation of Hospital
- 6) Monitor the quality of all medical care provided at the clinic, assure the maintenance of consistently high quality service, and advise Hospital in the development and implementation of an appropriate quality assurance program with respect to clinic
- 7) Insure that each medical professional providing services to patients shall at all times provide only those services that he/she is qualified to deliver, and shall provide such services in a manner consistent with the patient's best interests
- 8) Advise and assist in the organization and implementation of an effective utilization review program with respect to the clinic and related services
- 9) Coordinate and consult with Hospital and medical staff regarding the efficiency and effectiveness of the clinic, and make recommendations and analyses as needed for Hospital to ensure cost-effectiveness and deliver quality services provided in the clinic.
- 10) Advise Hospital regarding budget, equipment, building, supplies and other items necessary for the proper and efficient operation of the clinic
- 11) Advise and assist in the interview process of prospective physicians and other medical personnel
- 12) Develop, review and provide training programs to physicians and other medical personnel providing services in the clinic
- 13) Advise and assist in potential disciplinary action and dismissal of current physicians or other medical personnel
- 14) Ensure that the clinic is operated in accordance with all requirements of all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency; and, in the event that Hospital seeks and/or obtains accreditation of the clinic by the Joint Commission on Accreditation of Healthcare Organizations (JACHO), ensure that the clinic is operated in accordance with all JCAHO requirements
- 15) Assist with applications regarding grants and alternative funding sources from federal, state or local agencies
- 16) Prepare such reports and records as may be required by Hospital or the clinic
- 17) Participate in Hospital, clinic and medical staff committees upon request
- 18) Participate in the development and presentation of programs related to the marketing of the clinic's services and enhancing clinic/community relations, provided, however, that Physician shall not be required to participate in any advertising or commercials related to clinic services
- 19) Participate in on-site teaching of interns, residents or medical students as necessary
- 20) Upon request by the clinic or Hospital, be available to respond/consult in the event of urgent or emergent situations
- 21) Cooperate in all litigation matters affecting Physician and/or the clinic
- 22) Maintain accurate and complete records the time spent and work done by Physician in his/her director role.
- 23) Maintain on call schedule for RHC patients and confer with Administration and the Medical Staff Office as to difficulties and vacancies thereto.

NORTHERN INYO HOSPITAL  
RURAL HEALTH CLINIC  
MEDICAL DIRECTOR AND  
PROFESSIONAL SERVICES AGREEMENT

This Medical Director and Professional Services Agreement (this "Agreement") dated as of 10-1-2008, is entered into by and between Northern Inyo Hospital Local Hospital District ("Hospital") and Stacey Brown, M.D. ("Physician").

RECITALS

A. Hospital operates a general acute care hospital, which, among other things, owns and operates a Rural Health Clinic (the "Clinic"), located at 153 B Pioneer Lane, Bishop, California.

B. Physician is an individual duly licensed to practice medicine in the State of California, specializing in primary care, and is a member of the Northern Inyo Hospital Active Medical Staff.

C. Hospital desires to obtain administrative and professional medical services from Physician for the patients of Clinic, and Physician desires to furnish such services upon the terms and conditions set forth in this Agreement.

D. Hospital believes that high standards of patient care can be achieved if Physician assumes the responsibilities set out further in this Agreement.

THEREFORE, THE PARTIES AGREE:

I. PHYSICIAN RESPONSIBILITIES.

1.01 Professional Services. Physician shall provide the following services, consistent with the Clinic's policies and procedures, to the Clinic and Clinic patients, provided that Physician's obligations hereunder are limited to the provision of services within his professional capabilities:

- A. Medical Services. In cooperation with the Hospital, arrange for appropriate coverage for the provision of professional primary health care services to Clinic patients.

Physician shall cooperate in Clinic's participation in the Medicare and Medi-Cal programs. Physician shall provide services to Medicare and Medi-Cal beneficiaries in a nondiscriminatory manner.

- B. On-Call Coverage. Physician shall provide such on call coverage as is necessary to provide primary health care call coverage as necessary to provide primary health care services for Clinic patients during the Clinic's operating hours, excluding inpatient admission responsibilities. Physician shall provide Emergency Room Call as may be required by the Medical Staff bylaws for the privileges held. Physician will be required to provide up to 10 weeks per year Emergency Room Call for RHC patients without additional compensation. Call taken in excess of above shall be compensated at rate equivalent to agreements with other physicians who provide call for these patients.
- C. Supervision. Monitor and review the clinical performance of all physician and non-physician providers of medical and technical services, including nurse practitioners and Clinic and/or Hospital employees who provide services to Clinic patients.

1.02 Medical Director and Administrative Services. Physician shall act as Medical Director of Clinic, and in this role, Physician shall provide to Clinic those services set forth on Exhibit A.

- A. Time Commitment. Physician shall devote a minimum of eight (8) hours per month to provide the administrative services described in this Agreement.
  
- B. Physician Time Reports. Physician shall maintain quarterly time reports, which provide accurate accountings of his time spent, providing administrative services to the Clinic. Such reports shall be substantially in the form attached as Exhibit B, or as otherwise required by Hospital or State and Federal Payers, and shall document Physician's actual provision of administrative services. All time reports shall be submitted to Hospital no later than the 10<sup>th</sup> day of the calendar month following the quarter in which the services are performed.

1.03 Personal Services. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Physician. Physician shall continue to be primarily responsible for fulfilling the terms of the Agreement, except as specifically set forth in this Agreement.

1.04 Absences. In the event Physician is unable to perform the obligations under this Agreement due to illness, continuing education responsibilities, leave or other justifiable cause, Hospital shall designate a qualified replacement. The person who provides services on behalf of Physician in Physician's absence shall be bound by all terms of this Agreement. Hospital shall have the right to approve the length of Physician's absence, and any unapproved absence shall constitute a breach of this Agreement. Physician may elect to seek his own locums coverage at his option.

1.05 Availability. Physician shall inform Hospital, on a monthly basis, of Physician's schedule and availability to provide services pursuant to this Agreement. Physician shall not be required to provide professional services in the Clinic in excess of twenty (20) hours per week. Physician's availability shall be subject to the following:

- A. Physician may take up to four (4) weeks per year of personal vacation;
- B. Physician may take up to one (1) day per month of personal business leave;
- C. Physician may take up to one (1) week per year of leave for the purpose of fulfilling continuing medical education requirements; and
- D. Except in emergency situations or pursuant to Physician's scheduled on-call services, Physician is not required to provide services at the Clinic during holidays designated annually by the Hospital.

1.06 Professional Services. Physician shall provide professional services to and for the benefit of the Clinic. All revenues associated with Clinic activities belong to the Clinic. Physician shall give first priority to performing all Clinic activities consistent with the terms of this Agreement. Physician shall not undertake non-Clinic activities to the extent that such undertaking would interfere with his obligations under this Agreement.

1.07 Limitation on Use of Space. No part of the Clinic's premises shall be used at any time by Physician as an office for the private practice of medicine or to see patients other than Clinic patients.

## II. HOSPITAL RESPONSIBILITIES.

### 2.01 Hospital Services.

- A. Space. Hospital shall make available for Physician reasonably necessary facilities for the operation of Clinic.

B. Equipment. In consultation with Physician, Hospital shall make decisions regarding the acquisition of all equipment as may be reasonably necessary for the proper operation and conduct of Clinic. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02 General Services. Hospital shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Clinic.

2.03 Supplies. Hospital shall purchase and provide all supplies as may be reasonably required for the proper treatment of Clinic patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04 Personnel. Hospital shall determine and furnish all other personnel required to operate Clinic taking into consideration recommendations of Physician in his role as Medical Director.

2.05 Business Operations. Hospital shall be responsible for all business operations related to operation of the Clinic, including personnel management, billing and payroll functions.

2.06 Hospital Performance. The responsibilities of Hospital under this Article shall be subject to Hospital's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

### III. COMPENSATION.

3.01 Compensation. Hospital shall pay Physician \$5,457.08 per month for administrative services during the term of this Agreement. In addition, Hospital shall pay Physician for professional medical services a flat fee of \$40/hour and \$37.50 per encounter for patients seen in the Clinic by Physician. These rates will be adjusted annually by the amount of the NIH employee board approved Cost of Living Adjustment. Said sums are payable on the 20th day of the calendar month following the month in which the services are performed.

3.02 Community Pool. In addition to 3.01 above, Hospital shall contribute \$2.50 per patient seen into a pool of all patients seen by all participating contracted providers. Funds in the pool shall be distributed amongst all the contracted and eligible providers quarterly beginning with the first full quarter of 2009 (paid within 10 working days of the end of each quarter) in accordance with a Quality Assurance and Performance Plan established by the RHC Medical Director. Disputes will be adjudicated by the Hospital District Board.

3.03 Reports. Payment of the compensation described in section 3.01 is conditioned on Physician's proper maintenance of Physician Time Study reports, as described in Exhibit B, Hospital's timely receipt of such time reports, and Hospital's reasonable verification of such time reports. Physician's time reports shall be considered timely received if they are submitted to Hospital within at least ten (10) days after the end of each quarter in which the services are performed.

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methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement. The sole interest of Hospital is to insure that such services are performed and rendered in a competent and cost effective manner.

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NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

PHYSICIAN

By: \_\_\_\_\_  
Peter Watercott, President  
Board of Directors

By: \_\_\_\_\_  
Stacey Brown, MD

## EXHIBIT A

### ADMINISTRATIVE SERVICES TO BE PROVIDED

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- 1) Provide general administration of the day-to-day operations of the clinic
- 2) Advise and assist in the development and implementation of the clinic's policies and procedures
- 3) Provide medical consultation in the area of the Physician's specialty as needed
- 4) Schedule, coordinate and supervise the provision of medical and ancillary services within the clinic
- 5) Advise, assist and assure physician coverage of the clinic, with cooperation of Hospital
- 6) Monitor the quality of all medical care provided at the clinic, assure the maintenance of consistently high quality service, and advise Hospital in the development and implementation of an appropriate quality assurance program with respect to clinic
- 7) Insure that each medical professional providing services to patients shall at all times provide only those services that he/she is qualified to deliver, and shall provide such services in a manner consistent with the patient's best interests
- 8) Advise and assist in the organization and implementation of an effective utilization review program with respect to the clinic and related services
- 9) Coordinate and consult with Hospital and medical staff regarding the efficiency and effectiveness of the clinic, and make recommendations and analyses as needed for Hospital to ensure cost-effectiveness and deliver quality services provided in the clinic.
- 10) Advise Hospital regarding budget, equipment, building, supplies and other items necessary for the proper and efficient operation of the clinic
- 11) Advise and assist in the interview process of prospective physicians and other medical personnel
- 12) Develop, review and provide training programs to physicians and other medical personnel providing services in the clinic
- 13) Advise and assist in potential disciplinary action and dismissal of current physicians or other medical personnel
- 14) Ensure that the clinic is operated in accordance with all requirements of all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency; and, in the event that Hospital seeks and/or obtains accreditation of the clinic by the Joint Commission on Accreditation of Healthcare Organizations (JACHO), ensure that the clinic is operated in accordance with all JCAHO requirements
- 15) Assist with applications regarding grants and alternative funding sources from federal, state or local agencies
- 16) Prepare such reports and records as may be required by Hospital or the clinic
- 17) Participate in Hospital, clinic and medical staff committees upon request
- 18) Participate in the development and presentation of programs related to the marketing of the clinic's services and enhancing clinic/community relations, provided, however, that Physician shall not be required to participate in any advertising or commercials related to clinic services
- 19) Participate in on-site teaching of interns, residents or medical students as necessary
- 20) Upon request by the clinic or Hospital, be available to respond/consult in the event of urgent or emergent situations
- 21) Cooperate in all litigation matters affecting Physician and/or the clinic
- 22) Maintain accurate and complete records the time spent and work done by Physician in his/her director role.
- 23) Maintain on call schedule for RHC patients and confer with Administration and the Medical Staff Office as to difficulties and vacancies thereto.

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*People you know,  
caring for people you love*

**NORTHERN  
INYO HOSPITAL**  
Northern Inyo County Local Hospital District

150 Pioneer Lane  
Bishop, California 93514  
(760) 873-5811 voice  
(760) 872-2768 fax

October 31, 2008

Board of Directors  
Northern Inyo Hospital

Re: Equipment Request

**Background:**

Title 22 requires that "I" space have a laboratory capable of doing the following tests:

1. Urinalysis
2. Complete blood counts (CBC)
3. Blood typing, cross matching

To meet these requirements, a "Stat Lab" has been set up in the old hospital. The requirement for CBC is not currently being met.

Several instrument options are available including doing hand counts with a microscope. At this time we have an automated CBC instrument that backs up our main automated CBC and differential instrument.

The backup instrument is the Beckman Coulter AcT 10. This instrument is only approximately 5 years old. It is used from time to time to process cord blood and other samples with suspected clots or clot particles because of its relative simplicity and ease of access for clearing clots.

**Request:**

We would like to purchase a second AcT 10. This new instrument would replace the backup on in the new lab and the existing AcT 10 would be moved to the "Stat" lab.

The reasons for selecting another AcT 10 are:

1. Long-term savings from reagents used to do daily QC (no purchasing of unique reagents)
2. No additional competencies to maintain
3. No additional proficiencies to perform

**Cost of Instrument:**

\$9,600 (includes Amerinet Discount)

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**AGREEMENT FOR SERVICES TO THE  
NORTHERN INYO HOSPITAL  
ELECTROCARDIOGRAPHIC DEPARTMENT**

---

**THIS AGREEMENT MADE AND ENTERED INTO** this 1st day of December, 2008, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "Hospital") and Vasuki Sittampalam, M.D. (hereinafter "Physician").

**I  
RECITALS**

- A. Hospital is located at 150 Pioneer Lane, Bishop, California, and operates therein a service designated as the Electrocardiography Department (hereinafter "EKG Department").
- B. Physician is a sole practitioner licensed to practice medicine in the State of California, and a diplomate of the American Board of Internal Medicine. Physician has represented and does represent, to the Hospital that, on the basis of his or her training or experience, he or she is knowledgeable in the interpretation of electrocardiographs (hereinafter "EKGs") and is readily available to interpret EKGs.
- C. Hospital desires to contract with Physician to provide professional interpretation of EKGs done on patients at the Hospital.
- D. The parties desire to enter this Agreement to provide a complete statement of their respective duties and obligations.
- E. The term "EKG" shall mean all products of the EKG Department, including but without limitation, electrocardiographs, rhythm strips, stress tests, event recorders, and telemetry strips.

**NOW, THEREFORE**, in consideration of the covenants and agreements set forth below, the parties agree as follows:

**II  
COVENANTS OF PHYSICIAN**

1. Physician shall perform the follow services:



- a. Be available to provide interpretation of all full and partial cardiac function studies performed by the EKG Department on Physician's patients. Said interpretations are to be done within 24 hours of the time the EKG studies are performed. Physician shall have no exclusive right to read studies hereunder, and acknowledges that EKG and treadmill studies may be read by any other physician deemed qualified to do so by the Medical Staff Executive Committee.
  - b. Physician acknowledges that Hospital has retained the services of Asao Kamei, M.D. (hereinafter "Dr. Kamei"), to serve as Chief of the EKG Department and agrees that, should Physician fail to read and interpret any EKG which he or she is obligated to read within 24 hours of its creation, or should Physician fail to read and interpret any EKG done in preparation for any surgery, whether emergency or elective, if said EKG has not been read within a reasonable time prior to the time scheduled for said surgery, said EKG will be read and interpreted by Dr. Kamei, and he shall receive compensation from the Hospital for such service. Physician acknowledges and agrees that in such event, Physician will not be compensated by the Hospital, but nonetheless may read and interpret the relevant EKG as may be required for the care of his or her own patients. In regard to the circumstances set forth in this sub-paragraph (b), Physician further acknowledges and agrees that Dr. Kamei may designate another qualified physician (who must also be a Diplomate of the American Board of Internal Medicine) to perform such services for him in the event of his or her absence or inability to perform such services.
  - c. Physician acknowledges and agrees that Dr. Kamei, acting in his role as Chief of the EKG Department, may read any EKG done in the Hospital.
  - d. Participate in retrospective evaluation of care provided in the EKG Department.
  - e. Be available to provide interpretation of EKGs for patients under the care of Physician who were seen in the Hospital's Emergency Room Department whether or not said patient was seen by the Physician in the Emergency Room.
  - f. Be available to provide interpretation of EKGs for emergent pre-operative patients under the care of the Physician.
2. Physician shall at all times comply with the policies, rules and regulations of the Hospital, subject to State and federal statutes covering his or her practice. No part of the Hospital premises shall be used, at any time, by Physician for the general practice of medicine except during the exercise of privileges granted Physician as a member of the Hospital Active Medical Staff.
  3. Physician agrees to maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this

agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature, for which he or she may claim payment or reimbursement from the Hospital. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers and records. Physician further agrees to transfer to the Hospital, upon termination of this Agreement, any books, documents, papers or records which possess long-term (i.e., more than four (4) years) value to the Hospital. Physician shall include a clause providing similar access in any subcontract he or she may enter with a value of more than \$10,000, or for more than a 12-month period, when said sub-contract is with a related organization.

4. Physician acknowledges, covenants, and agrees that Hospital shall have no obligation to compensate him or her for EKGs read in the following cases:
  - a. Where a patient seen in the Emergency Room is not identified as being in the care of Physician and the EKG is subsequently read by the Chief;
  - b. Where a patient first seen in the Emergency Room and who has not previously been under the care of Physician, is admitted to the Hospital to the care of Physician after the patient's EKG has been read by the Chief;
  - c. Where any member of the Hospital Medical Staff requests Physician to consult on a patient after the patient's EKG is read by the Chief;
  - d. Where Physician has not been identified as the primary physician of a patient at the time a patient's pre-operative EKG is read by the Chief;
  - e. For any EKG not read within 24 hours of its creation.

### **III**

### **COVENANTS OF THE HOSPITAL**

1. Hospital shall furnish, for the use of Physician in rendering services hereunder:
  - a. Sufficient space in the Hospital to enable him or her to perform his or her duties under this Agreement; and,
  - b. Ordinary janitorial and in-house messenger service, and such electricity for light and power, gas, water, and heat as may be required by him or her to perform his or her duties under this Agreement.

2. Hospital shall pay Physician in accordance with Exhibit A for all interpretation rendered by the Physician. Said sums are payable on the twentieth (20th) day of the calendar month immediately following the service performed. Payments made pursuant to this Paragraph 2 shall be deemed Physician's full, complete, and reasonable compensation for services under this Agreement.
3. Hospital shall allow any member of the Hospital Medical Staff to designate, in writing, any physician who is (a) also a member of the Hospital Active Medical Staff and (b) a diplomate of the American Board of Internal Medicine, as the physician who shall be entitled to read EKGs for any patient admitted to the Hospital to the care of said physician, and Hospital shall compensate said physician for the services thereafter rendered provided that (c) said physician has executed an agreement with Hospital identical to this Agreement and (d) the written designation described in this subdivision is renewed, in writing, annually.
4. Hospital will attempt, insofar as is reasonably possible in the circumstances, to identify and notify the primary physician of any patient treated in the Hospital's Emergency Room Department and/or Surgery Department.

#### **IV** **GENERAL PROVISIONS**

1. Services to be performed by Physician under this Agreement may be performed by other physicians who are approved in writing (which approval is revocable) by Hospital and who shall be members of the Hospital Active Medical Staff. If Physician is absent, services required to be performed by Physician under this Agreement shall be performed by Dr. Kamei or his designee. Notwithstanding anything to the contrary contained herein, Physician shall not have the right to assign this agreement, or any rights or obligations thereunder, without the written consent of Hospital first had and obtained.
2. In the performance of his or her duties and obligations under this Agreement, it is further mutually understood and agreed that:
  - a. Physician is at all times acting and performing as an independent contractor, that Hospital shall neither have nor exercise any control or direction over the methods by which he or she shall perform his or her work and functions (except that Physician shall do so at all times in strict compliance with currently approved methods and practices of internal medicine and cardiology, and in accord with the Hospital's Bylaws and with the Hospital Medical Staff Bylaws and Rules and Regulations), and that the sole interest of Hospital is to assure that the services of Physician shall be performed and rendered, and the EKG Department shall be

operated, in a competent, efficient, and satisfactory manner in accord with the highest medical standards possible.

- b. No act, commission, or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician an agent, employee, or servant of the Hospital.
  - c. It is the intent of the parties that Physician be an independent contractor, and not an employee, in the performance of his or her duties under this Agreement. In order to protect the Hospital from liability, Physician shall defend, indemnify, and hold harmless the Hospital from liability for any and all claims arising out of the performance of his or her duties under this Agreement.
3. Physician shall, at all relevant times, be a member of the Hospital Active Medical Staff.
  4. Each party shall comply with all applicable requirements of law relating to licensure and regulation of both physicians and hospitals.
  5. This is the entire agreement of the parties, and supersedes any and all prior oral and/or written agreements. It may be modified only by a written instrument signed by both parties.
  6. Whenever, under the terms of this Agreement, written notice is required or permitted to be given, such notice shall be deemed given when deposited in the United States mail, first class postage prepaid, addressed as follows:

**HOSPITAL:** Administrator  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, California 93514

**PHYSICIAN:** Vasuki Sittampalam, M.D.  
686 West Line Street  
Bishop, California 93514

or to such other address as either party may notify the other, in writing.

7. The term of this Agreement is two (2) years, commencing on December 1, 2008 and ending at midnight on November 30, 2010.
8. Notwithstanding the aforesaid term, Hospital may terminate this Agreement immediately upon the occurrence of any of the following events:

- a. Physician's death, loss of Hospital Active Medical Staff membership, loss of license to practice medicine, or loss of Active Medical Staff privileges required to render services under this Agreement;
- b. Physician's inability to render services hereunder;
- c. The appointment of a receiver of the assets of Physician, an assignment by him or her for the benefit of his or her creditors, or any action taken or suffered by him or her (with respect to him or her) under any bankruptcy or insolvency law;
- d. Closure of the Hospital;
- e. Sixty (60) days after written notice of termination without cause is given by Hospital to Physician.

However, the parties understand and acknowledge that termination of this Agreement shall not affect Physician's membership on the Hospital Medical Staff.

9. Originals of medical records of the EKG Department are the property of the Hospital and shall be retained on Hospital premises. Physician shall have access to, and may photocopy, such documents and records as may be required for the care of his or her patients or to perform his or her duties under this Agreement, provided only that he or she gives reasonable notice. Physician shall complete all reports required of him or her by Hospital, for the performance of his or her duties under this Agreement, within 24 hours of the time the EKG is performed. Physician acknowledges that, should he or she remove an original EKG from the custody of the EKG Department, he or she shall return it to the custody of the EKG Department within the 24-hour period required for reading as set forth in Article II, section 1(a) above. "Custody" includes, but is not limited to, the physical premises occupied by the EKG Department and any EKG machines, carts, or collection or storage vehicles located within the Hospital but outside the EKG Department physical premises. Physician shall not destroy or mutilate originals of medical records or EKGs.
10. This Agreement is for the personal services of Physician and Physician may not assign his or her rights, duties, obligations or responsibilities thereunder.
11. Subject to the restrictions against transfer or assignment set forth above, the provisions of this Agreement shall inure to the benefit, and be binding upon, the heirs, successors, assigns, agents, personal representatives, conservators, executors and administrators of the parties.

12. Use of the masculine, feminine or neuter gender, and/or of the singular or plural number, shall include the other when the context shall indicate.

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**IN WITNESS WHEREOF**, the parties have executed this Agreement at Bishop, California on the day, month and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By \_\_\_\_\_  
Peter Watercott, President  
Board of Directors

\_\_\_\_\_  
Vasuki Sittampalam, M.D.  
686 West Line Street  
Bishop, California 93514

**EXHIBIT A**  
**EKG INTERPRETATION RATES**

---

1.	EKG Interpretation	\$ 20.50
2.	Rhythm Strip	\$ 17.00
3.	Tele Strip	\$ 20.00
4.	Cardiac event recorder	\$ 36.45
5.	Treadmill Study	\$107.10
6.	Cardiac Nuclear	\$133.75
7.	Adenosine Nuclear	\$157.50

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**AGREEMENT FOR SERVICES TO THE  
NORTHERN INYO HOSPITAL  
ELECTROCARDIOGRAPHIC DEPARTMENT**

**THIS AGREEMENT MADE AND ENTERED INTO** this 1st day of December, 2008, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "Hospital") and James A. Richardson, M.D. (hereinafter "Physician").

**I  
RECITALS**

- A. Hospital is located at 150 Pioneer Lane, Bishop, California, and operates therein a service designated as the Electrocardiography Department (hereinafter "EKG Department").
- B. Physician is a sole practitioner licensed to practice medicine in the State of California, and a diplomate of the American Board of Internal Medicine. Physician has represented and does represent, to the Hospital that, on the basis of his or her training or experience, he or she is knowledgeable in the interpretation of electrocardiographs (hereinafter "EKGs") and is readily available to interpret EKGs.
- C. Hospital desires to contract with Physician to provide professional interpretation of EKGs done on patients at the Hospital.
- D. The parties desire to enter this Agreement to provide a complete statement of their respective duties and obligations.
- E. The term "EKG" shall mean all products of the EKG Department, including but without limitation, electrocardiographs, rhythm strips, stress tests, event recorders, and telemetry strips.

**NOW, THEREFORE**, in consideration of the covenants and agreements set forth below, the parties agree as follows:

**II  
COVENANTS OF PHYSICIAN**

1. Physician shall perform the follow services:

- a. Be available to provide interpretation of all full and partial cardiac function studies performed by the EKG Department on Physician's patients. Said interpretations are to be done within 24 hours of the time the EKG studies are performed. Physician shall have no exclusive right to read studies hereunder, and acknowledges that EKG and treadmill studies may be read by any other physician deemed qualified to do so by the Medical Staff Executive Committee.
  - b. Physician acknowledges that Hospital has retained the services of Asao Kamei, M.D. (hereinafter "Dr. Kamei"), to serve as Chief of the EKG Department and agrees that, should Physician fail to read and interpret any EKG which he or she is obligated to read within 24 hours of its creation, or should Physician fail to read and interpret any EKG done in preparation for any surgery, whether emergency or elective, if said EKG has not been read within a reasonable time prior to the time scheduled for said surgery, said EKG will be read and interpreted by Dr. Kamei, and he shall receive compensation from the Hospital for such service. Physician acknowledges and agrees that in such event, Physician will not be compensated by the Hospital, but nonetheless may read and interpret the relevant EKG as may be required for the care of his or her own patients. In regard to the circumstances set forth in this sub-paragraph (b), Physician further acknowledges and agrees that Dr. Kamei may designate another qualified physician (who must also be a Diplomate of the American Board of Internal Medicine) to perform such services for him in the event of his or her absence or inability to perform such services.
  - c. Physician acknowledges and agrees that Dr. Kamei, acting in his role as Chief of the EKG Department, may read any EKG done in the Hospital.
  - d. Participate in retrospective evaluation of care provided in the EKG Department.
  - e. Be available to provide interpretation of EKGs for patients under the care of Physician who were seen in the Hospital's Emergency Room Department whether or not said patient was seen by the Physician in the Emergency Room.
  - f. Be available to provide interpretation of EKGs for emergent pre-operative patients under the care of the Physician.
2. Physician shall at all times comply with the policies, rules and regulations of the Hospital, subject to State and federal statutes covering his or her practice. No part of the Hospital premises shall be used, at any time, by Physician for the general practice of medicine except during the exercise of privileges granted Physician as a member of the Hospital Active Medical Staff.
  3. Physician agrees to maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this

agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature, for which he or she may claim payment or reimbursement from the Hospital. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers and records. Physician further agrees to transfer to the Hospital, upon termination of this Agreement, any books, documents, papers or records which possess long-term (i.e., more than four (4) years) value to the Hospital. Physician shall include a clause providing similar access in any subcontract he or she may enter with a value of more than \$10,000, or for more than a 12-month period, when said sub-contract is with a related organization.

4. Physician acknowledges, covenants, and agrees that Hospital shall have no obligation to compensate him or her for EKGs read in the following cases:
  - a. Where a patient seen in the Emergency Room is not identified as being in the care of Physician and the EKG is subsequently read by the Chief;
  - b. Where a patient first seen in the Emergency Room and who has not previously been under the care of Physician, is admitted to the Hospital to the care of Physician after the patient's EKG has been read by the Chief;
  - c. Where any member of the Hospital Medical Staff requests Physician to consult on a patient after the patient's EKG is read by the Chief;
  - d. Where Physician has not been identified as the primary physician of a patient at the time a patient's pre-operative EKG is read by the Chief;
  - e. For any EKG not read within 24 hours of its creation.

### **III**

#### **COVENANTS OF THE HOSPITAL**

1. Hospital shall furnish, for the use of Physician in rendering services hereunder:
  - a. Sufficient space in the Hospital to enable him or her to perform his or her duties under this Agreement; and,
  - b. Ordinary janitorial and in-house messenger service, and such electricity for light and power, gas, water, and heat as may be required by him or her to perform his or her duties under this Agreement.

2. Hospital shall pay Physician in accordance with Exhibit A for all interpretation rendered by the Physician. Said sums are payable on the twentieth (20th) day of the calendar month immediately following the service performed. Payments made pursuant to this Paragraph 2 shall be deemed Physician's full, complete, and reasonable compensation for services under this Agreement.
3. Hospital shall allow any member of the Hospital Medical Staff to designate, in writing, any physician who is (a) also a member of the Hospital Active Medical Staff and (b) a diplomate of the American Board of Internal Medicine, as the physician who shall be entitled to read EKGs for any patient admitted to the Hospital to the care of said physician, and Hospital shall compensate said physician for the services thereafter rendered provided that (c) said physician has executed an agreement with Hospital identical to this Agreement and (d) the written designation described in this subdivision is renewed, in writing, annually.
4. Hospital will attempt, insofar as is reasonably possible in the circumstances, to identify and notify the primary physician of any patient treated in the Hospital's Emergency Room Department and/or Surgery Department.

#### **IV** **GENERAL PROVISIONS**

1. Services to be performed by Physician under this Agreement may be performed by other physicians who are approved in writing (which approval is revocable) by Hospital and who shall be members of the Hospital Active Medical Staff. If Physician is absent, services required to be performed by Physician under this Agreement shall be performed by Dr. Kamei or his designee. Notwithstanding anything to the contrary contained herein, Physician shall not have the right to assign this agreement, or any rights or obligations thereunder, without the written consent of Hospital first had and obtained.
2. In the performance of his or her duties and obligations under this Agreement, it is further mutually understood and agreed that:
  - a. Physician is at all times acting and performing as an independent contractor, that Hospital shall neither have nor exercise any control or direction over the methods by which he or she shall perform his or her work and functions (except that Physician shall do so at all times in strict compliance with currently approved methods and practices of internal medicine and cardiology, and in accord with the Hospital's Bylaws and with the Hospital Medical Staff Bylaws and Rules and Regulations), and that the sole interest of Hospital is to assure that the services of Physician shall be performed and rendered, and the EKG Department shall be

operated, in a competent, efficient, and satisfactory manner in accord with the highest medical standards possible.

- b. No act, commission, or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician an agent, employee, or servant of the Hospital.
  - c. It is the intent of the parties that Physician be an independent contractor, and not an employee, in the performance of his or her duties under this Agreement. In order to protect the Hospital from liability, Physician shall defend, indemnify, and hold harmless the Hospital from liability for any and all claims arising out of the performance of his or her duties under this Agreement.
3. Physician shall, at all relevant times, be a member of the Hospital Active Medical Staff.
  4. Each party shall comply with all applicable requirements of law relating to licensure and regulation of both physicians and hospitals.
  5. This is the entire agreement of the parties, and supersedes any and all prior oral and/or written agreements. It may be modified only by a written instrument signed by both parties.
  6. Whenever, under the terms of this Agreement, written notice is required or permitted to be given, such notice shall be deemed given when deposited in the United States mail, first class postage prepaid, addressed as follows:

**HOSPITAL:** Administrator  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, California 93514

**PHYSICIAN:** James A. Richardson, M.D.  
307 Academy Street  
Bishop, California 93514

or to such other address as either party may notify the other, in writing.

7. The term of this Agreement is two (2) years, commencing on December 1, 2008 and ending at midnight on November 30, 2010.
8. Notwithstanding the aforesaid term, Hospital may terminate this Agreement immediately upon the occurrence of any of the following events:

- 
- a. Physician's death, loss of Hospital Active Medical Staff membership, loss of license to practice medicine, or loss of Active Medical Staff privileges required to render services under this Agreement;
  - b. Physician's inability to render services hereunder;
  - c. The appointment of a receiver of the assets of Physician, an assignment by him or her for the benefit of his or her creditors, or any action taken or suffered by him or her (with respect to him or her) under any bankruptcy or insolvency law;
  - d. Closure of the Hospital;
  - e. Sixty (60) days after written notice of termination without cause is given by Hospital to Physician.

However, the parties understand and acknowledge that termination of this Agreement shall not affect Physician's membership on the Hospital Medical Staff.

9. Originals of medical records of the EKG Department are the property of the Hospital and shall be retained on Hospital premises. Physician shall have access to, and may photocopy, such documents and records as may be required for the care of his or her patients or to perform his or her duties under this Agreement, provided only that he or she gives reasonable notice. Physician shall complete all reports required of him or her by Hospital, for the performance of his or her duties under this Agreement, within 24 hours of the time the EKG is performed. Physician acknowledges that, should he or she remove an original EKG from the custody of the EKG Department, he or she shall return it to the custody of the EKG Department within the 24-hour period required for reading as set forth in Article II, section 1(a) above. "Custody" includes, but is not limited to, the physical premises occupied by the EKG Department and any EKG machines, carts, or collection or storage vehicles located within the Hospital but outside the EKG Department physical premises. Physician shall not destroy or mutilate originals of medical records or EKGs.
10. This Agreement is for the personal services of Physician and Physician may not assign his or her rights, duties, obligations or responsibilities thereunder.
11. Subject to the restrictions against transfer or assignment set forth above, the provisions of this Agreement shall inure to the benefit, and be binding upon, the heirs, successors, assigns, agents, personal representatives, conservators, executors and administrators of the parties.

12. Use of the masculine, feminine or neuter gender, and/or of the singular or plural number, shall include the other when the context shall indicate.

**IN WITNESS WHEREOF**, the parties have executed this Agreement at Bishop, California on the day, month and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By \_\_\_\_\_  
Peter Watercott, President  
Board of Directors

\_\_\_\_\_  
James A. Richardson, M.D.  
307 Academy Street  
Bishop, California 93514

**EXHIBIT A**  
**EKG INTERPRETATION RATES**

---

1.	EKG Interpretation	\$ 20.50
2.	Rhythm Strip	\$ 17.00
3.	Tele Strip	\$ 20.00
4.	Cardiac event recorder	\$ 36.45
5.	Treadmill Study	\$107.10
6.	Cardiac Nuclear	\$133.75
7.	Adenosine Nuclear	\$157.50



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**THIS SHEET**

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**AGREEMENT FOR SERVICES TO THE  
NORTHERN INYO HOSPITAL  
ELECTROCARDIOGRAPHIC DEPARTMENT**

**THIS AGREEMENT MADE AND ENTERED INTO** this 1st day of December, 2008, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "Hospital") and Nickoline M. Hathaway, M.D. (hereinafter "Physician").

**I  
RECITALS**

- A. Hospital is located at 150 Pioneer Lane, Bishop, California, and operates therein a service designated as the Electrocardiography Department (hereinafter "EKG Department").
- B. Physician is a sole practitioner licensed to practice medicine in the State of California, and a diplomate of the American Board of Internal Medicine. Physician has represented and does represent, to the Hospital that, on the basis of his or her training or experience, he or she is knowledgeable in the interpretation of electrocardiographs (hereinafter "EKGs") and is readily available to interpret EKGs.
- C. Hospital desires to contract with Physician to provide professional interpretation of EKGs done on patients at the Hospital.
- D. The parties desire to enter this Agreement to provide a complete statement of their respective duties and obligations.
- E. The term "EKG" shall mean all products of the EKG Department, including but without limitation, electrocardiographs, rhythm strips, stress tests, event recorders, and telemetry strips.

**NOW, THEREFORE**, in consideration of the covenants and agreements set forth below, the parties agree as follows:

**II  
COVENANTS OF PHYSICIAN**

- 1. Physician shall perform the follow services:

- a. Be available to provide interpretation of all full and partial cardiac function studies performed by the EKG Department on Physician's patients. Said interpretations are to be done within 24 hours of the time the EKG studies are performed. Physician shall have no exclusive right to read studies hereunder, and acknowledges that EKG and treadmill studies may be read by any other physician deemed qualified to do so by the Medical Staff Executive Committee.
  - b. Physician acknowledges that Hospital has retained the services of Asao Kamei, M.D. (hereinafter "Dr. Kamei"), to serve as Chief of the EKG Department and agrees that, should Physician fail to read and interpret any EKG which he or she is obligated to read within 24 hours of its creation, or should Physician fail to read and interpret any EKG done in preparation for any surgery, whether emergency or elective, if said EKG has not been read within a reasonable time prior to the time scheduled for said surgery, said EKG will be read and interpreted by Dr. Kamei, and he shall receive compensation from the Hospital for such service. Physician acknowledges and agrees that in such event, Physician will not be compensated by the Hospital, but nonetheless may read and interpret the relevant EKG as may be required for the care of his or her own patients. In regard to the circumstances set forth in this sub-paragraph (b), Physician further acknowledges and agrees that Dr. Kamei may designate another qualified physician (who must also be a Diplomate of the American Board of Internal Medicine) to perform such services for him in the event of his or her absence or inability to perform such services.
  - c. Physician acknowledges and agrees that Dr. Kamei, acting in his role as Chief of the EKG Department, may read any EKG done in the Hospital.
  - d. Participate in retrospective evaluation of care provided in the EKG Department.
  - e. Be available to provide interpretation of EKGs for patients under the care of Physician who were seen in the Hospital's Emergency Room Department whether or not said patient was seen by the Physician in the Emergency Room.
  - f. Be available to provide interpretation of EKGs for emergent pre-operative patients under the care of the Physician.
2. Physician shall at all times comply with the policies, rules and regulations of the Hospital, subject to State and federal statutes covering his or her practice. No part of the Hospital premises shall be used, at any time, by Physician for the general practice of medicine except during the exercise of privileges granted Physician as a member of the Hospital Active Medical Staff.
  3. Physician agrees to maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this

agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature, for which he or she may claim payment or reimbursement from the Hospital. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers and records. Physician further agrees to transfer to the Hospital, upon termination of this Agreement, any books, documents, papers or records which possess long-term (i.e., more than four (4) years) value to the Hospital. Physician shall include a clause providing similar access in any subcontract he or she may enter with a value of more than \$10,000, or for more than a 12-month period, when said sub-contract is with a related organization.

4. Physician acknowledges, covenants, and agrees that Hospital shall have no obligation to compensate him or her for EKGs read in the following cases:
  - a. Where a patient seen in the Emergency Room is not identified as being in the care of Physician and the EKG is subsequently read by the Chief;
  - b. Where a patient first seen in the Emergency Room and who has not previously been under the care of Physician, is admitted to the Hospital to the care of Physician after the patient's EKG has been read by the Chief;
  - c. Where any member of the Hospital Medical Staff requests Physician to consult on a patient after the patient's EKG is read by the Chief;
  - d. Where Physician has not been identified as the primary physician of a patient at the time a patient's pre-operative EKG is read by the Chief;
  - e. For any EKG not read within 24 hours of its creation.

### **III**

#### **COVENANTS OF THE HOSPITAL**

1. Hospital shall furnish, for the use of Physician in rendering services hereunder:
  - a. Sufficient space in the Hospital to enable him or her to perform his or her duties under this Agreement; and,
  - b. Ordinary janitorial and in-house messenger service, and such electricity for light and power, gas, water, and heat as may be required by him or her to perform his or her duties under this Agreement.

2. Hospital shall pay Physician in accordance with Exhibit A for all interpretation rendered by the Physician. Said sums are payable on the twentieth (20th) day of the calendar month immediately following the service performed. Payments made pursuant to this Paragraph 2 shall be deemed Physician's full, complete, and reasonable compensation for services under this Agreement.
3. Hospital shall allow any member of the Hospital Medical Staff to designate, in writing, any physician who is (a) also a member of the Hospital Active Medical Staff and (b) a diplomate of the American Board of Internal Medicine, as the physician who shall be entitled to read EKGs for any patient admitted to the Hospital to the care of said physician, and Hospital shall compensate said physician for the services thereafter rendered provided that (c) said physician has executed an agreement with Hospital identical to this Agreement and (d) the written designation described in this subdivision is renewed, in writing, annually.
4. Hospital will attempt, insofar as is reasonably possible in the circumstances, to identify and notify the primary physician of any patient treated in the Hospital's Emergency Room Department and/or Surgery Department.

#### **IV** **GENERAL PROVISIONS**

1. Services to be performed by Physician under this Agreement may be performed by other physicians who are approved in writing (which approval is revocable) by Hospital and who shall be members of the Hospital Active Medical Staff. If Physician is absent, services required to be performed by Physician under this Agreement shall be performed by Dr. Kamei or his designee. Notwithstanding anything to the contrary contained herein, Physician shall not have the right to assign this agreement, or any rights or obligations thereunder, without the written consent of Hospital first had and obtained.
2. In the performance of his or her duties and obligations under this Agreement, it is further mutually understood and agreed that:
  - a. Physician is at all times acting and performing as an independent contractor, that Hospital shall neither have nor exercise any control or direction over the methods by which he or she shall perform his or her work and functions (except that Physician shall do so at all times in strict compliance with currently approved methods and practices of internal medicine and cardiology, and in accord with the Hospital's Bylaws and with the Hospital Medical Staff Bylaws and Rules and Regulations), and that the sole interest of Hospital is to assure that the services of Physician shall be performed and rendered, and the EKG Department shall be

operated, in a competent, efficient, and satisfactory manner in accord with the highest medical standards possible.

- b. No act, commission, or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician an agent, employee, or servant of the Hospital.
  - c. It is the intent of the parties that Physician be an independent contractor, and not an employee, in the performance of his or her duties under this Agreement. In order to protect the Hospital from liability, Physician shall defend, indemnify, and hold harmless the Hospital from liability for any and all claims arising out of the performance of his or her duties under this Agreement.
3. Physician shall, at all relevant times, be a member of the Hospital Active Medical Staff.
  4. Each party shall comply with all applicable requirements of law relating to licensure and regulation of both physicians and hospitals.
  5. This is the entire agreement of the parties, and supersedes any and all prior oral and/or written agreements. It may be modified only by a written instrument signed by both parties.
  6. Whenever, under the terms of this Agreement, written notice is required or permitted to be given, such notice shall be deemed given when deposited in the United States mail, first class postage prepaid, addressed as follows:

**HOSPITAL:** Administrator  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, California 93514

**PHYSICIAN:** Nickoline M. Hathaway, M.D.  
152-C Pioneer Lane  
Bishop, California 93514

or to such other address as either party may notify the other, in writing.

7. The term of this Agreement is two (2) years, commencing on December 1, 2008 and ending at midnight on November 30, 2010.
8. Notwithstanding the aforesaid term, Hospital may terminate this Agreement immediately upon the occurrence of any of the following events:

- a. Physician's death, loss of Hospital Active Medical Staff membership, loss of license to practice medicine, or loss of Active Medical Staff privileges required to render services under this Agreement;
- b. Physician's inability to render services hereunder;
- c. The appointment of a receiver of the assets of Physician, an assignment by him or her for the benefit of his or her creditors, or any action taken or suffered by him or her (with respect to him or her) under any bankruptcy or insolvency law;
- d. Closure of the Hospital;
- e. Sixty (60) days after written notice of termination without cause is given by Hospital to Physician.

However, the parties understand and acknowledge that termination of this Agreement shall not affect Physician's membership on the Hospital Medical Staff.

9. Originals of medical records of the EKG Department are the property of the Hospital and shall be retained on Hospital premises. Physician shall have access to, and may photocopy, such documents and records as may be required for the care of his or her patients or to perform his or her duties under this Agreement, provided only that he or she gives reasonable notice. Physician shall complete all reports required of him or her by Hospital, for the performance of his or her duties under this Agreement, within 24 hours of the time the EKG is performed. Physician acknowledges that, should he or she remove an original EKG from the custody of the EKG Department, he or she shall return it to the custody of the EKG Department within the 24-hour period required for reading as set forth in Article II, section 1(a) above. "Custody" includes, but is not limited to, the physical premises occupied by the EKG Department and any EKG machines, carts, or collection or storage vehicles located within the Hospital but outside the EKG Department physical premises. Physician shall not destroy or mutilate originals of medical records or EKGs.
10. This Agreement is for the personal services of Physician and Physician may not assign his or her rights, duties, obligations or responsibilities thereunder.
11. Subject to the restrictions against transfer or assignment set forth above, the provisions of this Agreement shall inure to the benefit, and be binding upon, the heirs, successors, assigns, agents, personal representatives, conservators, executors and administrators of the parties.

12. Use of the masculine, feminine or neuter gender, and/or of the singular or plural number, shall include the other when the context shall indicate.

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**IN WITNESS WHEREOF**, the parties have executed this Agreement at Bishop, California on the day, month and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By

\_\_\_\_\_  
Peter Watercott, President  
Board of Directors

\_\_\_\_\_  
Nickoline M. Hathaway, M.D.  
152-C Pioneer Lane  
Bishop, California 93514



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**EXHIBIT A**  
**EKG INTERPRETATION RATES**

1.	EKG Interpretation	\$ 20.50
2.	Rhythm Strip	\$ 17.00
3.	Tele Strip	\$ 20.00
4.	Cardiac event recorder	\$ 36.45
5.	Treadmill Study	\$107.10
6.	Cardiac Nuclear	\$133.75
7.	Adenosine Nuclear	\$157.50

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# Lease

Dated 11-12-08

Agreement between Janice Clover, Owners,  
and \_\_\_\_\_, Tenants, for a dwelling  
located at 337 Hanby Ave., Bishop CA.  
Tenants agree to lease this dwelling for a term of \_\_\_\_\_, beginning  
\_\_\_\_\_ and ending \_\_\_\_\_ for \$700 per month, payable  
in advance on the \_\_\_\_\_ day of every calendar month to Owners or their Agent\*,  
whose address is 463 E. South St.  
Bishop CA 93514

The first month's rent is \$700.

The security/cleaning deposit on this dwelling is \$700. It is refundable if Tenants leave the dwelling reasonably clean and undamaged.

Upon expiration, this Agreement shall become a month-to-month agreement AUTOMATICALLY, UNLESS either Tenants or Owners notify the other party in writing at least thirty days prior to expiration that they do not wish this Agreement to continue on any basis.

*Handwritten initials*  
~~Should Tenants move before this Agreement expires, they will be responsible for paying rent through the end of the term or until another tenant approved by the Owners has moved in, whichever comes first.~~

Owners will refund all deposits due within 10 days after Tenants have moved out completely and returned their keys.

Only the following \_\_\_\_\_ persons and \_\_\_\_\_ pets are to live in this dwelling:

*Handwritten initials*  
N/A -- Up to tenant

Without Owners' prior written permission, no other persons may live there, and no other pets may stay there, even temporarily, nor may the dwelling be sublet or used for business purposes.

Use of the following is included in the rent: \_\_\_\_\_

*Handwritten initials*  
Remarks: tenant reserves right to terminate lease after 90 days.

## TENANTS AGREE TO THE FOLLOWING:

- 1) to accept the dwelling "as is," having already inspected it.
- 2) to keep yards and garbage areas clean.
- 3) to keep from making loud or bothersome noises and disturbances and to play music and broadcast programs at all times so as not to disturb other people's peace and quiet.
- 4) not to paint or alter the dwelling without first getting Owners' written permission.
- Handwritten initials*  
~~5) to park their motor vehicle in assigned space and to keep that space clean of oil drippings and grease.~~
- 6) not to repair their motor vehicle on the premises (unless it is in an enclosed garage) if such repairs will take longer than a single day.
- 7) to allow Owners to inspect the dwelling, work on it, or show it to prospective tenants at any and all reasonable times.
- 8) not to keep any liquid-filled furniture in this dwelling.
- 9) to pay rent by check or money order made out to Owners. (Checks must be good when paid or applicable late-payment consequences will apply.)
- 10) to pay for repairs of all damage, including drain stoppages, they or their guests have caused.
- 11) to pay for any windows broken in their dwelling while they live there.

Violation of any part of this Agreement or nonpayment of rent when due shall be cause for eviction under applicable code sections. The prevailing party (shall) (shall not) recover reasonable legal services fees involved.

Tenants hereby acknowledge that they have read this Agreement, understand it, agree to it, and have been given a copy.

Owner \_\_\_\_\_ Tenant *Handwritten signature*  
\*By \_\_\_\_\_ Tenant JOHN HALFEN, MTH

\*Person authorized to accept legal service on Owners' behalf

# Lease

Dated 11-12-07

Agreement between \_\_\_\_\_, Owners,  
and \_\_\_\_\_, Tenants, for a dwelling  
located at \_\_\_\_\_.  
Tenants agree to lease this dwelling for a term of \_\_\_\_\_, beginning  
\_\_\_\_\_ and ending \_\_\_\_\_ for \$\_\_\_\_\_ per month, payable  
in advance on the \_\_\_\_\_ day of every calendar month to Owners or their Agent\*,  
\_\_\_\_\_, whose address is \_\_\_\_\_.

The first month's rent is \$\_\_\_\_\_.

The security/cleaning deposit on this dwelling is \$\_\_\_\_\_. It is refundable if Tenants leave the dwelling reasonably clean and undamaged.

Upon expiration, this Agreement shall become a month-to-month agreement AUTOMATICALLY, UNLESS either Tenants or Owners notify the other party in writing at least thirty days prior to expiration that they do not wish this Agreement to continue on any basis.

Should Tenants move before this Agreement expires, they will be responsible for paying rent through the end of the term or until another tenant approved by the Owners has moved in, whichever comes first.

Owners will refund all deposits due within \_\_\_ days after Tenants have moved out completely and returned their keys.

Only the following \_\_\_ persons and \_\_\_ pets are to live in this dwelling:

Without Owners' prior written permission, no other persons may live there, and no other pets may stay there, even temporarily, nor may the dwelling be sublet or used for business purposes.

Use of the following is included in the rent: \_\_\_\_\_

Remarks: \_\_\_\_\_

## TENANTS AGREE TO THE FOLLOWING:

- 1) to accept the dwelling "as is," having already inspected it.
- 2) to keep yards and garbage areas clean.
- 3) to keep from making loud or bothersome noises and disturbances and to play music and broadcast programs at all times so as not to disturb other people's peace and quiet.
- 4) not to paint or alter the dwelling without first getting Owners' written permission.
- 5) to park their motor vehicle in assigned space and to keep that space clean of oil drippings and grease.
- 6) not to repair their motor vehicle on the premises (unless it is in an enclosed garage) if such repairs will take longer than a single day.
- 7) to allow Owners to inspect the dwelling, work on it, or show it to prospective tenants at any and all reasonable times.
- 8) not to keep any liquid-filled furniture in this dwelling.
- 9) to pay rent by check or money order made out to Owners. (Checks must be good when paid or applicable late-payment consequences will apply.)
- 10) to pay for repairs of all damage, including drain stoppages, they or their guests have caused.
- 11) to pay for any windows broken in their dwelling while they live there.

Violation of any part of this Agreement or nonpayment of rent when due shall be cause for eviction under applicable code sections. The prevailing party (shall) (shall not) recover reasonable legal services fees involved.

Tenants hereby acknowledge that they have read this Agreement, understand it, agree to it, and have been given a copy.

Owner \_\_\_\_\_ Tenant [Signature]  
\*By \_\_\_\_\_ Tenant JOHN HAFER NTH

\*Person authorized to accept legal service on Owners' behalf

# Lease

Dated \_\_\_\_\_

Agreement between \_\_\_\_\_, Owners,  
and \_\_\_\_\_, Tenants, for a dwelling  
located at \_\_\_\_\_.  
Tenants agree to lease this dwelling for a term of \_\_\_\_\_, beginning  
\_\_\_\_\_ and ending \_\_\_\_\_ for \$\_\_\_\_\_ per month, payable  
in advance on the \_\_\_\_\_ day of every calendar month to Owners or their Agent\*,  
\_\_\_\_\_, whose address is \_\_\_\_\_.

The first month's rent is \$\_\_\_\_\_.

The security/cleaning deposit on this dwelling is \$\_\_\_\_\_. It is refundable if Tenants leave the dwelling reasonably clean and undamaged.

Upon expiration, this Agreement shall become a month-to-month agreement AUTOMATICALLY, UNLESS either Tenants or Owners notify the other party in writing at least thirty days prior to expiration that they do not wish this Agreement to continue on any basis.

Should Tenants move before this Agreement expires, they will be responsible for paying rent through the end of the term or until another tenant approved by the Owners has moved in, whichever comes first.

Owners will refund all deposits due within \_\_\_\_\_ days after Tenants have moved out completely and returned their keys.

Only the following \_\_\_\_\_ persons and \_\_\_\_\_ pets are to live in this dwelling:

Without Owners' prior written permission, no other persons may live there, and no other pets may stay there, even temporarily, nor may the dwelling be sublet or used for business purposes.

Use of the following is included in the rent: \_\_\_\_\_

Remarks: \_\_\_\_\_

## TENANTS AGREE TO THE FOLLOWING:

- 1) to accept the dwelling "as is," having already inspected it.
- 2) to keep yards and garbage areas clean.
- 3) to keep from making loud or bothersome noises and disturbances and to play music and broadcast programs at all times so as not to disturb other people's peace and quiet.
- 4) not to paint or alter the dwelling without first getting Owners' written permission.
- 5) to park their motor vehicle in assigned space and to keep that space clean of oil drippings and grease.
- 6) not to repair their motor vehicle on the premises (unless it is in an enclosed garage) if such repairs will take longer than a single day.
- 7) to allow Owners to inspect the dwelling, work on it, or show it to prospective tenants at any and all reasonable times.
- 8) not to keep any liquid-filled furniture in this dwelling.
- 9) to pay rent by check or money order made out to Owners. (Checks must be good when paid or applicable late-payment consequences will apply.)
- 10) to pay for repairs of all damage, including drain stoppages, they or their guests have caused.
- 11) to pay for any windows broken in their dwelling while they live there.

Violation of any part of this Agreement or nonpayment of rent when due shall be cause for eviction under applicable code sections. The prevailing party (shall) (shall not) recover reasonable legal services fees involved.

Tenants hereby acknowledge that they have read this Agreement, understand it, agree to it, and have been given a copy.

Owner \_\_\_\_\_ Tenant John Halfen  
\*By \_\_\_\_\_ Tenant John Halfen MTH

\*Person authorized to accept legal service on Owners' behalf

Jan Clover  
463 E. South St.  
Bishop CA 93514  
(760) 872-2619

11-10-08

Notes on 337 Hanby:

I pay for water & sewer and the yard maintenance.  
The electricity is with LA DWP.  
The propane is Eastern Sierra Propane.  
If there are any problems with the house or yard,  
call me anytime - day or night. If for some  
reason you cannot reach me, you may call a plumber  
or electrician to have an emergency fixed, and  
I will pay for the repairs.  
Do not ~~hesitate~~ hesitate to call me with any questions  
or problems: 872-2619.

Jan Clover

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# OFFICE LEASE

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# OFFICE LEASE

## Preamble

This lease is entered into on January 5, 2009, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, a California Health Care District (hereinafter referred to as "Landlord"), and David Greene, M.D. (hereinafter referred to as "Tenant.")

Subject to the terms and conditions set forth in this Lease, Landlord hereby leases to Tenant that certain office space, including fixtures, located at 153 A Pioneer Lane, Bishop, California, and hereinafter referred to as "the Premises".

## Term

1. The term of this lease shall be eighteen (36) months commencing at 12:01 a.m. on January 5 2009, and ending at 12:01 a.m. on January 4, 2009, unless terminated earlier as provided in this lease. If Tenant holds over and continues in possession of the Premises after termination of the term of the lease, Tenant's continued occupancy of the Premises shall be deemed merely a tenancy from month-to-month at a minimum rental of \$1,675.80 per month subject to all the terms and conditions contained in this lease.

## Basic Rent

2. Tenant agrees to pay to Landlord as basic rent for the use and occupancy of the Building, the sum of \$60,328.80 at the rate of \$1,675.80 per month payable on the first day of each and every month commencing January 1, 2009, and continuing through the term of this lease. All rent shall be paid by Tenant at the office of the Landlord, 150 Pioneer Lane, Bishop, California 93514, or any other place or places that Landlord may from time to time designate by written notice given to Tenant.

## Utilities

3. Tenant agrees to pay, and keep current, the cost of all utilities, including but not limited to electricity, propane, water, sewer, and telephone required for the use of the Premises allowed in this Lease, to-wit: a medical office.

## Use of Premises

4. The Premises shall be used for medical office purposes by Tenant and for no other use or uses without the prior express written consent of Landlord.

## Prohibited Uses

5. Tenant shall not commit or permit the commission of any acts on the Leased Space nor use or permit the use of the Leased Space in any way that

- (a) Increases the existing rates for or causes cancellation of any fire, casualty, liability, or other insurance policy insuring the Building or its contents;
- (b) Violates or conflicts with any law, statute, ordinance, or governmental rule or regulation, whether now in force or hereinafter enacted, governing the Leased Space or the Building;
- (c) Obstructs or interferes with the rights of other tenants or occupants of the Building or injures or annoys them; or
- (d) Constitutes the commission of waste on the Leased Space or the commission or maintenance of a nuisance as defined by the laws of California.

## Alterations by Tenant

6. No alteration, addition, or improvement to the Leased Space shall be made by Tenant without the written consent of Landlord. Concurrently with requesting Landlord's consent to the proposed alteration, addition, or improvement, Tenant shall submit to Landlord preliminary plans for the alteration, addition, or improvement. Landlord shall, in its sole discretion, approve or disapprove the proposed alteration, addition, or improvement within thirty (30) days after its receipt of Tenant's written request for approval. If Landlord fails to affirmatively approve or disapprove the proposed alteration, addition, or improvement within the same thirty (30) day period, the proposed alteration, addition, or improvement shall be deemed disapproved. If Landlord gives such written consent to any alteration, addition, or improvement to the leased premises, Landlord and Tenant shall agree in writing at that time to the date when that undertaking shall be completed. Tenant shall obtain all necessary governmental permits required for any alteration, addition, or improvement approved by Landlord and shall comply with all applicable governmental law, regulations, ordinances, and codes. Any alteration, addition, or improvement made by Tenant after consent has been given, and any fixtures installed as part of the construction, shall at Landlord's option become the property of Landlord on the expiration or other earlier termination of this lease, provided, however, that Landlord shall have the right to require Tenant to remove the fixtures at Tenant's cost on termination of this lease. If Tenant is required by Landlord to remove the fixtures on termination of this lease, Tenant shall repair and restore any damages to the leased premises caused by such removal.

### **Mechanics' Liens**

7. If Tenant causes any alterations, additions, or improvements to be made to the Leased Space, Tenant agrees to keep same free of liens for both labor and materials. If a lien is placed on the Leased Space in connection with any construction, repair, or replacement work that Tenant may or must cause to be performed under this lease, which results in a final judgment, Landlord may pay the amount of that judgment. Tenant shall reimburse Landlord for the full amount paid within thirty (30) days after that amount is paid by Landlord; otherwise tenant shall be in default under this lease.

### **Maintenance & Repairs**

8. (a) Subject to the duty of the Landlord under this lease to provide regular cleaning service for the Leased Space and to perform maintenance and repairs for the Leased Space as needed, Tenant shall during the term of this lease maintain the Leased Space, in a good, clean, and safe condition, and shall on expiration or earlier termination of this lease surrender the Leased Space to Landlord in as good condition and repair as existed on the date of this lease, reasonable wear and tear and damage by the elements excepted. Tenant, at Tenant's own expense, shall repair all deteriorations or injuries to the Leased Space or to the Building occasioned by Tenant's lack of ordinary care.

(b) Except as otherwise provided in this lease, Landlord shall perform, at Landlord's sole expense, all repairs and maintenance for the Leased Space. Any repairs by Landlord shall be made promptly with first-class materials, in a good and workmanlike manner, in compliance with all applicable laws of all governmental authorities, and in a style, character, and quality conforming to the existing construction. Except in the case of an emergency, Landlord shall not enter the Leased Space for the purpose of effecting the repairs, alterations, or improvements other than during normal business hours, and shall give Tenant 24-hours' notice of the intention to enter for those purposes.

(c) Except for cases of emergency, Landlord shall make all repairs required hereunder as soon as is practical. In the event Landlord has not made a repair referred to in a written notice from Tenant to Landlord within 30 days after the date of that notice, Tenant shall have the right to have the repair performed and be reimbursed by Landlord. If the full amount of reimbursement is not delivered by Landlord to Tenant within 10 days after Tenant's delivery to Landlord of a written statement or bill evidencing the cost of the repair, Tenant shall have the right to deduct the cost of the repair from the next monthly rent payable to Landlord.

(d) Cleaning maintenance for the Leased Space shall be regularly performed by Landlord on a weekly basis.

### **Inspection by Landlord**

9. Tenant shall permit Landlord or Landlord's agents, representatives, or employees, to enter the Premises at all reasonable times for the purpose of inspecting the Premises to determine whether Tenant is complying with the terms of this lease and for the purpose of doing other lawful acts that may be necessary to protect Landlord's interest in the Premises under this lease.

### **Tenant's Liability Insurance**

10. For the mutual benefit of Landlord and Tenant, Tenant shall during the term of this lease caused to be issued and maintained public liability insurance in the sum of at least \$1,000,000.00 for one occurrence causing injury to or death of one person, and \$2,000,000.00 for all occurrences within a 12-month period, injury to or death or more than one person in any one accident, insuring the Tenant against liability for injury and/or death occurring in or on the Leased Space or in the common areas. Landlord shall be named as an additional insured and the policy shall contain cross-liability endorsements. Tenant shall maintain all such insurance in full force and effect during the entire term of this lease and shall pay all premiums for the insurance. Evidence of insurance and of the payment of premiums shall be delivered to Landlord.

### **Insurance for Tenant's Personal Property**

11. Tenant agrees at all times during the term of this lease to keep, at Tenant's sole expense, all of Tenant's personal property, including trade fixtures and equipment of Tenant that may be on or in the Premises from time to time, insured against loss or damage by fire and by any peril included within fire and extended coverage insurance for an amount that will insure the ability of Tenant to fully replace the personal property, trade fixtures, and equipment.

### **Indemnification**

12. (a) Landlord shall not be liable to Tenant, and Tenant hereby waives all claims against Landlord, for any injury or damage to any person or property in or about the Premises or any part of the Premises by or from any cause whatsoever, except injury or damage to Tenant resulting from acts or omissions of Landlord or Landlord's authorized agents.

(b) Tenant shall hold Landlord harmless from and defend Landlord against any claims or liability for any injury or damage to any person or property whatsoever occurring in, on, or about the Premises or any part of it, and occurring in, on, or about any common areas of the Building when that injury or damage was caused in part or in whole by the act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees, or invitees.

### **Destruction of Premises**

13. If the Premises are damaged or destroyed by any cause not the fault of Tenant, Landlord shall at Landlord's sole cost and expense promptly repair it, and the rent payable under this lease shall be abated for the time and to the extent Tenant is prevented from occupying the Leased Space or Building in its entirety. Notwithstanding the foregoing, if the Premises, or the Building, is/are damaged or destroyed and repair of the damage or destruction cannot be completed within 180 days:

- (a) Landlord may, in lieu of making the repairs required by this paragraph, terminate this lease by giving Tenant 30 days' written notice of termination. A notice of termination must be given by Tenant not later than 30 days after the event causing the destruction or damage; or
- (b) Tenant may terminate this lease by giving Landlord 60 days' written notice of termination.

### **Condemnation**

14. (a) If all or any part of the Premises is taken by any public or quasi-public agency or entity under the power of eminent domain during the term of this lease:

(1) Either Landlord or Tenant may terminate this lease by giving the other thirty (30) days' written notice of termination; provided, however, that Tenant cannot terminate this lease unless the portion of the Premises taken by eminent domain is so extensive as to render the remainder of the Premises useless for the uses permitted by this lease.

(2) If only a portion of the Premises is taken by eminent domain and neither Landlord nor Tenant terminates this lease, the rent thereafter payable under this lease shall be reduced by the same percentage that the floor area of the portion taken by eminent domain bears to the floor areas of the entire Premises.

(b) Any and all damages and compensation awarded or paid because of a taking of the Premises shall belong to the Landlord, and Tenant shall have no claim against Landlord or the entity exercising eminent domain power for the value of the unexpired term of this lease or any other right arising from this lease.

### **Assignment & Subletting**

15. Tenant shall not encumber, assign, sublet, or otherwise transfer this lease, any right or interest in this lease, or any right or interest in the Premises without first obtaining the express written consent of Landlord. Furthermore, Tenant shall not sublet the Premises or any part of it or allow any other persons, other than Tenant's employees and agents, to occupy or use the Premises or any part of it without the prior written consent of

Landlord. A consent by Landlord to one assignment, subletting, or occupation and use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, or occupation and use by another person. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Landlord, terminate this lease. The consent of Landlord to any assignment of Tenant's interest in this lease or the subletting by Tenant of the Leased Space shall not be unreasonably withheld.

### **Acts Constituting Breach by Tenant**

16. The following shall constitute a default under and a breach of this lease by Tenant:

- (a) The nonpayment of rent when due, when the nonpayment continues for ten (10) days after written notice to pay rent or surrender possession of the Premises has been given by Landlord to Tenant;
- (b) A failure to perform any provision, covenant, or condition of this lease other than one for the payment of rent, when that failure is not cured within thirty (30) days after written notice of the specific failure is given by Landlord to Tenant;
- (c) The breach of this lease and abandonment of the Premises before expiration of the term of this lease;
- (d) A receiver is appointed to take possession of all or substantially all of Tenant's property located at the Premises or of Tenant's interest in this lease, when possession is not restored to Tenant within thirty (30) days;
- (e) Tenant makes a general assignment for the benefit of creditors;
- (f) The execution, attachment, or other judicial seizure of substantially all of Tenant's property located at the Premises or of Tenant's interest in this lease, when the seizure is not discharged within fifteen (15) days; or
- (g) The filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under the federal bankruptcy law unless, in the case of a petition filed against Tenant, it is dismissed within thirty (30) days.
- (h) The loss, by any physician employed on the Premises, whether or not signatory to this Lease, of his or her membership in the Active Medical Staff of Northern Inyo Hospital.

The notices provided for in subsections (a) and (b) of this Paragraph 20 are not

intended to replace, but rather are in addition to, any required statutory notices for unlawful detainer proceedings under *Code of Civil Procedure* §1161, *et seq.*

### **Landlord's Remedies**

17. If Tenant breaches or is in default under this lease, Landlord, in addition to any other remedies given Landlord by law, or equity, may:

(a) Continue this lease in effect by not terminating Tenant's right to possession of the Premises and thereby be entitled to enforce all Landlord's rights and remedies under this lease including the right to recover the rent specified in this lease as it becomes due under this lease; or

(b) Terminate this lease and all rights of Tenant under the lease and recover from Tenant:

1. The worth at the time of award of the unpaid rent that had been earned at the time of termination of the lease;
2. The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Tenant proves could have been reasonably avoided;
3. The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; and
4. Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this lease; or

(c) In lieu of, or in addition to, bringing an action for any or all of the recoveries described in subparagraph (b) of this paragraph, bring an action to recover and regain possession of the Premises in the manner provided by California law of unlawful detainer then in effect.

### **Termination Notice**

18. No act of Landlord, including but not limited to Landlord's entry on or into the Premises or efforts to re-let the Premises, or the giving by Landlord to Tenant of a notice of default, shall be construed as an election to terminate this lease unless a written notice of the Landlord's election to terminate this lease is given to Tenant.

### **Waiver of Breach**

19. The waiver by Landlord of any breach by Tenant of any of the provisions of this lease shall not constitute a continuing waiver or a waiver of any subsequent default or breach by Tenant either of the same or a different provision of this lease.

### **Notices**

20. Except as otherwise provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to either party to this lease by the other party shall be in writing, and shall be deemed duly served and given when personally delivered to the party to whom it is directed or any managing employee of that party or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Landlord at 150 Pioneer Lane, Bishop, California 93514, or to Tenant at 153-C Pioneer Lane, Bishop, California 93514. Either party may change its address for purposes of this paragraph by giving written notice of the change to the other party in the manner provided in this paragraph.

### **Attorney's Fees**

21. If any litigation is commenced between the parties to this lease concerning the Premises, this lease, or the rights and duties of either in relation to the Premises or the lease, the party prevailing in that litigation shall be entitled, in addition to any other relief granted, to a reasonable sum as and for its attorney's fees in the litigation which shall be determined by the Court in that litigation or in a separate action brought for that purpose.

### **Binding on Heirs & Successors**

22. This lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties, but nothing in this paragraph shall be construed as a consent by Landlord to any assignment of this of this lease or any interest therein by Tenant except as provided in Paragraph 15 of this lease.

### **Time of Essence**

23. Time is expressly declared to be of the essence of this lease.

### **Sole & Only Agreement**

24. This instrument constitutes the sole and only full, final, and complete agreement between Landlord and Tenant respecting the Premises or the leasing of the Premises to Tenant, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Premises or its leasing



by Landlord to Tenant not expressly set forth in this Agreement are null and void. All prior negotiations between the parties are substituted into this lease to the extent they have been agreed to, and if not agreed to by the parties such negotiations are not set forth in the terms and conditions of this lease. This lease may not be extended, amended, modified, altered, or changed, except in a writing signed by Landlord and Tenant.

**EXECUTED** on September 30, 2008, at the City of Bishop, County of Inyo, State of California.

**Landlord:**

\_\_\_\_\_  
John Halfen, Administrator  
Northern Inyo Hospital

**Tenant:**

\_\_\_\_\_  
David Greene, M.D.

Approved for Form:

\_\_\_\_\_  
DOUGLAS BUCHANAN, Esq.  
Attorney for Landlord

---

**THIS SHEET**

**INTENTIONALLY**

**LEFT BLANK**



**BARRY G. MILLER & ASSOCIATES**  
Insurance Services, Inc.

November 11, 2008

Mr. John Halfen  
Ms. Gayla Blua  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514-2599

Dear John & Gayla:

I have enclosed your health plan renewal report for plan year 2009. This health plan report includes:

- Annual financial totals;
- Claims rates year by year dating back to when we started working with you in 1996;
- Large claims reports;
- Current and renewal rate options;
- Pinnacle Claims Management's administration renewal letter.

This year, our actual paid claims through September are \$1,735,533 vs. an aggregate ceiling of \$2,709,300 so we had a favorable overall claims year. However, we had 16 large claims, i.e. those exceeding \$30,000, or half our \$60,000 deductible, representing 48% of total claims through September. Of these 16 claims, five exceeded \$60,000. We have received \$122,621 (reinsurance reimbursements) to date. Last plan year, we received \$643,000 in specific reimbursements or almost two years' specific stop-loss premiums.

Note your overall claims to date this year decreased to \$711.58 per employee per month vs. last year's \$790.97 per employee per month, a decrease of 9%. If you exclude the five claims exceeding \$60,000, claims per employee per month decreases even further to \$523.23.

Through a series of back and forth negotiations, we were able to lower the current reinsurer's (Sun Life) rates down from an initial 25% increase on the specific stop-loss to a 22% increase for the current specific deductible of \$60,000, as shown on page 6. Sun Life also showed a higher deductible option \$70,000 which would reduce the increase to 7.5%. Of the 16 large claims this year, four have exceeded \$70,000 making this specific deductible a good choice for the coming year. Each year, along with negotiating with your current reinsurer, we search a variety of the competitive outside reinsurers and this year, Sun Life's renewal was the most competitive.

All in all, it's a good renewal given your large claim history. If you have questions after reviewing our report, please call and we can go over these rates in further detail and answer any questions you might have. We're looking forward to working with you again this year.

Regards,

*Barry*  
Barry Miller

*Terri*  
Terri Zinchiak

BGM:tz  
Enclosures

# **Northern Inyo Hospital Health Plan Renewal Report**

Barry G. Miller & Associates  
License #0B20769  
November 13, 2008

# NORTHERN INYO HOSPITAL RENEWAL REPORT TABLE OF CONTENTS

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**NORTHERN INYO HOSPITAL**  
**Current Year-to-Date Totals**  
**Plan Year 2008**  
**January 1, 2008 – September 30, 2008**

	<u>Current Maximum Liability</u>	<u>Actual Costs</u>	<u>Percentage of Total</u>
Claims:	\$2,709,300	\$1,735,533	86.9%
Stop-Loss Premiums:	\$ 14,994	\$ 14,994	.5%
Individual Stop-Loss:	\$ 294,516	\$ 294,516	9.5%
Administration:	\$ 79,698	\$ 79,698	2.6%
ASO Fees:	\$ 15,505	\$ 15,505	.5%
<b>TOTALS</b>	<b>\$3,114,013</b>	<b>\$2,140,246</b>	<b>100%</b>
Dollar Savings (Nine Months)		\$ 973,767	
Percentage Savings			31%

Assumptions:

Current Worst Case aggregate claims liability was calculated using the actual aggregate for the first nine months.

Actual paid claims were calculated using nine months of claims.

Stop-loss and individual stop-loss premiums were based on actual premiums paid over nine months and assumes counts of 1,147 single employees and 1,291 families for the months of January through September 2008.

Administration was based on actual employee counts for nine months of 1,147 singles and 1,291 families.

# NORTHERN INYO HOSPITAL

## Claims Comparison by Plan Year

<u>Plan Year</u>	<u>Total Annual Claims</u>	<u>Average Monthly Claims</u>	<u>Average Claims Per Employee</u>
1996-97	\$ 715,755	\$ 62,239	\$ 327.57
1997-98 (Jan.-Dec.)	\$ 697,224	\$ 73,392	\$ 365.13
1998-99 (Jan. 98-March 99)	\$ 849,624	\$ 70,802	\$ 317.50
1999-00 (Jan. 99 -March 00)	\$1,080,348	\$ 99,029	\$ 444.08
2000-01 (Jan. 00 – March 01)	\$1,363,511	\$113,626	\$ 465.68
2001-02 (Jan. 01 – Mar. 02)	\$1,500,462	\$125,039	\$ 529.83 +14%
2002-03 (Jan. 02 – Mar. 03)	\$2,037,981	\$169,832	\$ 696.03 +31%
2003-04 (Jan. 03 – Mar. 04)	\$1,829,263	\$154,239	\$ 621.93 - 11%
2004-05 (Jan. 04 – Mar. 05)	\$2,622,830	\$218,569	\$ 827.91 + 33%
2005-06 (Jan. 05 – Mar. 06)	\$2,257,946	\$188,162	\$ 704.73 – 15%
2006-07 (Jan. 06 – Mar. 07)	\$2,453,238	\$204,437	\$ 759.99 + 7.8%
2007-08 (Jan. 07 – Mar. 08)	\$2,486,818	\$207,235	\$ 790.97 + 4%
2008-09 (Jan. 08 – Sept. 08)	\$1,735,533	\$192,837	\$ 711.58 - 9%

\* Numbers based on actual claims experience and employee counts.



**CONFIDENTIAL**  
**Northern Inyo Hospital**  
**Large Claims**

Taken from Pinnacle Claims Mgmt. stop-loss report through September 2008:

Employee	\$ 144,583
Employee	\$ 88,908
Employee	\$ 88,908
Employee	\$ 74,408
Dependent	\$ 62,571
Employee	\$ 58,041
Employee	\$ 49,006
Employee	\$ 43,902
Dependent	\$ 43,901
Employee	\$ 39,445
Dependent	\$ 37,728
Employee	\$ 34,969
Employee	\$ 32,368
Employee	\$ 31,964
Dependent	\$ 31,468
Employee	\$ 30,021
Employee	
<b>Sub-Total</b>	<b>\$ 892,191 or 48% of total claims paid</b>
<b>Reimbursed by Stop-Loss Company</b>	<b>\$ 122,621</b>

Pinnacle Claims Management Inc  
Monthly Aggregate Report

Product: Medical, RX & Dental  
(12/15)

Company: Northern Inyo Hospital  
Effective Date: 01/01/2000

Contract Year: 1/1/2008 thru 12/31/2008  
Monthly Maximum Claim Liability:

Family	
Med & RX	\$ 1,000.00
Dental	\$ 100.00
Total	\$ 1,100.00

Month	Coverage	Enrollment			Aggregate Month	Deductible YTD	Medical - 80% Domestic				Claims Paid				YTD
		EE only	EE + 1 or more	Total Family			Medical - Foreign	Medical - Domestic	Dental	RX Card	Month	Specific Received	Net		
Jan-08	Med & Rx	119	161	270	\$300,200.00	\$0.00	\$24,751.35	\$19,801.08	\$10,368.50	\$33,862.70	\$64,032.28	\$0.00	\$64,032.28	\$64,032.28	
Feb-08	Dental	104	198	302	\$30,200.00	\$4,672.22	\$25,183.84	\$20,146.43	\$12,110.50	\$32,674.62	\$69,503.77	\$0.00	\$69,503.77	\$133,536.05	
Mar-08	Med & Rx	121	148	269	\$269,000.00	\$599,200.00	\$25,183.84	\$20,146.43	\$12,110.50	\$32,674.62	\$69,503.77	\$0.00	\$69,503.77	\$133,536.05	
Apr-08	Dental	105	195	300	\$30,000.00	\$900,400.00	\$162,028.81	\$129,623.05	\$28,034.90	\$31,909.57	\$312,206.57	\$0.00	\$312,206.57	\$445,742.62	
May-08	Med & Rx	122	149	271	\$30,200.00	\$1,209,600.00	\$64,101.75	\$50,647.59	\$23,991.70	\$31,981.21	\$170,922.25	\$0.00	\$170,922.25	\$616,664.87	
Jun-08	Dental	106	197	302	\$30,200.00	\$1,503,700.00	\$101,637.24	\$120,347.68	\$16,335.95	\$31,580.42	\$245,831.75	\$0.00	\$245,831.75	\$962,496.63	
Jul-08	Med & Rx	120	161	271	\$30,100.00	\$1,863,700.00	\$76,278.82	\$115,454.05	\$22,342.10	\$43,373.55	\$234,365.71	\$0.00	\$234,365.71	\$1,096,662.34	
Aug-08	Dental	107	194	301	\$30,100.00	\$2,104,800.00	\$136,881.74	\$117,001.24	\$19,789.90	\$28,079.38	\$278,352.01	\$28,100.50	\$250,251.51	\$1,347,113.85	
Sep-08	Med & Rx	105	196	301	\$30,100.00	\$2,405,900.00	\$87,693.65	\$70,154.92	\$17,231.90	\$26,525.38	\$230,913.44	\$23,220.11	\$207,693.33	\$1,554,807.18	
Oct-08	Dental	107	197	304	\$30,400.00	\$2,709,300.00	\$193,994.32	\$5,509.41	\$27,109.50	\$26,525.38	\$252,026.73	\$71,300.63	\$180,726.10	\$1,735,533.28	
Nov-08	Med & Rx	107	197	304	\$30,400.00	\$2,709,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,735,533.28	
Dec-08	Dental	107	197	304	\$30,400.00	\$2,709,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,735,533.28	
Jan-09	Med & Rx	107	197	304	\$30,400.00	\$2,709,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,735,533.28	
Feb-09	Dental	107	197	304	\$30,400.00	\$2,709,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,735,533.28	
Mar-09	Med & Rx	107	197	304	\$30,400.00	\$2,709,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,735,533.28	
<b>TOTALS</b>		2093	3068	5151	\$2,709,300.00	\$2,709,300.00	\$817,196.38	\$721,638.72	\$577,230.98	\$177,314.96	\$1,868,164.52	\$122,621.24	\$1,735,533.28	\$1,735,533.28	

Pinnacle Claims Management Inc  
Monthly Aggregate Report

Product: Medical, RX & Dental  
(12/15)

Company: Northern Inyo Hospital  
Effective Date: 01/01/2000

Contract Year: 1/1/2007 thru 12/31/2007  
Monthly Maximum Claim Liability:

Med & RX	\$ 1,130.00
Dental	\$ 90.00
<b>Total</b>	<b>\$ 1,220.00</b>

**Claims Paid**

Month	Coverage	EE only	EE + 1 or more	Total Family	Aggregate Month	Deductible YTD	Medical - Foreign	Medical - Domestic	Medical - 80% Domestic	Dental	RX Card	Month	Specific Received	Net	YTD
Jan-07	Med & Rx	122	137	259	\$ 252,670.00	\$ 318,590.00	\$ 156.00	\$ -	\$ -	\$ 5,476.90	\$ 16,324.99	\$ 21,957.89	\$ -	\$ 21,957.89	\$ 21,957.89
Jan-07	Dental	124	164	288	\$ 25,920.00					\$ 13,512.20	\$ 28,160.25	\$ 73,431.15	\$ -	\$ 73,431.15	\$ 95,389.04
Feb-07	Med & Rx	119	140	259	\$ 292,670.00	\$ 637,180.00	\$ 20,585.88	\$ 13,965.90	\$ 11,172.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 398,569.25
Feb-07	Dental	98	190	288	\$ 25,920.00	\$ 954,550.00	\$ 197,768.96	\$ 60,842.64	\$ 48,674.11	\$ 23,698.30	\$ 33,038.84	\$ 303,180.21	\$ -	\$ 303,180.21	\$ 461,663.00
Mar-07	Med & Rx	116	142	258	\$ 281,540.00	\$ 954,550.00	\$ 197,768.96	\$ 60,842.64	\$ 48,674.11	\$ 12,560.10	\$ 34,023.43	\$ 63,083.75	\$ -	\$ 63,083.75	\$ 514,384.45
Mar-07	Dental	95	192	287	\$ 25,830.00	\$ 1,274,450.00	\$ 13,133.36	\$ 4,221.07	\$ 3,376.86	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 461,663.00
Apr-07	Med & Rx	116	144	260	\$ 289,800.00	\$ 1,274,450.00	\$ 13,133.36	\$ 4,221.07	\$ 3,376.86	\$ 23,595.80	\$ 31,015.31	\$ 165,983.53	\$ 113,262.08	\$ 52,721.45	\$ 786,097.22
Apr-07	Dental	97	193	290	\$ 26,100.00	\$ 1,595,570.00	\$ 44,987.27	\$ 82,981.44	\$ 66,385.15	\$ 20,382.40	\$ 28,533.45	\$ 271,712.77	\$ -	\$ 271,712.77	\$ 926,472.25
May-07	Med & Rx	114	147	261	\$ 284,930.00	\$ 1,595,570.00	\$ 44,987.27	\$ 82,981.44	\$ 66,385.15	\$ 23,143.50	\$ 30,015.80	\$ 140,375.03	\$ -	\$ 140,375.03	\$ 1,078,184.63
May-07	Dental	96	195	291	\$ 26,190.00	\$ 2,242,780.00	\$ 45,480.97	\$ 52,168.45	\$ 41,734.76	\$ 15,855.10	\$ 30,447.43	\$ 166,455.42	\$ -	\$ 166,455.42	\$ 1,333,951.11
Jun-07	Med & Rx	118	146	264	\$ 296,320.00	\$ 1,920,440.00	\$ 149,784.02	\$ 91,266.12	\$ 73,012.90	\$ 17,242.30	\$ 32,498.21	\$ 255,766.47	\$ -	\$ 255,766.47	\$ 1,480,454.52
Jun-07	Dental	100	195	295	\$ 26,550.00	\$ 2,565,300.00	\$ 65,605.68	\$ 68,184.01	\$ 54,547.21	\$ 22,471.77	\$ 28,298.85	\$ 175,287.79	\$ 18,784.38	\$ 156,503.41	\$ 1,680,926.94
Jul-07	Med & Rx	118	144	262	\$ 28,280.00	\$ 2,565,300.00	\$ 65,605.68	\$ 68,184.01	\$ 54,547.21	\$ 21,986.80	\$ 32,779.98	\$ 222,157.21	\$ 21,664.79	\$ 200,472.42	\$ 1,850,751.83
Jul-07	Dental	98	194	292	\$ 26,060.00	\$ 2,888,000.00	\$ 82,820.58	\$ 154,006.73	\$ 123,205.38	\$ 17,242.30	\$ 32,498.21	\$ 255,766.47	\$ -	\$ 255,766.47	\$ 2,101,518.27
Aug-07	Med & Rx	116	146	262	\$ 296,060.00	\$ 2,888,000.00	\$ 82,820.58	\$ 154,006.73	\$ 123,205.38	\$ 17,242.30	\$ 32,498.21	\$ 255,766.47	\$ -	\$ 255,766.47	\$ 2,357,284.71
Aug-07	Dental	97	197	294	\$ 26,460.00	\$ 3,213,050.00	\$ 56,448.46	\$ 85,063.26	\$ 68,050.61	\$ 22,471.77	\$ 28,298.85	\$ 175,287.79	\$ 18,784.38	\$ 156,503.41	\$ 2,514,048.12
Sep-07	Med & Rx	117	145	262	\$ 296,060.00	\$ 3,213,050.00	\$ 56,448.46	\$ 85,063.26	\$ 68,050.61	\$ 21,986.80	\$ 32,779.98	\$ 222,157.21	\$ 21,664.79	\$ 200,472.42	\$ 2,714,520.54
Sep-07	Dental	98	198	296	\$ 26,640.00	\$ 3,541,850.00	\$ 97,715.77	\$ 87,093.33	\$ 69,674.66	\$ 16,697.60	\$ 30,250.19	\$ 323,131.14	\$ 163,306.25	\$ 159,824.89	\$ 2,874,345.43
Oct-07	Med & Rx	116	148	264	\$ 296,320.00	\$ 3,541,850.00	\$ 97,715.77	\$ 87,093.33	\$ 69,674.66	\$ 16,697.60	\$ 30,250.19	\$ 323,131.14	\$ 163,306.25	\$ 159,824.89	\$ 3,033,904.07
Oct-07	Dental	97	200	297	\$ 26,730.00	\$ 3,874,220.00	\$ 185,842.58	\$ 112,925.96	\$ 90,340.77	\$ 16,697.60	\$ 30,250.19	\$ 323,131.14	\$ 163,306.25	\$ 159,824.89	\$ 3,193,728.96
Nov-07	Med & Rx	117	150	267	\$ 301,710.00	\$ 3,874,220.00	\$ 185,842.58	\$ 112,925.96	\$ 90,340.77	\$ 16,697.60	\$ 30,250.19	\$ 323,131.14	\$ 163,306.25	\$ 159,824.89	\$ 3,353,553.85
Nov-07	Dental	100	201	301	\$ 27,090.00	\$ 4,145,310.00	\$ 203,243.02	\$ 203,243.02	\$ 162,594.42	\$ 10,375.40	\$ 13,958.22	\$ 462,141.84	\$ 13,242.05	\$ 448,899.79	\$ 3,802,453.64
Dec-07	Med & Rx	120	150	270	\$ 305,100.00	\$ 4,145,310.00	\$ 203,243.02	\$ 203,243.02	\$ 162,594.42	\$ 10,375.40	\$ 13,958.22	\$ 462,141.84	\$ 13,242.05	\$ 448,899.79	\$ 4,051,352.83
Dec-07	Dental	104	199	303	\$ 27,270.00	\$ 4,417,580.00	\$ 74,646.21	\$ 79,487.81	\$ 63,590.25	\$ 3,280.60	\$ (107.78)	\$ 141,389.28	\$ 99,160.10	\$ 42,229.18	\$ 4,093,581.91
Jan-08							\$ 205,355.70	\$ 47,089.06	\$ 37,871.25	\$ 4,833.65	\$ -	\$ 247,860.60	\$ 102,923.87	\$ 144,936.73	\$ 4,238,518.64
Feb-08							\$ 1,515,543.34	\$ 1,142,538.80	\$ 914,031.04	\$ 235,092.42	\$ 369,237.27	\$ 3,033,904.07	\$ 547,086.55	\$ 2,486,817.52	\$ 6,725,336.16
Mar-08							\$ 3,874,220.00	\$ 3,874,220.00	\$ 3,874,220.00	\$ 235,092.42	\$ 369,237.27	\$ 3,033,904.07	\$ 547,086.55	\$ 2,486,817.52	\$ 10,212,153.72
<b>RunOut</b>															
Jan-08							\$ 275,213.80	\$ 203,243.02	\$ 162,594.42	\$ 10,375.40	\$ 13,958.22	\$ 462,141.84	\$ 13,242.05	\$ 448,899.79	\$ 2,299,651.61
Feb-08							\$ 74,646.21	\$ 79,487.81	\$ 63,590.25	\$ 3,280.60	\$ (107.78)	\$ 141,389.28	\$ 99,160.10	\$ 42,229.18	\$ 2,341,880.79
Mar-08							\$ 205,355.70	\$ 47,089.06	\$ 37,871.25	\$ 4,833.65	\$ -	\$ 247,860.60	\$ 102,923.87	\$ 144,936.73	\$ 2,486,817.52
<b>Totals</b>															
		2613	4057	6670	\$ 3,874,220.00	\$ 3,874,220.00	\$ 1,515,543.34	\$ 1,142,538.80	\$ 914,031.04	\$ 235,092.42	\$ 369,237.27	\$ 3,033,904.07	\$ 547,086.55	\$ 2,486,817.52	\$ 2,486,817.52

**NORTHERN INYO HOSPITAL**  
**Reinsurance Renewal**  
**12/15 Contract effective January 1, 2009**

		<b><u>Current</u></b> <b><u>\$60,000</u></b> <b><u>Specific</u></b>	<b><u>Original</u></b> <b><u>\$60,000</u></b> <b><u>Renewal</u></b>	<b><u>Negotiated</u></b> <b><u>\$60,000</u></b> <b><u>Renewal</u></b>	<b><u>Optional</u></b> <b><u>\$70,000</u></b> <b><u>Specific</u></b>
<b>Individual Stop-Loss:</b>					
Individual Stop-Loss Rates **	Single	\$ 72.35	\$ 90.44	\$ 88.27	\$ 77.76
	Family	\$ 163.85	\$ 204.81	\$ 199.90	\$ 176.10
Annual Premium		\$ 383,053	\$ 478,816	\$467,334	\$411,692
Contract Basis		12/15	12/15	12/15	12/15
<b>Administration: (claims processing)***</b>					
	Employee Composite	\$ 32.69	\$ 34.06	\$ 34.06	\$ 34.06
Annual		\$ 107,092	\$ 111,581	\$ 111,581	\$ 111,581
<b>Aggregate Premium:</b>					
	Employee Composite	\$ 6.15	\$ 6.30	\$ 6.30	\$ 6.30
Annual		\$ 20,147	\$ 20,639	\$ 20,639	\$ 20,639
<b>ASO Fees: Annual**</b>		\$ 20,674	\$ 21,398	\$ 21,398	\$ 21,398
<b>Claims:</b>					
Aggregate Claims Rate	Medical	\$ 840.00	\$ 885.00	\$ 885.00	\$ 905.00
	RX	\$ 175.00	\$ 190.00	\$ 190.00	\$ 190.00
	Dental	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Contract Basis		12/15	12/15	12/15	12/15
Annual Claims Maximum**		\$3,652,740	\$3,849,300	\$3,849,300	\$3,914,820

\* Renewal shown on an incurred and paid (24/12) contract basis.

\*\* Current and renewal annual premium based on 140 single employees and 133 family units. Specific coverage includes prescription drugs. ASO fee based on \$6.58 PEPM and remains the same as last plan year.

\*\*\* Medical, dental and RX administration.

**Renewal Costs (Reinsurance, Administration and Claims Costs)**  
**Annual Totals**

**Sun Life Insurance Company**  
**Reinsurance Renewal**  
**12/15 Contract**

	<b>Current \$60,000 Specific</b>	<b>Original \$60,000 Renewal</b>	<b>Negotiated \$60,000 Renewal</b>	<b>Optional \$70,000 Specific</b>
<b>Individual Stop-Loss:</b>	\$ 383,052	\$ 478,816	\$ 467,334	\$ 411,692
<b>Administration:</b>	\$ 107,092	\$ 111,581	\$ 111,581	\$ 111,581
<b>Aggregate Premium:</b>	\$ 20,147	\$ 20,639	\$ 20,639	\$ 20,639
<b>ASO Fees:</b>	\$ 20,674	\$ 21,398	\$ 21,398	\$ 21,398
<b>Annualized Current Claims:</b>	\$2,314,044	\$2,314,044	\$2,314,044	\$2,314,044
<b>FIXED COSTS TOTAL</b>	\$ 530,966	\$ 632,434	\$ 620,952	\$ 565,310
% Difference from Current Rates		+19%	+17%	+6.4%
<b>"Worst Case" Claims Liability:</b>	\$3,652,740	\$3,849,300	\$3,849,300	\$3,914,820
<b>"Worst Case" Total Costs:</b>	\$4,183,706	\$4,481,734	\$4,470,252	\$4,480,130
<b>TOTAL COSTS</b>	\$2,845,010	\$2,946,478	\$2,934,996	\$2,879,354
(If claims equal this plan year – \$2,314,044)				
% Difference from Current		+3.6%	+3.2%	+1.2%

## **Sun Life's Proposal Qualifications and Contingencies**

Renewal acceptance is subject to possible revision based upon receipt and review of the following items:

Paid claims experience through 12/31/08 including monthly enrollment figures.

Updated shock loss information through 10/31/08. Shock loss information should include injuries, illnesses, diseases, diagnoses or other losses of the type which are reasonably likely to result in a significant medical expense claim or disability, regardless of current claim dollar amount.

Proposal assumes that benefits will be administered by Pinnacle Claims Management and that the Blue Cross Prudent Buyer network will be utilized.

## Health Plans Surveyed

---

<u>Insurance Company</u>	<u>Response</u>
Intermediary Insurance Services	15% higher than negotiated renewal
Sun Life Assurance Company	Shown in proposal
Hartford Life/NBR	Declined to quote
Cairnstone re	Declined to quote
Best re	Declined to quote
HCC Life	Declined to quote



October 31, 2008

Mr. John Halfen  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514-2599

Re: PCMI Contract Renewal

Dear Mr. Halfen:

Our records indicate that the Northern Inyo Hospital contract with Pinnacle Claims Management, Inc. (PCMI) is scheduled to renew on January 1, 2009. Your service fee will increase by 3.2% based on the West Urban Consumer Price Index, which generally reflects the increase in our internal costs of doing business. The administrative per employee per month (pepm) fee will increase from \$18.33 to the new monthly rate of \$18.98.

Also, Anthem Blue Cross of California will increase their network fee from the current rate of \$14.36 pepm to \$15.08 pepm.

Please sign, date and return the provided amendment at your earliest convenience. These rates will automatically take effect January 1, 2009 unless we otherwise hear from you.

PCMI truly respects the relationship we have formed and welcomes all communication. If there are any questions or concerns, please contact me directly at 949-885-2209.

Sincerely,

David Zanze  
President

Cc: Gayla Blue, Northern Inyo Hospital  
Terri Zinchiak, Barry G. Miller & Associates



# AMENDMENT X

## ADMINISTRATIVE SERVICE AGREEMENT

The following Amendment to the Administrative Service Agreement between Pinnacle Claims Management, Inc. and Northern Inyo Hospital is made to **ATTACHMENT C – SCHEDULE OF SERVICE FEES** to the rate schedule for administrative services performed by TPA as follows:

**PCMI ADMINISTRATIVE MONTHLY SERVICE FEE**  
**PER SINGLE OR FAMILY UNIT** ..... \$18.98

**ANTHEM BLUE CROSS MONTHLY NETWORK ACCESS FEE**  
**PER SINGLE OR FAMILY UNIT** ..... \$15.08

All other terms of the Agreement shall remain unchanged. The above amendment is agreed upon by ADMINISTRATOR and TPA effective as of January 1, 2009, and is duly executed by their respective officers duly authorized to do so:

**FOR THE PLAN ADMINISTRATOR:**

By: \_\_\_\_\_


Printed Name: John Halfen

Title: CFO

Dated at: \_\_\_\_\_

This \_\_\_\_\_ day of \_\_\_\_\_, 2008

**FOR PINNACLE CLAIMS MANAGEMENT, INC.:**

By: 

Printed Name: David Zanze

Title: President

Dated at: Irvine, CA

This 31<sup>st</sup> day of October, 2008

# AMENDMENT X

## ADMINISTRATIVE SERVICE AGREEMENT

The following Amendment to the Administrative Service Agreement between Pinnacle Claims Management, Inc. and Northern Inyo Hospital is made to **ATTACHMENT C – SCHEDULE OF SERVICE FEES** to the rate schedule for administrative services performed by TPA as follows:

**PCMI ADMINISTRATIVE MONTHLY SERVICE FEE**  
**PER SINGLE OR FAMILY UNIT** ..... \$18.98

**ANTHEM BLUE CROSS MONTHLY NETWORK ACCESS FEE**  
**PER SINGLE OR FAMILY UNIT** ..... \$15.08

All other terms of the Agreement shall remain unchanged. The above amendment is agreed upon by ADMINISTRATOR and TPA effective as of January 1, 2009, and is duly executed by their respective officers duly authorized to do so:

**FOR THE PLAN ADMINISTRATOR:**

By: \_\_\_\_\_


Printed Name: John Halfen

Title: CFO

Dated at: \_\_\_\_\_

This \_\_\_\_\_ day of \_\_\_\_\_, 2008

**FOR PINNACLE CLAIMS MANAGEMENT, INC.:**

By: 

Printed Name: David Zanze

Title: President

Dated at: Irvine, CA

This 31<sup>st</sup> day of October, 2008

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### Databases, Tables & Calculators by Subject

FONT SIZE:

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include graphs **NEW!**

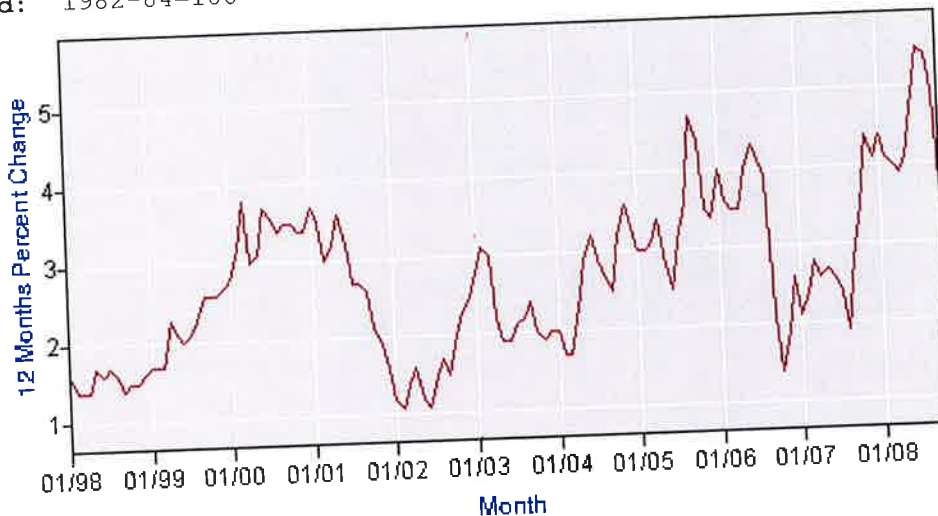
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Data extracted on: November 25, 2008 (1:34:04 PM)

#### Consumer Price Index - All Urban Consumers

##### 12 Months Percent Change

Series Id: CUSR0000SA0  
Seasonally Adjusted  
Area: U.S. city average  
Item: All items  
Base Period: 1982-84=100



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1998	1.6	1.4	1.4	1.4	1.7	1.6	1.7	1.6	1.4	1.5	1.5	1.6			
1999	1.7	1.7	1.7	2.3	2.1	2.0	2.1	2.3	2.6	2.6	2.6	2.7			
2000	2.8	3.2	3.8	3.0	3.1	3.7	3.6	3.4	3.5	3.5	3.4	3.4			
2001	3.7	3.5	3.0	3.2	3.6	3.2	2.7	2.7	2.6	2.1	1.9	1.6			
2002	1.2	1.1	1.4	1.6	1.2	1.1	1.5	1.7	1.5	2.0	2.3	2.5			
2003	2.8	3.1	3.0	2.2	1.9	1.9	2.1	2.2	2.4	2.0	1.9	2.0			
2004	2.0	1.7	1.7	2.3	2.9	3.2	2.9	2.7	2.5	3.2	3.6	3.3			
2005	3.0	3.0	3.1	3.4	2.8	2.5	3.1	3.6	4.7	4.4	3.5	3.4			
2006	4.0	3.6	3.5	3.5	4.0	4.3	4.1	3.9	2.1	1.4	1.9	2.6			
2007	2.1	2.4	2.8	2.6	2.7	2.6	2.4	1.9	2.8	3.5	4.4	4.1			
2008	4.4	4.1	4.0	3.9	4.1	4.9	5.5	5.4	4.9	3.7					

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**Vincent G. Ciott**  
**12 Centaurus Ranch Road**  
**Santa Fe, NM 87507**  
**Voice: 505/466-4958**  
**E-Mail: vciotti@hispros.com**

November 11, 2008

Adam Taylor, IT Director  
Northern Inyo Hospital  
110 North Poplar Street  
Oxford, Ohio 45056

Dear Adam,

It was a pleasure meeting you and Linda at our HIS Buyers Seminar last month. Per our telephone discussions, following is our firm's proposal to assess the Hospital Information Systems (HIS) at Northern Inyo Hospital (NIH). This engagement letter documents our understanding of the scope of the project and the nature of the services we would provide:

#### **A. Project Objectives and Scope**

- NIH has been using QuadraMed's "Affinity" system for its core HIS applications for many years, and the core financial applications in Access, HIM and Revenue Cycle are performing adequately.
- However, the Affinity clinical applications have been sunset by QuadraMed in favor of the new QuadraMed Computerized Patient Record (QCPR) product that they recently acquired from Misys.
- As a 25-bed critical access hospital, NIH is concerned that the new QCPR product is not only costly in terms of license and implementation fees to QuadraMed, but might also be too costly in terms of ongoing support and staffing from the IT and nursing departments.
- Rather than being forced to install QCPR, NIH is considering searching the HIS market for a competitive replacement system to learn more about its alternatives before making such a large decision.
- NIH recently observed several new systems that might be more affordable and modern than QCPR, such as McKesson's Paragon, IntraNexus' Sapphire and Healthland, but each has their own pros and cons in turn.
- Since the QCPR system or a replacement HIS would cost a million or more of scarce capital dollars, NIH is desirous of an outside, expert assessment of its current IT situation before choosing a course of action.

- Accordingly, our firm is proposing to perform an assessment of the IT situation there to analyze the current QuadraMed and standalone systems' effectiveness, address the issue of staffing and support capabilities of IT and nursing, and recommend the appropriate vendors to consider if QuadraMed's QCPR is not the best course to pursue.

## B. About Our Firm

- Under separate cover we are providing literature describing our firm's experience and qualifications. Briefly, our profile comprises:
  - 21 years in the Healthcare Information System (H.I.S.) consulting business, since being incorporated in 1987.
  - 9 full-time consultants, who average over 30 years experience in the HIS industry *each*.
  - We provided exclusive IT consulting services for The Hunter Group, the nationally renowned turnaround consulting firm, and their successor firm, Navigant Consulting.
  - We have consulted to over 310 health care facilities around the country, including 170 IT assessments.
  - Our firm's principals are nationally recognized experts in HIS systems, having spoken at over a dozen national conferences sponsored by ACHE, HFMA and HIMSS, and having had many articles published in national journals.
- Among our 300+ clients, we recommend NIH contact the following which are either recent IT assessments, or close in size and proximity:
  - Tahoe Forest Hospital District – 50 beds in Truckee, CA, where we performed an IT Assessment of their Keane First Coast system for Ms. Jay O'Hanlon, CIO (530) 582-3494.
  - Grande Ronde Hospital – 25 beds in La Grande, Oregon, where we recently completed the selection and contract negotiation of a replacement for their McKesson "Star" system for Parhez Satar, CIO: (541) 963-1841.
  - Kimball Health Services – 25 beds in Kimball, NE, we just completed a system selection and contract negotiation for Ms. Julie Green, Clinical IT Coordinator, and Nicole Nieman, IT Director (308) 235-1952.
  - Franciscan Physician Hospital, 50 beds in Munster, IN, where we are *currently* working on a system selection and contract negotiation for Mr. Mark Laurel, IT Director (219) 934-2086.



- Tri-County Hospital – 25 beds in Lexington, Nebraska, who we recently (2005) assisted in selecting and negotiating a contract for a new HIS for Mr. Calvin Hiner, CEO (308) 324-8303.
- Hillsdale Community Health Center – 50 beds in Hillsdale, MI, where we just completed a system selection and contact negotiation for Ms. Valerie Fetters, CFO and Jim Christy, CIO: (517) 437-5232

**C. Approach** – We propose to perform the IT Assessment through the following key steps:

1. Study advanced written materials - Below is a list of documents we would like to study in advance before arriving on-site in order to “hit the ground running:”
  - IT Strategic Plan, and any overall NIH strategic or marketing plan, which would provide details about current applications installed & the hospital’s future direction (eg: physician practice acquisitions, shift in inpatient or outpatient volumes, managed care pressures, competitive facilities, etc.).
  - Organization charts:
    - High-level for the Hospital, showing executives, key department heads and any non-acute modalities.
    - IT departments in detail, showing *all* FTEs, including any “coordinators” in user departments.
  - Current and previous years’ expense reports (actual versus budget) for the IT department, as well as the capital budget.
  - Contracts with major HIS vendors such as QuadraMed, and copies of their recent month’s invoices.
2. Conduct On-Site Interviews – after studying these documents, we would conduct on-site interviews with NIH executives, user departments and IT personnel, per the following rough schedule:
 

**DAY 1: Executives & IT Department:**

  - AM = one hour with each of the hospital’s key executives: the CEO, COO, CFO, and CMO.

- PM = IT, starting with the Director for 2 hours, then one hour with managers over clinical and financial systems.

**DAY 2: IT department technical review:**

- AM = review of data center: security, environmental support, disaster recovery, backup procedures, server capacity, etc.
- PM = review of infrastructure: desktops, wide and local area networks, password security, Internet access, etc.

**DAY 3: Financial system users:**

- AM = 1 hour each with: Patient Access (Admitting & OP Reg.), Revenue Cycle, and HIM (Medical Records).
- PM = 1 hour each with: Materials, Accounts Payable, Payroll, HR, and General Ledger.

**DAY 4: Clinical system users:**

- AM = Nursing department: nursing executive, "typical" floor nurse, & unit secretary, including a visit to a nurse station to observe orders & results and any automated nursing documentation. Also, visit the physician's lounge and medical library to ascertain resources there for MDs. Lastly, interview with any physician(s) using Affinity for results reporting.
- PM = Ancillary departments: 1 hour each with Laboratory, Pharmacy, Radiology and OR/ED to discuss standalone systems and HIS interfaces.

3. Quantify Interview Results – during the interviews with executives, IT, end users and physicians, we would fill out our numeric rating forms to enable comparisons to scores to other hospitals in terms of user satisfaction and physician friendliness.

4. Analyze Data & Draft Report - We would then analyze the data gathered and draft a preliminary report, which would contain:

- Analysis of the application portfolio for major systems, showing our candid assessment of the Affinity and standalone systems, as well as any "gaps" compared to industry norms.
- User satisfaction and physician-friendliness scores, showing numeric graphs of the results of the interviews conducted with

end user departments and physicians and comparison to scores from other like facilities.

- Current and projected capital and operating IT costs, including a comparison of costs and staffing levels to similar institutions, with recommendations for potential efficiencies.
- Assessment of the IT technical environment: organization chart, data center, network, security, change controls, password management, HIPAA compliance, etc.
- Tactical (1-2 year) and strategic (3-5 year) recommendations on how the hospital could potentially improve IT and realize greater benefit, with time lines for any major initiatives.
- Estimate of the capital and operating costs of recommended vendors that might be more cost-effective than QuadraMed's QCPR offering and appropriate for NIH's size.

4. Present Report - We would first preview the report (about 50 pages in PowerPoint) to IT management, to insure we have not missed any major points nor made any errors in our data gathering and analysis. We would then revise the report if needed, and present it to NIH's management team, leading a discussion on our findings to obtain a consensus on the best course to pursue.

## E. STAFF

We propose to staff this project with two of our firm's most experienced consultants who have performed a number of IT assessments as a team:

- Vince Ciotti - with 39 years experience in the HIS industry would lead the assessment, conducting the on-site interviews with executives and clinical users, and writing & delivering the actual report. Mr. Ciotti has performed over 100 IT assessments, many with The Hunter Group, and would be responsible for the overall engagement.
- Barry Mathis - with 25 years in the HIS and IT industries, including several years as an IT auditor with CHAN (Catholic Health Audit Network), would assist in the interviews and perform the technical review of IT internal operations, write that section of the report, and participate in the report presentation.

## F. FEES

Based on the above description of major steps, our fees for this engagement would be as follows:

- Estimate of Person-Days: - based on the above description of activities, our person-day estimates for each consultant are:

<u>TASK</u>	<u>VC</u>	<u>BM</u>	<u>TOTAL</u>
1. Review documents, schedule interviews	.5	0.5	1
2. Interviews:			
a. Executives	1.0	1.0	2.0
b. IT technical		1.0	1.0
c. Clinical users	1.0		1.0
d. Financial users	1.0		1.0
4. Analyze data, draft report	3.0	1.0	4.0
6. Present report	<u>1.0</u>	<u>1.0</u>	<u>2.0</u>
<b>Totals:</b>			<b>12</b>

- Fees – Our firm's 2008 billing rate is \$350 per hour, *which we will discount to NIH as a seminar attendee* to \$275 per hour. At this reduced rate, our fees for the engagement would be:

$$\begin{aligned} \text{Estimated Person Days} &= 12 \\ &\times \text{\$2,200 per day} \\ \text{Estimated Cost} &= \text{\$26,400} \end{aligned}$$

Plus out of pocket expenses, such as airfare, lodging, meals, etc., which we would attempt to minimize by combining the visit with trips to other West Coast clients. We estimate these expenses will be about \$4,000, but we cannot cap them due to ongoing airfare increases.

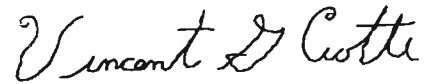
## G. TIMING

Based on our current workload, we can accomplish the assessment within 60 days of receiving approval to proceed, per the following rough schedule:

- Review Advanced Materials & Schedule Interviews: late November
- On-Site Interviews: early December
- Analyze Data & Draft Report: late December
- Report Presentation: January

Thank you for the opportunity to propose our firm's HIS consulting services. We look forward to working with you and your staff on this important and exciting project.

Sincerely yours,



Vincent G. Ciotti  
Principal

---

Proposal for IT Assessment Dated November 11, 2008, approved for NIH:

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

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**AGREEMENT FOR WAIVER AND RELEASE**  
**REGARDING OUTSIDE EMPLOYMENT OF POLICE OFFICERS**

**THIS AGREEMENT is made and entered into this** \_\_\_\_ day of December, 2008, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, a California Health Care District (hereinafter "EMPLOYER"), the CITY OF BISHOP, a municipal corporation (hereinafter "CITY") and \_\_\_\_\_, an officer of the City of Bishop Police Department (hereinafter "EMPLOYEE").

**I**

**RECITALS**

**1.01.** Employer owns and operates NORTHERN INYO HOSPITAL, an acute care general hospital (hereinafter "HOSPITAL") located within the City's boundaries.

**1.02.** Employer wishes to engage certain officers of the City's police department, in secondary employment during their off-duty hours, to provide security services for Employer's premises including but not limited to the Hospital, its staff (including medical staff), its patients and its visitors.

**1.03.** Employee wishes to accept and engage in such off-duty employment provided he or she has the approval of City, which is his/her primary employer.

**1.04.** City wishes to agree to the aforesaid employment, on a selective basis approved by and through its Chief of Police, provided that there exists, at all relevant times, a satisfactorily and legally sufficient waiver, release and hold harmless agreement by Employer and Employee, and each of them, in favor of City.

**NOW, THEREFORE, in consideration of the promises set forth below, the Parties**

**agree as follows:**

**II**

**COVENANTS OF THE PARTIES**

**2.01.** City agrees to Employee's off-duty employment by Employer; Employee agrees to be so employed, and Employer agrees to employ Employee all subject to the terms and conditions set forth in Sections 2.02 through 2.10 of this Agreement, inclusive.

**2.02.** Employer shall be solely responsible for all wages and other compensation due to Employee for services performed in or related to Employee's employment by and for Employer including but not limited to overtime payment due Employee under State and/or federal wage and hour laws, and compensation for any appearances required of Employee at any administrative or judicial proceeding which result or arise out of Employee's employment by and for Employer.

**2.03.** Employer shall at all relevant times secure, provide, keep in force, and be solely responsible for any insurance coverage required for Employee, in the course of Employee's employment, by applicable State or federal law including, without limitation, Worker's Compensation insurance. Employer and Employee agree and warrant that any and all injuries or illnesses of Employee which arise or result from Employee's employment by Employer are not industrially related to Employee's primary employment with City.

**2.04.** Employee shall not carry, wear or make use of any City-owned equipment during and in the course and scope of his or her employment by Employer and Employer shall not require, directly or indirectly, that he or she do so.

**2.05.** Employee shall not, during and in the course and scope of his or her employment



by Employee, identify himself or herself as an officer or employee of City or of its police department, and/or otherwise invoke or display any authority, symbol or accouterment of his or her primary employment with City, and Employer shall not require, directly or indirectly, that he or she do so. Items whose use by Employee is forbidden by this Section 2.04 include, but are not limited to, any City-issued firearm, handcuffs or other restraining device, badge and/or identification card.

**2.06.** Employee's employment by and for Employer shall be secondary to his or her primary employment by City and the number of hours scheduled to be worked, and the scheduling of those hours, shall not in any way conflict with or detract from Employee's primary responsibility to City.

**2.07** The number of hours worked by Employee for Employer in any discrete seven (7) calendar day period shall not exceed 25.

**2.08.** Employer agrees to, and does hereby, waive and forever release City from any claims or causes of action that it, its officers and employees, heirs, agents or assigns have or may have, whether known or unknown, whether past, present or future, against City and/or its officers and employees, heirs, agents or assigns for any acts or omissions arising from its employment of Employee.

**2.09.** Employee agrees to, and does hereby, waive and forever release any claims or causes of action that it, its heirs, agents or assigns have or may have, whether known or unknown, whether past, present or future, against City, and/or its officers and employees, its heirs, agents or assigns for any acts or omissions arising from his or her employment by Employer.

2.10. Employer and Employee agree, jointly and severally, to defend, indemnify and save harmless City, its officers and employees, heirs, agents or assigns, from any and all claims or causes of action arising or resulting from, or occurring in the course and scope of, Employee's employment by Employer including, but not limited to, any attorney's fees, costs, judgments and/liens.

### III

#### GENERAL PROVISIONS

3.01. The parties, jointly and severally, acknowledge that they have read and understand the provisions of *California Civil Code § 1542* which states:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”**

Having a full understanding and cognizance of the aforesaid provisions City (\_\_\_\_), Employer (\_\_\_\_) and Employee (\_\_\_\_) hereby expressly waive and relinquish any benefits he, she or it may have thereunder, as well as pursuant to any other California or federal statutes, or common law principles, of identical effect.

3.02. This Agreement is the full and final agreement of the parties. It may not be modified or amended except by a writing signed by each of the parties or a respective party's lawful agent or representative.

**3.03.** This Agreement shall be construed and governed pursuant to the laws of

California.

**3.04.** Each of the parties hereby acknowledges, warrants, represents and agrees that he, she or it is executing this Agreement freely, knowingly, voluntarily and without duress. Each acknowledges that he, she or it have had full opportunity discuss its terms and the implications thereof with legal counsel; that he, she or it is fully aware of the contents and effect thereof, and that execution and delivery of this Agreement is not the result of any fraud, duress, mistake or undue influence whatsoever.

**3.05.** The parties acknowledge and warrant that no other party or any agent or attorney of any party has made any promise, representation, or warranty whatsoever, not contained herein, to induce he, she or it to execute this Agreement. Each party warrants and represents that he, she or it has not executed this Agreement in reliance on any promise, representation or warranty not contained herein.

**3.06.** The parties acknowledge and agree that this agreement has been drafted by, or under the direction of, the parties and waive the rule of construction of *Civil Code § 1654* which states, in relevant part:

“In cases of uncertainty . . . the language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.”

**3.07.** This Agreement may be executed in counterpart and shall become effective immediately upon execution by each of the Parties and upon delivery to each of the parties of original executed copies thereof.

**IN WITNESS WHEREOF**, the Parties have subscribed their signatures at Bishop,

California on the day, month and year first above written.

**1. For the City:**

**THE CITY OF BISHOP**

by \_\_\_\_\_  
Chief of Police

**2. For the Employer:**

**NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT**

by \_\_\_\_\_  
PETER WATERCOTT, President  
Board of Directors

**3. The Employee:**

\_\_\_\_\_

---

**THIS SHEET**

**INTENTIONALLY**

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Citigroup Chief Executive Officer Vikram S. Pandit said the agreement addresses "market confidence and the recent decline in Citi's stock," and also strengthens the bank's "capital ratios." The company said its so-called Tier 1 capital ratio exceeds 9 percent with the support from the government.

Terms of the asset guarantees mean Citigroup will cover the first \$29 billion of pretax losses from the \$306 billion pool, in addition to any reserves it already has set aside. After that, the government covers 90 percent of the losses, with Citigroup covering the rest from assets, including residential and commercial mortgages, leveraged loans and so-called structured investment vehicles.

#### Pandit's Job

Unlike the bailouts of insurer American International Group Inc. and mortgage companies Fannie Mae and Freddie Mac, no management changes were required and Pandit gets to keep his job, government officials said. The government will have a say over executive compensation at Citigroup.

Pandit, 51, a former Morgan Stanley banker, joined Citigroup last year as head of hedge funds and private equity, and he was picked in December to succeed Charles O. "Chuck" Prince after the bank's expansion in subprime mortgages and asset-backed lending backfired.

Pandit announced a plan last week to eliminate 52,000 jobs and cut costs by about \$2 billion per quarter. He and three top deputies bought 1.3 million shares in a show of confidence, and Prince Alwaleed bin Talal, one of the bank's biggest investors, said he would boost his stake to about 5 percent from 4 percent.

#### Conference Calls

Citigroup also issued a statement last week saying the company had "a very strong capital and liquidity position and a unique global franchise," and Pandit held two conference calls with employees to reassure them.

The stock kept plunging, forcing the bank's board to hold an emergency meeting on Nov. 21 and thrusting executives into a weekend of discussions with the Fed and Treasury. The slump was reminiscent of what happened to Bear Stearns Cos. in March before it was sold to JPMorgan Chase & Co. and to Lehman Brothers Holdings Inc. before it went bankrupt in September.

The added capital and the asset guarantees are intended to provide confidence to investors that Citigroup has a big enough loss cushion to absorb bad loans as unemployment climbs and the economy sours.

Citigroup remains vulnerable to losses on loans and securities outside the U.S., said Peter Kovalski, a portfolio manager at Alpine Woods Capital Investors LLC in Purchase, New York, which oversees \$8 billion and holds Citigroup shares.

The government plan "gives them a little bit of breathing room, but longer term, things may deteriorate and losses increase," said Kovalski. "The Achilles heel with Citi is their exposure to emerging markets and what's going to happen when emerging markets turn down, as they're doing now."

Nov. 24 (Bloomberg) -- Citigroup Inc., facing the threat of a breakup or sale, received \$306 billion of U.S. government guarantees for troubled mortgages and toxic assets to stabilize the bank after its stock fell 60 percent last week.

Citigroup also will get a \$20 billion cash injection from the Treasury Department, adding to the \$25 billion the company received last month under the Troubled Asset Relief Program. In return for the cash and guarantees, the government will get \$27 billion of preferred shares paying an 8 percent dividend. Citigroup rose as much as 41 percent in German trading today.

The Treasury, Federal Reserve and Federal Deposit Insurance Corp. said in a joint statement that the move aims to bolster financial-market stability and help restore economic growth. The decision came after New York-based Citigroup's tumbling share price sparked concern that depositors might pull their money and destabilize the company, which has \$2 trillion of assets and operations in more than 100 countries.

"It really was a must-do thing," said Nader Naeimi, a Sydney-based strategist at AMP Capital Investors, which manages about \$85 billion. "If they'd let Citigroup go, that would've been disastrous."

Citigroup's stock plunged 83 percent this year and dropped below \$5 last week for the first time since 1995. The shares were up \$1.26 at \$5.03 in Germany in recent trading.

#### Dividend Cut

Citigroup shareholders will be diluted in the "near term by the cost of the incremental preferred stock," Morgan Stanley analysts Betsy Graseck and Cheryl Pate wrote in a report today. Over the longer term, Citigroup will appreciate because of "the reduction in tail risk" from the troubled assets, they said.

"There will surely be ongoing chatter about a breakup of Citi once the dust settles," analysts at Royal Bank of Scotland Group Plc, led by Tom Jenkins, said. "For now though, and indeed for the foreseeable future, Citi has oxygen."

Former Chairman Sanford "Sandy" Weill, 75, built Citigroup through more than 100 acquisitions during his 17 years at the helm. The company, which two years ago was the biggest by market value, has slipped to No. 5 after racking up four straight quarterly losses totaling \$20 billion amid the worst financial crisis since the Great Depression.

Citigroup shares declined at an annual rate of more than 5 percent, including reinvested dividends, since Weill formed the company in 1998 through the merger of Citicorp and Travelers Group Inc.

#### Protect Taxpayers

The government's preferred shares come with warrants to buy 254 million Citigroup shares at \$10.61 each, allowing taxpayers to profit if the stock rallies following the government's investment, according to a term sheet that accompanied the agencies' statement. Citigroup is required to pay a quarterly dividend of no more than 1 cent a share for the next three years, down from 16 cents in the most recent quarter.

"With these transactions, the U.S. government is taking the actions necessary to strengthen the financial system and protect U.S. taxpayers," the agencies said.



# Proposal and Agreement of Sale

SALE AGREEMENT NO.: 166697  
 ACCOUNT NO.: 717372  
 SALE AGREEMENT DATE: 11/24/2008  
 PAGE: 1

BAKERSFIELD  
 7100 DISTRICT BLVD.  
 BAKERSFIELD  
 CA 93313  
 Telephone: 661-397-3833  
 Fax: 661-397-4019

MODULAR SPACE CORPORATION, a Delaware corporation hereinafter referred to as "Seller", hereby submits for acceptance by:

NORTHERN INYO COUNTY LOCAL HOS  
 150 Pioneer Lane  
 BISHOP  
 CA 93512  
 Customer Contact: Scott Hooker  
 Telephone: 760 873 2832  
 Fax: 760 872 5824

Delivery Address:

150 Pioneer Lane  
 BISHOP  
 CA 93512

hereinafter referred to as "Buyer", the following proposal to furnish the equipment described below for the prices indicated:

QTY	DESCRIPTION	PRICE
1	Unit: 000000, S/N: Unit Size: 0' x 0' 12x44	19,850.00
	DMV DOH CHARGES (Qty: 1 at \$397.00)	397.00 *
	(State 6.250%)	
	(County 1.000%)	
	(District .500%)	
	Sub Total	20,247.00
	CA, BISHOP, INYO	1,240.63
		198.50
		<u>99.25</u>
	Total	21,785.38

Building sold "as is" with no warranty.

Payment Terms: Due upon Receipt of Invoice

\* - Item(s) not taxable

Seller estimates that delivery of the equipment described above will require \_\_\_\_\_ weeks after Seller is in receipt of complete information and drawings approved by Buyer, and satisfactory financial arrangements have been made. This estimate is subject to paragraph of the General Terms and Conditions, specified later in this agreement. This proposal by Seller must be accepted in its entirety by Buyer within fifteen (15) days from the date hereof, and acceptance shall be defined for the purposes of this Proposal and Agreement as receipt by Seller duly executed original hereof at its offices in Berwyn, Pennsylvania, or personal delivery thereof to a duly authorized agent or representative of Seller. Buyer's acceptance of this Proposal subsequent to fifteen (15) days from the date hereof shall be deemed to be a counterproposal, which shall be subject to renegotiation. The Seller agrees to sell and the Buyer agrees to buy the above described equipment for the price and on the terms herein set forth, including the Terms and Conditions set forth specified later in this Proposal and Agreement, which Terms and Conditions are incorporated herein by reference as if hereat set out in full. This Agreement will not become binding and effective until signed by an authorized agent of the Buyer and an authorized agent of the Seller (Subject to condition 1 specified in the Terms and Conditions). Buyer warrants that the person signing in Buyer's behalf is authorized to enter into this agreement for the Buyer.





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BAKERSFIELD  
7100 DISTRICT BLVD.  
BAKERSFIELD  
CA 93313  
Telephone: 661-397-3833  
Fax: 661-397-4019

IN WITNESS WHEREOF, the parties hereto have caused this Proposal to be accepted at the prices and upon the Terms and Conditions named herein and to be executed by a duly authorized agent.

**SELLER**

MODULAR SPACE CORPORATION

**BUYER**

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_  
By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_  
Purchase Order No. \_\_\_\_\_



## Proposal and Agreement of Sale

SALE AGREEMENT NO.: 166697  
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### GENERAL TERMS AND CONDITIONS

1. Acceptance of this proposal shall constitute an agreement by the buyer to all the terms and conditions herein, subject, however, to the right of the seller at its home office to cancel this agreement within fifteen (15) days of receipt of acceptance or order by seller's home office.
2. In consideration of Seller furnishing equipment described on the front page hereof, the Buyer shall pay to the Seller the sum stipulated on the front page hereof, subject to such additions or deductions relative to changes which may hereinafter be agreed upon between the parties in writing. Payment shall be made to the Seller at its offices at 120 W Swedesford Road, Berwyn, PA 19312. The Buyer shall pay to the Seller the full sales price within ten (10) days of invoice date, or sooner if otherwise stipulated on the front page hereof. In the event delivery of equipment for the project requires more than one shipment, Seller, may, at its option, render separate invoices for each shipment. If shipment of any part of the project is delayed Buyer's obligation for the remainder of the equipment shall not be affected thereby.
3. TAXES: In addition to the total price, Buyer shall pay or reimburse Seller for any and all sales and use taxes including, but not limited to, value added taxes, personal property taxes or other direct taxes levied against or based upon the price or value of the Equipment purchased hereunder or its use or operation, or any other taxes levied against or based upon this Agreement, or the execution, filing, recording or performance thereof. The term direct taxes as used herein, shall include all taxes (except taxes related to the income of Seller), charges and fees levied, assessed or charged by any local, state or federal Taxing authority. If Customer claims any exemption from any of the Taxes, Customer will supply to ModSpace a valid exemption certificate. If at any time ModSpace determines the exemption claimed is not valid, ModSpace will invoice Customer for any tax not previously invoiced.
4. Seller's delivery of the equipment described on the front page hereof, is subject to delays in manufacture of delivery due to fire, flood, windstorm, riot civil disobedience, strike, failure to secure materials from the usual source of supply, Act of God, or any other circumstances beyond the Seller's control which shall prevent the manufacture of equipment or the making of deliveries in the normal course of business. It is further understood and agreed that Buyer will not hold Seller responsible for liquidated damages or other damages for delay which may be imposed upon Buyer pursuant to any other contract which Buyer may have entered into with respect to the project to which Seller is not a party.
5. The Buyer shall be solely responsible for any and all additional materials, labor, site preparation and all other items on the project other than those materials as specifically set forth on the front page hereof.
6. The Buyer shall be solely responsible for compliance with applicable building codes, for obtaining any type of building permits and licenses that may be required in the project, and for payment of state and local taxes which may be applicable to the sale covered by this Proposal and Agreement.
7. The Buyer agrees to indemnify and save harmless the Seller against all losses, costs or damages incurred or paid by Seller on account of any claim under Workmen's Compensation Acts or other employee benefit acts, any claim for damages because of bodily injury, including death, to Buyer's employees and all others, and any claims for damages to property caused by, resulting from, or arising out of the performance of this Agreement or any aspect hereof or of the project to which this Agreement is related. Buyer shall pay and all attorney's fees and expenses incurred or paid by the Seller on account of any such claims; and Buyer, if requested by Seller, shall assume and defend at its own expense any suit, action or other legal proceeding arising therefrom.
8. The Buyer agrees that it shall not assign or transfer this Agreement or any part hereof or any amount payable hereunder, except with the prior written consent of the Seller.
9. THE BUYER SHALL:
  - a. Reimburse Seller for all costs incurred in order to correct improper or inaccurately constructed foundations, to correct misalignment or inaccuracy in anchor bolts, walls, footings, cutoffs for doors, or other work.
  - b. Provide storage and be responsible for loss of or damage to materials and equipment if site and foundations are not ready or accessible in accordance with the delivery provision contained in this contract, and reimburse the Seller for all additional costs incurred by the Seller including, but not limited to, the cost of unloading, reloading, and hauling materials resulting from the Buyer's failure to perform this condition. Delay in completing foundation and inaccessibility of site may necessitate rescheduling of the order for which Seller shall not be responsible, and shall extend the period of performance by the period of delay.
  - c. Schedule his operations so that the erection, by the Seller, can be carried out in one continuous operation and in proper sequence. Should delays in preparation of the foundation and the site be encountered which would delay erection, Seller must be advised thereof not less than ten (10) days in advance of the tentative shipping date set by the Seller at the time of acknowledgement of order. In the event that the provisions of this sub-paragraph are not complied with, Buyer shall reimburse the Seller for actual costs and damages incurred, including a reasonable profit for the work performed thereon resulting from such delay. Any delay resulting therefrom shall extend the period of performance under this agreement by the period of delay.
  - d. Provide and maintain roadway to each building site so that trucks can drive alongside each building site; provide suitably leveled and compacted area within each building unit for the support of crane operation in erection; furnish power for the Seller's machine tools during the course of erection; and furnish necessary utility services required by the Seller in the performance of the contract at the job site.
10. Unless otherwise specified, additional expense caused by obstructions, either overhead or underground, demolition work, grading to bring site to level, or extra depth or width of concrete footings, foundations or excavations caused by earth fill, or abnormal soil conditions which may require foundations different from the standard plans approved by Building Department, are to be paid for by the Buyer.



# Proposal and Agreement of Sale

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## GENERAL TERMS AND CONDITIONS

11. The Buyer warrants that he owns, or has the right to construct buildings on, the property upon which the equipment as described herein is to be delivered, constructed, or other work performed, and will designate to the Seller the location of the corner stakes of the property and will furnish the plot plan showing the boundary dimensions and angles of the property, and the proposed location of the site of the building or other work to be performed, together with all necessary information concerning contours, grades, soil conditions, tree locations, utility service lines, rights of way, easements and restrictions, dimensions and other relevant data pertaining to existing structures on the premises. Seller shall not be responsible for encroachments of any type. Buyer warrants that the said construction will not violate zoning restrictions or other laws, and the Buyer agrees to indemnify and hold the Seller harmless from all loss or damage or liability which may result by reason of the construction of the said building or other work done, of from any lack or defect of title in the Buyer, or by reason of said construction violating any zoning restrictions or other laws.
12. The Buyer agrees not to interfere with the progress of the work, and not to occupy any portion of the building until all terms and conditions herein are fulfilled by both parties. Buyer further agrees not to permit any workmen other than those of the Seller to work at or in the immediate vicinity of the building without the Seller's written consent until the Seller's work on the building is completed. Should any workmen or contractors or sub-contractors of the Buyer perform any such work, the Buyer will furnish to the Seller in writing their names before such work is commenced. The Buyer agrees to pay the Seller for any damage that may be caused by anyone other than workmen or sub-contractors of the Seller, by reason of disturbing or damaging concrete forms, grade finishing or any construction work in process whatsoever.
13. No charge for labor or material furnished by the Buyer shall be allowed as a credit under this agreement unless authorized in writing by the Seller.
14. The Buyer shall obtain insurance naming Seller as sole insured on all Seller's property located on the building site, against loss by fire, lightning, wind, storm, riot, civil disobedience, earthquake, Act of God and against other perils ordinarily included under the extended coverage endorsement as well as any other insurance which the Buyer deems necessary upon the work covered by the proposal for the full insurable value thereof. The minimum coverage of said insurance shall be the fair market value of such property as established by the contract price contained herein. Such insurance shall also cover the following items whether they be in or adjacent to the structure insured, materials in place or used to be as part of permanent construction including surplus materials, temporary structures, scaffolding and stagings, protective fence, bridging, forms and miscellaneous materials and supplies. Insurance need not cover tools or equipment owned by or rented by the Seller. Buyer shall furnish to the Seller certificates of insurance on demand by Seller.
15. Expressly incorporated herein by reference hereto are the plans and specifications relating to the equipment specified in this Proposal and Agreement of Sale.
16. In the event any act or thing required of Buyer hereunder shall not be done and performed in the manner and at the time or times required by this Agreement, Buyer shall thereby be held in default and all amounts due under the terms and conditions of this Agreement shall be payable immediately by Buyer to Seller, without demand by Seller. In addition Buyer will reimburse Seller for any legal fees and costs that become due as a direct result of Buyer's default of this Agreement and Buyer will pay to Seller interest at the rate of 18% per annum, calculated on a 360 days = equals one (1) year base, on the full sale price stipulated on the face hereof. Interest will be calculated from the date said default takes place, through and including the date of Settlement.
17. The Seller's equipment as described herein is warranted for a period of one year against structural failure due to defective material or workmanship in the equipment manufactured, unless otherwise stated by warranties of the Seller's equipment as described herein is warranted for a period of one year against structural failure due to defective material or workmanship in the equipment manufactured, unless otherwise stated by warranties of the Seller's supplier of purchased components. Such warranties will be conveyed to Buyer and Buyer will deal directly with the Supplier if a claim arises. Seller's liability is limited to replacing (but to dismantling and installing) defective parts on an exchange basis, F.O.B. the manufacturer's factory. The warranty is limited to "Normal" usage and exposure. The following are excluded by the definition of "Normal" and therefore from this warranty if such conditions exist:
  - A. Improper installation affecting the structural design of the building or failure to provide drainage of water from all surfaces without internal penetration of the building.
  - B. Improper Maintenance.
  - C. Installation in an area subject to heavy fall out or corrosive chemicals, ash or fumes from chemical plants, foundries, plating works, kilns, fertilizing manufacturers, paper plants and the like.
  - D. Acts of God, vandalism, falling objects, external forces, explosion, fire, riots, acts of war and radiation. In the event that any defect is discovered by the Buyer, notice of the defect shall be given to the Seller in writing and such notice must be sent within the warranty period by certified registered mail. The warranty is tendered for the sole benefit of the original Buyer and is not transferable or assignable and further is void in the event the product is removed from its original location of installation. THERE ARE NO OTHER WARRANTIES EXPRESSED OR IMPLIED (INCLUDING WARRANTIES RELATING TO MERCHANTABILITY) EXCEPT THOSE STATED HEREIN.
18. The warranty as outlined in Paragraph 17 is hereby specifically EXCLUDED as to materials and equipment currently owned and in possession of the Seller. Said material and equipment is sold in an "as is" condition with NO WARRANTIES EXPRESSED OR IMPLIED.
19. The failure by Seller to enforce at any time, or for any period of time, any one or more of the terms of this Proposal and Agreement shall not be a waiver of such terms and conditions or of the Seller's right thereafter to enforce each and every term and condition contained herein.
20. Upon acceptance of this Proposal, together with its terms and conditions, shall constitute the entire agreement between the Seller and the Buyer, there being merged all prior and collateral representations, promises and conditions in connection with this proposal, and any representation, promise or condition not incorporated herein shall not be binding on either party.
21. Manufacturer's certificate of origin or title (if applicable) to the equipment described herein will be conveyed to the Buyer within 30 days of payment in full to Seller.



## Proposal and Agreement of Sale

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### GENERAL TERMS AND CONDITIONS

#### 22. Definitions :

- A. Delivery - Date that structures arrive at site address.
- B. Notice of Completion - Date of written notice given by Seller to Buyer that structures are complete and available for Buyer's occupancy.
- C. Equipment - The term equipment as used herein shall refer to the item or items provided by the Seller as described on the front page of this Proposal and Agreement of Sale.

23. Stenographical and clerical errors herein are subject to correction.

24.

25. This Agreement and Terms and Conditions of Sale shall be construed in accordance by the laws of the State of Pennsylvania.



Proposal and Agreement of Sale

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BAKERSFIELD
7100 DISTRICT BLVD.
BAKERSFIELD
CA 93313
Telephone: 661-397-3833
Fax: 661-397-4019

MODULAR SPACE CORPORATION, a Delaware corporation hereinafter referred to as "Seller", hereby submits for acceptance by:

NORTHERN INYO COUNTY LOCAL HOS
150 Pioneer Lane
BISHOP
CA 93512
Customer Contact: Scott Hooker
Telephone: 760 873 2832
Fax: 760 872 5824

Delivery Address:
150 Pioneer Lane
BISHOP
CA 93512

hereinafter referred to as "Buyer", the following proposal to furnish the equipment described below for the prices indicated:

Table with 3 columns: QTY, DESCRIPTION, PRICE. Includes line items for units and DMV charges, and a summary section for Sub Total and Total.

Building sold "as is" with no warranty.

Payment Terms: Due upon Receipt of Invoice

\* - Item(s) not taxable

Seller estimates that delivery of the equipment described above will require \_\_\_\_\_ weeks after Seller is in receipt of complete information and drawings approved by Buyer, and satisfactory financial arrangements have been made. This estimate is subject to paragraph of the General Terms and Conditions, specified later in this agreement. This proposal by Seller must be accepted in its entirety by Buyer within fifteen (15) days from the date hereof, and acceptance shall be defined for the purposes of this Proposal and Agreement as receipt by Seller duly executed original hereof at its offices in Berwyn, Pennsylvania, or personal delivery thereof to a duly authorized agent or representative of Seller. Buyer's acceptance of this Proposal subsequent to fifteen (15) days from the date hereof shall be deemed to be a counterproposal, which shall be subject to renegotiation. The Seller agrees to sell and the Buyer agrees to buy the above described equipment for the price and on the terms herein set forth, including the Terms and Conditions set forth specified later in this Proposal and Agreement, which Terms and Conditions are incorporated herein by reference as if hereat set out in full. This Agreement will not become binding and effective until signed by an authorized agent of the Buyer and an authorized agent of the Seller (Subject to condition 1 specified in the Terms and Conditions). Buyer warrants that the person signing in Buyer's behalf is authorized to enter into this agreement for the Buyer.



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BAKERSFIELD
7100 DISTRICT BLVD.
BAKERSFIELD
CA 93313
Telephone: 661-397-3833
Fax: 661-397-4019

IN WITNESS WHEREOF, the parties hereto have caused this Proposal to be accepted at the prices and upon the Terms and Conditions named herein and to be executed by a duly authorized agent.

SELLER

MODULAR SPACE CORPORATION

BUYER

By \_\_\_\_\_
Title \_\_\_\_\_
Date \_\_\_\_\_
By \_\_\_\_\_
Title \_\_\_\_\_
Date \_\_\_\_\_

By \_\_\_\_\_
Title \_\_\_\_\_
Date \_\_\_\_\_
Purchase Order No. \_\_\_\_\_



## Proposal and Agreement of Sale

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ACCOUNT NO.: 717372  
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### GENERAL TERMS AND CONDITIONS

1. Acceptance of this proposal shall constitute an agreement by the buyer to all the terms and conditions herein, subject, however, to the right of the seller at its home office to cancel this agreement within fifteen (15) days of receipt of acceptance or order by seller's home office.
2. In consideration of Seller furnishing equipment described on the front page hereof, the Buyer shall pay to the Seller the sum stipulated on the front page hereof, subject to such additions or deductions relative to changes which may hereinafter be agreed upon between the parties in writing. Payment shall be made to the Seller at its offices at 120 W Swedesford Road, Berwyn, PA 19312. The Buyer shall pay to the Seller the full sales price within ten (10) days of invoice date, or sooner if otherwise stipulated on the front page hereof. In the event delivery of equipment for the project requires more than one shipment, Seller, may, at its option, render separate invoices for each shipment. If shipment of any part of the project is delayed Buyer's obligation for the remainder of the equipment shall not be affected thereby.
3. TAXES: In addition to the total price, Buyer shall pay or reimburse Seller for any and all sales and use taxes including, but not limited to, value added taxes, personal property taxes or other direct taxes levied against or based upon the price or value of the Equipment purchased hereunder or its use or operation, or any other taxes levied against or based upon this Agreement, or the execution, filing, recording or performance thereof. The term direct taxes as used herein, shall include all taxes (except taxes related to the income of Seller), charges and fees levied, assessed or charged by any local, state or federal Taxing authority. If Customer claims any exemption from any of the Taxes, Customer will supply to ModSpace a valid exemption certificate. If at any time ModSpace determines the exemption claimed is not valid, ModSpace will invoice Customer for any tax not previously invoiced.
4. Seller's delivery of the equipment described on the front page hereof, is subject to delays in manufacture of delivery due to fire, flood, windstorm, riot civil disobedience, strike, failure to secure materials from the usual source of supply, Act of God, or any other circumstances beyond the Seller's control which shall prevent the manufacture of equipment or the making of deliveries in the normal course of business. It is further understood and agreed that Buyer will not hold Seller responsible for liquidated damages or other damages for delay which may be imposed upon Buyer pursuant to any other contract which Buyer may have entered into with respect to the project to which Seller is not a party.
5. The Buyer shall be solely responsible for any and all additional materials, labor, site preparation and all other items on the project other than those materials as specifically set forth on the front page hereof.
6. The Buyer shall be solely responsible for compliance with applicable building codes, for obtaining any type of building permits and licenses that may be required in the project, and for payment of state and local taxes which may be applicable to the sale covered by this Proposal and Agreement.
7. The Buyer agrees to indemnify and save harmless the Seller against all losses, costs or damages incurred or paid by Seller on account of any claim under Workmen's Compensation Acts or other employee benefit acts, any claim for damages because of bodily injury, including death, to Buyer's employees and all others, and any claims for damages to property caused by, resulting from, or arising out of the performance of this Agreement or any aspect hereof or of the project to which this Agreement is related. Buyer shall pay and all attorney's fees and expenses incurred or paid by the Seller on account of any such claims; and Buyer, if requested by Seller, shall assume and defend at its own expense any suit, action or other legal proceeding arising therefrom.
8. The Buyer agrees that it shall not assign or transfer this Agreement or any part hereof or any amount payable hereunder, except with the prior written consent of the Seller.
9. THE BUYER SHALL:
  - a. Reimburse Seller for all costs incurred in order to correct improper or inaccurately constructed foundations, to correct misalignment or inaccuracy in anchor bolts, walls, footings, cutoffs for doors, or other work.
  - b. Provide storage and be responsible for loss of or damage to materials and equipment if site and foundations are not ready or accessible in accordance with the delivery provision contained in this contract, and reimburse the Seller for all additional costs incurred by the Seller including, but not limited to, the cost of unloading, reloading, and hauling materials resulting from the Buyer's failure to perform this condition. Delay in completing foundation and inaccessibility of site may necessitate rescheduling of the order for which Seller shall not be responsible, and shall extend the period of performance by the period of delay.
  - c. Schedule his operations so that the erection, by the Seller, can be carried out in one continuous operation and in proper sequence. Should delays in preparation of the foundation and the site be encountered which would delay erection, Seller must be advised thereof not less than ten (10) days in advance of the tentative shipping date set by the Seller at the time of acknowledgement of order. In the event that the provisions of this sub-paragraph are not complied with, Buyer shall reimburse the Seller for actual costs and damages incurred, including a reasonable profit for the work performed thereon resulting from such delay. Any delay resulting therefrom shall extend the period of performance under this agreement by the period of delay.
  - d. Provide and maintain roadway to each building site so that trucks can drive alongside each building site; provide suitably leveled and compacted area within each building unit for the support of crane operation in erection; furnish power for the Seller's machine tools during the course of erection; and furnish necessary utility services required by the Seller in the performance of the contract at the job site.
10. Unless otherwise specified, additional expense caused by obstructions, either overhead or underground, demolition work, grading to bring site to level, or extra depth or width of concrete footings, foundations or excavations caused by earth fill, or abnormal soil conditions which may require foundations different from the standard plans approved by Building Department, are to be paid for by the Buyer.





## Proposal and Agreement of Sale

SALE AGREEMENT NO.: 166697  
ACCOUNT NO.: 717372  
SALE AGREEMENT DATE: 11/24/2008  
PAGE: 4

### GENERAL TERMS AND CONDITIONS

11. The Buyer warrants that he owns, or has the right to construct buildings on, the property upon which the equipment as described herein is to be delivered, constructed, or other work performed, and will designate to the Seller the location of the corner stakes of the property and will furnish the plot plan showing the boundary dimensions and angles of the property, and the proposed location of the site of the building or other work to be performed, together with all necessary information concerning contours, grades, soil conditions, tree locations, utility service lines, rights of way, easements and restrictions, dimensions and other relevant data pertaining to existing structures on the premises. Seller shall not be responsible for encroachments of any type. Buyer warrants that the said construction will not violate zoning restrictions or other laws, and the Buyer agrees to indemnify and hold the Seller harmless from all loss or damage or liability which may result by reason of the construction of the said building or other work done, of from any lack or defect of title in the Buyer, or by reason of said construction violating any zoning restrictions or other laws.
12. The Buyer agrees not to interfere with the progress of the work, and not to occupy any portion of the building until all terms and conditions herein are fulfilled by both parties. Buyer further agrees not to permit any workmen other than those of the Seller to work at or in the immediate vicinity of the building without the Seller's written consent until the Seller's work on the building is completed. Should any workmen or contractors or sub-contractors of the Buyer perform any such work, the Buyer will furnish to the Seller in writing their names before such work is commenced. The Buyer agrees to pay the Seller for any damage that may be caused by anyone other than workmen or sub-contractors of the Seller, by reason of disturbing or damaging concrete forms, grade finishing or any construction work in process whatsoever.
13. No charge for labor or material furnished by the Buyer shall be allowed as a credit under this agreement unless authorized in writing by the Seller.
14. The Buyer shall obtain insurance naming Seller as sole insured on all Seller's property located on the building site, against loss by fire, lightning, wind, storm, riot, civil disobedience, earthquake, Act of God and against other perils ordinarily included under the extended coverage endorsement as well as any other insurance which the Buyer deems necessary upon the work covered by the proposal for the full insurable value thereof. The minimum coverage of said insurance shall be the fair market value of such property as established by the contract price contained herein. Such insurance shall also cover the following items whether they be in or adjacent to the structure insured, materials in place or used to be as part of permanent construction including surplus materials, temporary structures, scaffolding and stagings, protective fence, bridging, forms and miscellaneous materials and supplies. Insurance need not cover tools or equipment owned by or rented by the Seller. Buyer shall furnish to the Seller certificates of insurance on demand by Seller.
15. Expressly incorporated herein by reference hereto are the plans and specifications relating to the equipment specified in this Proposal and Agreement of Sale.
16. In the event any act or thing required of Buyer hereunder shall not be done and performed in the manner and at the time or times required by this Agreement, Buyer shall thereby be held in default and all amounts due under the terms and conditions of this Agreement shall be payable immediately by Buyer to Seller, without demand by Seller. In addition Buyer will reimburse Seller for any legal fees and costs that become due as a direct result of Buyer's default of this Agreement and Buyer will pay to Seller interest at the rate of 18% per annum, calculated on a 360 days = equals one (1) year base, on the full sale price stipulated on the face hereof. Interest will be calculated from the date said default takes place, through and including the date of Settlement.
17. The Seller's equipment as described herein is warranted for a period of one year against structural failure due to defective material or workmanship in the equipment manufactured, unless otherwise stated by warranties of the Seller. The Seller's equipment as described herein is warranted for a period of one year against structural failure due to defective material or workmanship in the equipment manufactured, unless otherwise stated by warranties of the Seller's supplier of purchased components. Such warranties will be conveyed to Buyer and Buyer will deal directly with the Supplier if a claim arises. Seller's liability is limited to replacing (but to dismantling and installing) defective parts on an exchange basis, F.O.B. the manufacturer's factory. The warranty is limited to "Normal" usage and exposure. The following are excluded by the definition of "Normal" and therefore from this warranty if such conditions exist:
  - A. Improper installation affecting the structural design of the building or failure to provide drainage of water from all surfaces without internal penetration of the building.
  - B. Improper Maintenance.
  - C. Installation in an area subject to heavy fall out or corrosive chemicals, ash or fumes from chemical plants, foundries, plating works, kilns, fertilizing manufacturers, paper plants and the like.
  - D. Acts of God, vandalism, falling objects, external forces, explosion, fire, riots, acts of war and radiation. In the event that any defect is discovered by the Buyer, notice of the defect shall be given to the Seller in writing and such notice must be sent within the warranty period by certified registered mail. The warranty is tendered for the sole benefit of the original Buyer and is not transferable or assignable and further is void in the event the product is removed from its original location of installation. THERE ARE NO OTHER WARRANTIES EXPRESSED OR IMPLIED (INCLUDING WARRANTIES RELATING TO MERCHANTABILITY) EXCEPT THOSE STATED HEREIN.
18. The warranty as outlined in Paragraph 17 is hereby specifically EXCLUDED as to materials and equipment currently owned and in possession of the Seller. Said material and equipment is sold in an "as is" condition with NO WARRANTIES EXPRESSED OR IMPLIED.
19. The failure by Seller to enforce at any time, or for any period of time, any one or more of the terms of this Proposal and Agreement shall not be a waiver of such terms and conditions or of the Seller's right thereafter to enforce each and every term and condition contained herein.
20. Upon acceptance of this Proposal, together with its terms and conditions, shall constitute the entire agreement between the Seller and the Buyer, there being merged all prior and collateral representations, promises and conditions in connection with this proposal, and any representation, promise or condition not incorporated herein shall not be binding on either party.
21. Manufacturer's certificate of origin or title (if applicable) to the equipment described herein will be conveyed to the Buyer within 30 days of payment in full to Seller.





## Proposal and Agreement of Sale

SALE AGREEMENT NO.:	166697
ACCOUNT NO.:	717372
SALE AGREEMENT DATE:	11/24/2008
PAGE:	5

### GENERAL TERMS AND CONDITIONS

22. Definitions :

- A. Delivery - Date that structures arrive at site address.
- B. Notice of Completion - Date of written notice given by Seller to Buyer that structures are complete and available for Buyer's occupancy.
- C. Equipment - The term equipment as used herein shall refer to the item or items provided by the Seller as described on the front page of this Proposal and Agreement of Sale.

23. Stenographical and clerical errors herein are subject to correction.

24.

25. This Agreement and Terms and Conditions of Sale shall be construed in accordance by the laws of the State of Pennsylvania.

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**NORTHERN  
INYO HOSPITAL**

Northern Inyo County Local Hospital District



## Vocera

A hands free voice communication solution

November 21, 2008

## **Executive Statement**

Vocera is a wireless, hands free, voice communication system. The [Vocera badge](#) allows users to converse over a wireless network. Vocera will allow hospital employees to efficiently communicate across the entire NIH campus, eliminating hand held radios and reducing cell phone usage. Vocera will also increase and enhance current NIH code coverage areas.

CDW completed a voice over wireless communications survey of the NIH campus, detailing its findings in a report. The report requires NIH to establish a voice over Wi-Fi network infrastructure; doing so will ensure a successful Vocera deployment. This infrastructure will also support future services and in some cases is required for services. Some of these services are as follows, Voice Over Internet Protocol (VOIP), Security video surveillance, patient tracking, asset tracking, Electronic Medical Records (EMR), Computerized Physician Order Entry (CPOE), and Telehealth services.

## Quotes

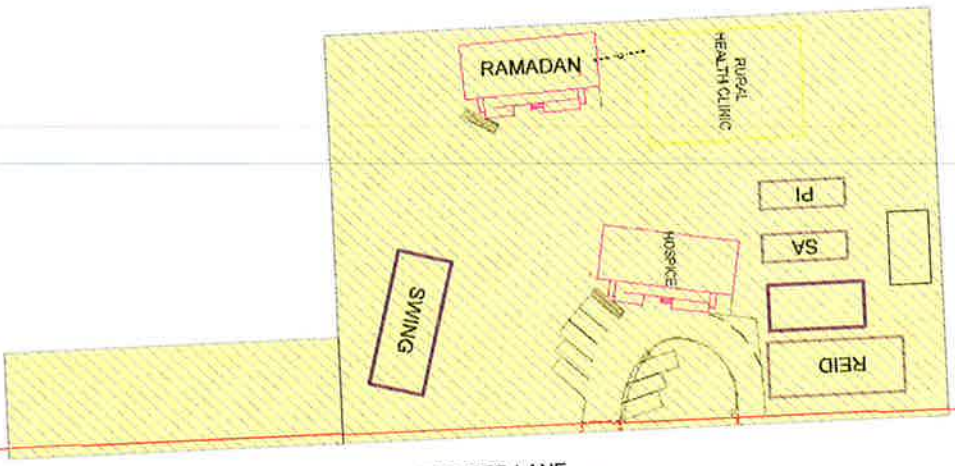
▪ Vocera System	\$117,216.50
▪ Cisco Wireless Quote	\$232,030.70
▪ CDW Wireless LAN Deployment	\$25,310.00
▪ PCC Fiber Back Bone Install	\$28,453.40
▪ PCC access point Install	
▪ Out door WI-FI Mesh Coverage	\$237,000.00
▪ Switch infrastructure	\$30,000.00

## Future Needs

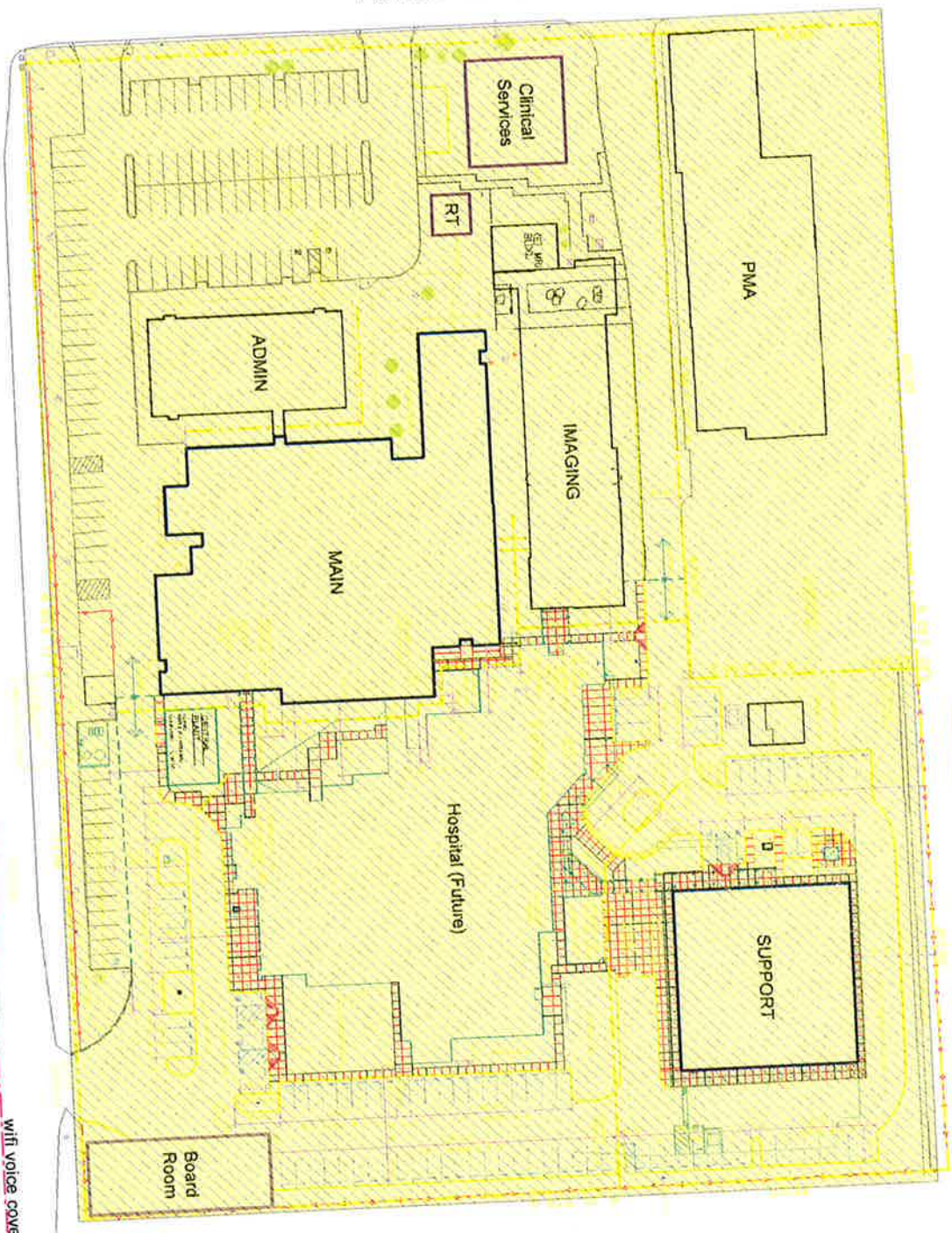
- Phone System Replacement
- Security Video Surveillance
- Electronic Medical Records (EMR)
- Computerized Physician Order Entry (CPOE)
- Patient Tracking
- Asset Tracking
- Tele-health



# Voice Wireless Coverage



PIONEER LANE



Monday, November 24, 2008 2:01:39 PM  
WEST LINE STREET

wifi voice coverage3.vsd






CDW Healthcare  
 200 Milwaukee Ave  
 Vernon Hills, IL 60061  
 Phone: 800-800-4CDW

Dan Jurkovich  
 760.636.8353  
[Dan.Jurkovich@CDW.com](mailto:Dan.Jurkovich@CDW.com)

To: Northen Inyo Hospital  
 Re: Vocera System  
 Date: 23-Oct-2008

Attn: Neil Lynch  
 Phone: 760.873.2178  
 Email: [Neil.Lynch@NIH.org](mailto:Neil.Lynch@NIH.org)

Item Qty	Product SKU	Product Description	Extended Cost
<b>Vocera Software</b>			
1	900-01760	Vocera Enterprise License, 50 Users	\$ 41,250.00
<b>Subtotal</b>			\$ 41,250.00
<b>Vocera Hardware</b>			
50	220-01742	B2000 Black Badge with Protective Sleeve	\$ 3,750.00
100	230-00532	Black Extended Life Battery (6 mm, 800 mAh)	\$ 1,575.00
7	230-00534	Eight-Bay Battery Charger (North America)	\$ 210.00
2	230-01044	Lanyards, 25-pack	\$ 127.50
2	230-01045	Universal Clip, 25-pack	\$ 277.50
2	230-01693	100-User Vocera Training Kit (contains 100 Quick Reference Guides, 10 ea. Mini-User Guide and Super-U	\$
<b>Subtotal</b>			\$ 20,002.50
<b>Vocera Deployment Services (Budgetary - Vocera SOW required)</b>			
120		Deployment services (8am - 5pm M-F) not including T&E (There is an 8 hour minimum for Professional Services. 20% premium for weekends and holidays.)	\$ 27,000.00
1		Reimbursable Expenses (Actual and Reasonable)	TBD
<b>Subtotal</b>			\$ 27,000.00
<b>Annual Vocera Maintenance &amp; Support Services</b>			
50	920-01459	Standard 1-year Warrantly Extension (per badge) 2 years total	\$ 3,430.00
1	920-01750	Vocera Premier Support Services for 50-User Enterprise License	\$ 11,858.00
<b>Subtotal</b>			\$ 15,288.00
<b>Other Hardware</b>			
2	1344141	HP ProLiant DL380 G5 Base - Quad-Core Xeon E5440 2.83 GHz	\$ 5,998.00
2	1344436	HP DL380 G5 E5440 PROC KIT	\$ 1,938.00
2	1000420	HP 2GB KIT PC2-5300 FBD	\$ 338.00
6	813363	HP Single Port hard drive - 72 GB - SAS	\$ 1,554.00
2	1009098	HP Redundant Power Supply KIT	\$ 498.00
2	506389	HP Server DVD Drive	\$ 238.00
2	635101	HPE 3YR 24X7X4 ONSITE F/DL380	\$ 1,598.00
2	1418221	Microsoft Windows Server 2008 Standard - License with rights to 2003 (MBL Licensing)	\$ 1,298.00
8	1418222	Microsoft Windows Server 2008 Standard - User Cal's	\$ 216.00
<b>Subtotal</b>			\$ 13,676.00
			
<b>Total Hardware and/or Software Cost</b>			61,252.50
<b>Total Deployment Services Cost</b>			27,000.00
<b>Total Maintenance and/or Support Cost</b>			15,288.00
<b>Total Other Hardware Cost</b>			13,676.00
<b>Total Project Cost</b>			117,216.50
<b>CDW Leasing Price Per Month for 24 Months</b>			\$5,515.04

Contact Your CDW Healthcare Communications Sales Executive for Details!





# Wireless LAN Deployment

Statement of Work

for

Northern Inyo Hospital

Version 5.0

November 7, 2008

**Submitted by:** David Solomon, Account Manager  
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## Introduction

CDW•G is pleased to present this Statement of Work (SoW) to Northern Inyo Hospital for the Wireless LAN (WLAN) deployment. Based on our conversations with you, CDW•G is confident that our methodologies and approach to business align closely with those of Northern Inyo Hospital, and we look forward to working with you in making this and future projects a success.

## Contact Persons

CDW•G will appoint a CDW•G contact person when the time for performance nears, and CDW•G will communicate that person's name and information to your contact person. If your contact person is someone other than the individual who signs this SoW on your behalf, please supply the name of that contact person here:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Your contact person is authorized to approve materials and services provided by CDW•G, and CDW•G may rely on the decisions and approvals made by your contact person (except that CDW•G understands that you may require a different person to sign any Change Orders amending this SoW). Your contact person will manage all communications with CDW•G, and when services are performed at your location (or another location designated by you), your contact person will be present or available.

## Description / Scope of Services

CDW•G will provide the services and engineering resources for the implementation of the WLAN. As part of this engagement, CDW•G will make best-practices recommendations relative to securing the deployment of the wireless infrastructure. Northern Inyo Hospital requires WLAN access for their healthcare facilities on the campus in Bishop, California.

The phases included in this project are as follows.

### Discovery and Design

The project will commence with a kickoff meeting in which CDW•G and Northern Inyo Hospital will agree to the responsibilities that are part of this engagement. In addition to logistics such as arrival and departure times, this meeting will allow CDW•G's engineers have a proper understanding of Northern Inyo Hospital requirements for wireless networking. Items for discussion will include:

- Employee access required to the WLAN



- Review the role of the WLAN
- Security mechanisms to be applied to each level of access
- Define Virtual LAN (VLAN) and access list requirements
- Identify IP addresses to be assigned to WLAN components
- Define SSID naming schemes
- Identify which wireless clients the WLAN will support

## Implementation

CDW•G will perform the following tasks as part of this project:

### Network Configuration

- Create VLANs for wireless clients
- Create necessary ACLs to control access for each wireless VLAN
- Create DHCP scopes for wireless clients
- Configure switchports for access point connectivity

### Staging and Configuration – WLAN Controller

- Configure four (4) new Cisco 4402-50 WLAN Controllers to redundantly manage the wireless network
  - General configuration – IP addresses, Management info, Interfaces, Mobility Group, SNMP
  - Create and configure WLANs with appropriate security models
  - Set access point parameters
  - Create AP Groups
  - Configure connections to WCS
- Reconfigure one (1) existing Cisco 4402-50 WLAN Guest Access Controller to meet CDW best practices and requirements
  - Controller will be placed in the Northern Inyo Hospital DMZ
  - CDW Network Engineer will make firewall changes to securely support this functionality
  - Configure a simple, web authentication page for guest access to the WLAN

### Staging and Configuration – Access Points

Prime 122 new, Cisco 1242 access points

- Apply host name



- IP address info
- Set primary and secondary controllers
- Add to AP Group

### Implementation and Configuration – WCS

- Install Cisco Wireless Control System (WCS) software on customer provided and configured Windows 2003 server
- Configure WCS to communicate and manage controllers
- Import controller configurations into WCS
- Import map images of floor plans into WCS
- Place access points onto floor plans in WCS

### Configuration - QoS

- Review and modify current QoS settings found in the infrastructure hardware as necessary
- Configure QoS on the WLAN Controllers per the Vocera deployment guide

### Configuration - Security

- Security parameters will be discussed during the Design Phase of the project and will require a Change Order for any additional services requiring authentication servers.

### Post-implementation Survey

Perform a single, passive walk-through of the facility using AirMagnet Survey PRO software to generate coverage maps and verify the RF coverage of 122 access points.

Remedial efforts and recommendations needed to satisfy deficiencies in the wireless coverage is out of scope and will be addressed with a Change Order.

### Testing

After the equipment is implemented and configured, the Wireless Network Engineer will perform a final acceptance test of the following:

- Authentication for each SSID
- Access control for each SSID
- Device roaming
- Data access/Call quality
- Coverage throughout each location



## Knowledge Transfer

CDW•G will provide up to eight (8) hours of instruction to Northern Inyo Hospital staff to explain WLAN settings and demonstrate day-to-day management methodology.

- WLC Configuration settings overview
- WCS Configuration settings overview

## Out of Scope

Any other tasks not included in this Statement of Work will be considered out-of-scope and will be billable on a time-and-materials basis. Tasks outside the statement of work include, but are not limited to:

- Application and procurement of a third-party security certificate
- Cabling to and mounting of access points.

## Items to be Provided

Upon completion of the project, CDW•G will provide the final report containing:

- Controller settings
- WLAN administration details
- WLAN security details
- SSID information
- WCS Administration information
- Post-implementation survey results

## Responsibilities and Assumptions

This SoW depends upon a number of responsibilities and assumptions that are detailed below.

If you do not fulfill all of your responsibilities under this SoW in a timely manner or if any assumption is incomplete, incorrect or becomes incorrect, then:

1. The anticipated schedule for this project may be delayed.
2. Scheduled personnel may be reassigned to a different project or may become idle. CDW•G will have the right to invoice you for any time CDW•G's personnel had been scheduled to perform this SoW (calculated using the rates specified in the "Professional Services Fees" section below using an eight-hour day) if such personnel do not perform on those scheduled days because of your failure to fulfill all of your responsibilities or because of an incomplete or incorrect assumption.





3. The amount of time it takes to perform the services may increase and/or CDW•G may need to perform additional or different services in order to be able to perform the services that are the subject of this SoW, in which case, CDW•G will invoice you for any such additional or different time or performance (calculated using the rates specified in the "Professional Services Fees" section below in the increments specified therein).
4. It may be commercially unreasonable for CDW•G to perform the services that are the subject of this SoW, either in whole or in part, in which case CDW•G will have the right to terminate this SoW upon notice to you.

In addition to any other responsibilities described in this SoW that you may have, your obligations include (without limitation) those listed below.

### Northern Inyo Hospital General Responsibilities

1. Together with CDW•G, schedule the performance of the services.
2. Communicate all material project matters to CDW•G's contact person.
3. Provide at least one qualified technical person with system administration responsibilities for the duration of the project.
4. Provide qualified personnel at your location (or any other location designated by you where services are to be provided) to support your existing equipment for the duration of the project.
5. Provide other full-time qualified, knowledgeable personnel who will perform your obligations under this SoW, make timely decisions necessary to move performance of the services forward, participate in this project to the extent reasonably requested by CDW•G and reasonably assist CDW•G with its performance of the services.
6. Provide CDW•G's personnel with appropriate levels of access and privilege to systems and information necessary for CDW•G's performance of the services.
7. Perform other reasonable duties and tasks to facilitate CDW•G's performance of the services, including (without limitation):
  - a. provide blueprints or floor plans of buildings/campus;
  - b. provide descriptions and diagrams of your existing environment;
  - c. provide business and technical specifications desired for this project;
  - d. provide the proper physical environment for all devices; and
  - e. provide proper electrical power for all devices.

### Technical or Project-Specific Responsibilities

1. Northern Inyo Hospital will supply CDW•G with scale drawings or blueprints of office space. These may be jpg, gif or png electronic format.



2. Northern Inyo Hospital will supply CDW•G with a ladder or lift suitable for ceiling access during the on-site portion of the engagement as needed.
3. Northern Inyo Hospital will supply CDW•G with extension cords for access to electrical power during the on-site portion of the engagement.
4. Northern Inyo Hospital will supply CDW•G with an on-site contact who will be able to assist with simple tasks such as holding an antenna or reading a signal strength meter for operations requiring more than one person.
5. Northern Inyo Hospital is responsible for powering, implementing, configuring and troubleshooting their wireless client devices.
6. Northern Inyo Hospital will provide all required network connections to the Access Point locations.
7. Northern Inyo Hospital must be present and assist with configuring and testing Northern Inyo Hospital devices during implementation.
8. Northern Inyo Hospital is responsible for any State or Local Building permits required to complete this project.
9. Northern Inyo Hospital will acquire and prepare Windows 2003 server for WCS

In addition to any other assumptions described in this SoW, CDW•G assumes the following:

### CDW•G General Assumptions

1. When services are performed at your location (or another location designated by you), they will be performed during normal business hours (8:00a.m. to 5:00p.m. local time Monday through Friday, excluding the holidays).
2. Some services may be performed at a location other than your location (or another location designated by you).
3. When services are performed at your location (or another location designated by you), you will provide adequate, co-located workspace for the engagement personnel (both CDW•G's personnel and your personnel) with appropriate system access. CDW•G recommends keeping these personnel separate from support teams and those performing daily operations.
4. You will allow CDW•G to perform several interviews of stakeholders, sponsors, team members, technical staff and managers, who will be reasonably available for the time it takes to gather information.
5. In addition, your personnel will be available on a timely basis, and when reasonably requested by CDW•G, your personnel will provide input, review the services being performed and the items provided by CDW•G, answer questions, provide signoff, and allow CDW•G to gather and validate information, perform reviews and obtain other input.
6. Your personnel will be committed to the degree necessary to successfully complete this project.



7. The scope and objectives of this project will be jointly managed by you and CDW•G to better ensure completion of the project within the anticipated schedule.
8. You and CDW•G will follow CDW•G's Project Management Methodology for this project. CDW•G's Project Management Methodology may be attached to this SoW, but if it is not, it is simply as follows: You will work with CDW•G so that together we can define roles and responsibilities, develop project and test plans, identify risks, maintain change management procedures and ensure management of open issues.
9. You have acquired all necessary hardware and software required to complete this project.
10. You will provide network connectivity, Internet access and voice access for local and long distance calls.
11. When services are performed at your location (or another location designated by you), the site will be secure. CDW•G is not responsible for lost or stolen equipment.
12. Once the business and technical specifications desired for this project have been approved by your contact person and CDW•G's contact person, no changes to it will be made without a valid Change Order signed by both your authorized representative and CDW•G's authorized representative.
13. All Change Orders will be provided in a timely fashion either by U.S. Mail, e-mail, personal transfer or facsimile transmission to CDW•G's contact person.
14. If specified in the "Description/Scope of Services" section above, initial support services related to the services that are the subject of this SoW will be available as specified in that section. CDW•G will invoice you for the time CDW•G performs this support, calculated using the rates specified in the "Professional Services Fees" section below (in the increments specified therein). If you do not already have a maintenance contract for any additional support services, CDW•G encourages you to obtain one by contacting a CDW•G account team. Those additional support services are separate from the services provided under this SoW.
15. The configuration of any product or other device is a service that is separate from the services provided under this SoW unless such configuration is included in the "Description/Scope of Services" section above or elsewhere in this SoW (as this SoW may be amended by one or more Change Orders).

### Technical or Project-Specific Assumptions

1. To accommodate wireless traffic, CDW•G engineers will make network infrastructure changes to Cisco manufactured equipment only.
2. The Northern Inyo Hospital resource assigned to this project is expected to participate as a full member of the team with participation in all phases of the project and to the degree necessary to complete the work.
3. Northern Inyo Hospital has acquired all necessary hardware and software required to fulfill this project. Delays in hardware and software shipment may increase costs or change the project timeline.





4. Northern Inyo will retire any access points that are not Cisco 1242
5. CDW•G will provide a separate Statement of Work will for the mounting of 122 access points.
6. Northern Inyo has an existing 4402-50 WLAN Controller configured and functioning as the guest anchor controller

## Project Scheduling

Any dates, deadlines or schedules included in this SoW or otherwise anticipated for this project are estimates only and will be used for planning purposes only. CDW•G's contact person will contact your contact person regarding scheduling matters, and together we will develop an anticipated schedule.

## Professional Services Fees

CDW•G will invoice you for the services specified in this SoW at the following hourly (plus the travel time and expenses described in the "Travel Time and Expenses" section below).

TABLE 1. PROJECT RATES

ROLE	HOURLY RATE	EST. HOURS	SUB TOTALS
Wireless Network Engineer	\$175	114	\$19,950
Network Engineer	\$175	16	\$2,800
Project Manager	\$160	16	\$2,560
<b>Totals</b>		<b>146</b>	<b>\$25,310</b>

Based on what is known at this time, CDW•G estimates that the services will take 146 hours to perform and will result in CDW•G's fee being approximately \$25,310 (plus the Travel Time and Expenses described in the "Travel Time and Expenses" section below). This estimate does not represent a fixed fee, nor is it intended to limit the number of hours you may like CDW•G to perform under this SoW.

The rates above apply to services scheduled during normal business hours (8:00 a.m. to 5:00 p.m. local time Monday through Friday, excluding holidays). You will be invoiced an amount equal to 150% of these rates for services scheduled (at your request or with your approval) any other time and 200% of these rates for unscheduled services.

When services are scheduled or performed at your location (or another location designated by you), time will be calculated in one-hour increments with a four-hour minimum each day, except that for CDW•G personnel who must travel more than two hours a day to perform at your location (or another location designated by you), the applicable minimum will be eight hours (less travel time that is invoiced pursuant to the "Travel Time and Expenses" section below). When services are not scheduled or performed at your location (or another location designated by you), time will be calculated in one-hour increments with a minimum of one-hour each day.



Upon notice to you, CDW•G may adjust the rates above, provided, however that the rates will remain fixed for at least six months after the Effective Date of this SoW and then again for at least six months after any subsequent adjustment.

The rates above do not apply to services not specified in this SoW (as this SoW may be amended by one or more Change Orders). CDW•G would be pleased to consider addressing any additional services you may like under a separate SoW.

## Travel Time and Expenses

CDW•G will invoice you for the travel time of CDW•G's personnel at a rate equal to 50% of the rates specified in the "Professional Services Fees" section above. CDW•G will make efforts to schedule appropriate CDW•G personnel from CDW•G's offices located nearest to your location (or any other location designated by you where services will be performed) whenever possible. CDW•G's ability to do so will depend on factors like whether specialized project skills will be desired or required and whether doing so can meet your wishes concerning the anticipated schedule.

CDW•G will invoice you for all reasonable, direct costs incurred by CDW•G in providing the services described in this SoW. Examples of these expenses may include, but may not be limited to airfare, lodging, mileage, meals, tolls and parking. Upon your request, CDW•G will provide you with itemization and documentation of all expenses over \$25. CDW•G will not add a markup to any of these expenses. Any projected expenses discussed or set forth in this SoW are estimates only.

## Payment Terms

You will pay invoices containing amounts authorized by this SoW within 30 days of receipt. Any objections you may have to an invoice will be made to CDW•G within 15 days after the date of the invoice and will be directed to CDW•G's contact person.

## Expiration

This SoW will be of no force or effect if you do not sign it and transfer the signature page, together with all other pages, to CDW•G so that it is received within 30 days from the date on its cover page. If your signature arrives after expiration of that 30-day period, CDW•G may nonetheless elect to countersign and perform under this SoW, but the decision to do so will be in its sole discretion. This SoW will be of no force or effect unless fully signed by both you and CDW•G. This SoW may be signed in separate counterparts each of which shall be deemed an original and all of which together will be deemed to be one original. Electronic signatures of this SoW (or copies of signatures sent via electronic means) are the equivalent of a written and signed SoW.

## Change Orders

This SoW may be modified or amended only in a writing signed by both you and CDW•G (referred to in this SoW as a Change Order). A sample partial Change Order form is attached as an appendix.



To modify or amend this SoW, contact your CDW•G Contact Person for a Change Order form. Complete and return the form to the CDW•G Contact Person. Each Change Order will be of no force or effect if you do not sign it and transfer the signature page, together with all other pages, to CDW•G so that it is received within 30 days from its date. If your signature arrives after expiration of that 30-day period, CDW•G may nonetheless elect to countersign and perform under that Change Order, but the decision to do so will be in its sole discretion.

Whenever there is a conflict between the terms and conditions set forth in a fully signed Change Order and those set forth in this SoW or a prior fully signed Change Order, the terms and conditions of the most recent fully signed Change Order shall prevail. Change Orders are of no force or effect if they are not fully signed by both you and CDW•G. Each Change Order may be signed in separate counterparts each of which shall be deemed an original and all of which together will be deemed to be one original. Electronic signatures of a Change Order (or copies of signatures sent via electronic means) are the equivalent of a written and signed Change Order.

## Miscellaneous and Signatures

Subject to the "Expiration" section above, this SoW is effective as of: \_\_\_\_\_, 20\_\_ (or, if left blank, on the date that this SoW is signed by the last of the parties below to do so) (the "Effective Date"). CDW•G's terms and conditions of Product Sales and Service Projects contained in the "Terms & Conditions" link at [www.CDWG.com](http://www.CDWG.com) (the "Terms and Conditions") govern this SoW, unless there is an existing written agreement covering the type of services specified in this SoW (the "Agreement") between the parties hereto or between you and an affiliate of CDW•G, in which case, such Agreement will govern. If there is a conflict between this SoW and the Terms and Conditions or, if applicable, any Agreement, then the Terms and Conditions or the Agreement will control, except as expressly amended in this SoW by specific reference to the Terms and Conditions or the Agreement. References in the Terms and Conditions or the Agreement to a SoW or a Work Order apply to this SoW. This SoW is the proprietary and confidential information of CDW•G.

This SoW can be terminated by CDW•G without cause upon at least 14 days' advanced written notice.

## Locations Receiving the Benefit of the Services

Types of Services	Physical Address
Configuration, Implementation; Project Management, and Training.	150 Pioneer Ln Bishop CA 93514-2599

In acknowledgement that the parties below have read and understood this SoW and agree to be bound by it, each party has caused this SoW to be signed and transferred by its respective authorized representative.

CDW•G as used in this SoW:

**CDW•G Government, Inc.**

By (signature): \_\_\_\_\_

Name (printed): \_\_\_\_\_

YOU as used in this SoW:

**Northern Inyo Hospital**

By (signature): \_\_\_\_\_

Name (printed): \_\_\_\_\_





Title (printed): \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Date: \_\_\_\_\_

Title (printed): \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Date: \_\_\_\_\_

Mailing Address:  
Street: 200 N. Milwaukee Ave.  
City: Vernon Hills  
State & Zip: IL 60061

Mailing Address:  
Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State & Zip: \_\_\_\_\_

Billing Contact: \_\_\_\_\_  
Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State & Zip: \_\_\_\_\_

**Purchase Order**

- A purchase order for payment under this SoW is attached.
- A purchase order is not required for payment under this SoW.

Initials of PSM: \_\_\_\_\_



## Appendix A. Sample Change Order

### General Information

Project Name	
Date of Change Request	
Requesting Party	
Urgency	<ul style="list-style-type: none"> <li>• Low—nice to have but will not expend resources to include.</li> <li>• Medium—important and if we can include it, we should.</li> <li>• High—required and must be included.</li> <li>• Critical—review and expedite immediately.</li> </ul>
Nature of the change. Choose all that apply.	<ul style="list-style-type: none"> <li>• Scope</li> <li>• Schedule</li> <li>• Budget</li> <li>• Performance</li> </ul>
Reason for change. Describe in detail.	
Description of change. Describe in detail if not already evident in reason above.	
Impact of not changing. Describe in detail.	

### Assessment

Is the assessment of this request authorized?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
What is the budget for the assessment of this change request?		
Who is responsible for performing the assessment? List all participants.		



### Assessment Results

Overall impact of performing the change request.	<ul style="list-style-type: none"> <li>• Absolutely necessary to achieve desired results.</li> <li>• Discretionary—provides benefits beyond the original target.</li> <li>• Scope reduction that will not impact original targets.</li> <li>• Scope reduction that will impact original targets.</li> </ul>
Impact on cost, for example in labor and equipment.	
Functional impact.	
Technical impact; for example, on performance and specific components.	
Impact on project schedule and resources.	

### Recommendations

Overall recommendations.	
Alternatives considered.	





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# SALES QUOTATION

QUOTE NO.	ACCOUNT NO.	DATE
MGQ2598	9130691	10/28/2008

NORTHERN INYO HOSPITAL  
B 150 PIONEER LN  
L ACCTS PAYABLE  
T BISHOP, CA 93514-2599  
O

NORTHERN INYO HOSPITAL  
S 150 PIONEER LN  
H  
I  
P ACCTS PAYABLE  
T BISHOP, CA 93514-2599  
O Contact: ADAM TAYLOR 760-873-2168

Customer P.O.# CISCO WIRELESS QUOTE

Customer Phone # 7608735811

ACCOUNT MANAGER	SHIPPING METHOD	TERMS	EXEMPTION CERTIFICATE
DAVE SOLOMON 866-342-9087	FEDEX Ground	Request Terms	

QTY	ITEM NUMBER	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
4	815934	CISCO AIRONET 4400 WLAN CTRLR-UP Mfg#: CS1-AIR-WLC4402-50-K9 Contract: MARKET	12087.70	48350.80
4	981757	CISCO SMARTNET 8X5XNBD Mfg#: CD1-CON-SNT-WC440250 Contract: MARKET	1359.45	5437.80
1	1016811	CISCO OPTION OF WCS-STANDARD-K9 Mfg#: CS1-WCS-APLOC-50 Contract: MARKET	3637.54	3637.54
1	1096478	CISCO SMARTNET SW APP SUPPORT + UPGR Mfg#: CWU-CON-SAU-WCSAL50 Contract: MARKET	1008.60	1008.60
1	1022070	CISCO OPTION OF WCS-STANDARD-K9 100 Mfg#: CS1-WCS-APLOC-100 Contract: MARKET	5448.67	5448.67
1	1091096	CISCO SMARTNET SW APP SUPPORT + UPGR Mfg#: CWU-CON-SAU-WCSAL1C Contract: MARKET	1513.44	1513.44
8	525142	CISCO 1000BASE-T SFP Mfg#: CIS-GLC-T= Contract: MARKET	252.74	2021.92
79	842756	CISCO 802.11AG LWAPP AP DUAL 2.4,5GH Mfg#: CS1-AIR-LAP1242AG-A-K9 Contract: MARKET	498.00	39342.00

**TOTAL** Continued

CDW Government, Inc.  
230 North Milwaukee Ave.  
Vernon Hills, IL 60061  
General Phone: 847-371-5000 Fax: 847-419-6200  
Account Manager's Direct Fax: 312-705-8228

Please remit payment to:  
CDW Government, Inc.  
75 Remittance Drive  
Suite 1515  
Chicago, IL 60675-1515



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# SALES QUOTATION

QUOTE NO.	ACCOUNT NO.	DATE
MGQ2598	9130691	10/28/2008

NORTHERN INYO HOSPITAL  
150 PIONEER LN  
ACCTS PAYABLE  
BISHOP, CA 93514-2599

NORTHERN INYO HOSPITAL  
150 PIONEER LN  
ACCTS PAYABLE  
BISHOP, CA 93514-2599  
Contact: ADAM TAYLOR 760-873-2168

Customer Phone # 7608735811

Customer P.O.# CISCO WIRELESS QUOTE

ACCOUNT MANAGER	SHIPPING METHOD	TERMS	EXEMPTION CERTIFICATE
DAVE SOLOMON 866-342-9087	FEDEX Ground	Request Terms	

QTY	ITEM NUMBER	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
79	978857	CISCO SMARTNET 8X5XNBD Mfg#: CD1-CON-SNT-LAP1242A Contract: MARKET	63.99	5055.21
79	317841	CISCO AIRONET 2.0DBI ANTENNA Mfg#: CS1-AIR-ANT5959 Contract: MARKET	172.00	13588.00
79	744029	CISCO 5GHZ 4.5DBI DIVERSITY OMNI Mfg#: CS1-AIR-ANT5145V-R Contract: MARKET	172.00	13588.00
43	842756	CISCO 802.11AG LWAPP AP DUAL 2.4,5GH Mfg#: CS1-AIR-LAP1242AG-A-K9 Contract: MARKET	498.00	21414.00
43	978857	CISCO SMARTNET 8X5XNBD Mfg#: CD1-CON-SNT-LAP1242A Contract: MARKET	61.60	2648.80
43	1003958	CISCO 2.4 GHZ 6.5 DBI DIVERSITY ANT Mfg#: CIS-AIR-ANT2465P-R Contract: MARKET	254.02	10922.86
43	880124	CISCO 5GHZ 7DBI DIVERSITY PATCH Mfg#: CS1-AIR-ANT5170P-R Contract: MARKET	251.00	10793.00
6	727791	CISCO CAT3560 24 10/100/1000T Mfg#: CIS-WS-C3560G-24PS-S Contract: MARKET	3429.00	20574.00

**TOTAL** Continued

CDW Government, Inc.  
230 North Milwaukee Ave.  
Vernon Hills, IL 60061  
General Phone: 847-371-5000 Fax: 847-419-6200  
Account Manager's Direct Fax: 312-705-8228

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75 Remittance Drive  
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Chicago, IL 60675-1515



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# SALES QUOTATION

QUOTE NO.	ACCOUNT NO.	DATE
MGQ2598	9130691	10/28/2008

**B I L L T O**  
NORTHERN INYO HOSPITAL  
150 PIONEER LN  
ACCTS PAYABLE  
BISHOP, CA 93514-2599

**S H I P T O**  
NORTHERN INYO HOSPITAL  
150 PIONEER LN  
ACCTS PAYABLE  
BISHOP, CA 93514-2599  
Contact: ADAM TAYLOR 760-873-2168

Customer P.O. # CISCO WIRELESS QUOTE

Customer Phone # 7608735811

ACCOUNT MANAGER	SHIPPING METHOD	TERMS	EXEMPTION CERTIFICATE
DAVE SOLOMON 866-342-9087	FEDEX Ground	Request Terms	

QTY	ITEM NUMBER	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
6	964001	CISCO SMARTNET 8X5XNBD Mfg#: CD1-CON-SNT-3560GPS Contract: MARKET	330.30	1981.80
12	525142	CISCO 1000BASE-T SFP Mfg#: CIS-GLC-T= Contract: MARKET	252.74	3032.88
4	813666	CISCO AIRONET 4400 WLAN-CTRLR AC P/S Mfg#: CS1-AIR-PWR-4400-AC= Contract: MARKET	940.00	3760.00
			<b>SUBTOTAL</b>	214119.32
			<b>FREIGHT</b>	2586.91
			<b>SALES TAX</b>	15324.47

**TOTAL** US Currency 232,030.70

CDW Government, Inc.  
230 North Milwaukee Ave.  
Vernon Hills, IL 60061  
General Phone: 847-371-5000 Fax: 847-419-6200  
Account Manager's Direct Fax: 312-705-8228

Please remit payment to:  
CDW Government, Inc.  
75 Remittance Drive  
Suite 1515  
Chicago, IL 60675-1515



# Vocera Communications System Deployment

Statement of Work  
for  
Northern Inyo Hospital

Version 1.0

November 7, 2008

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## Introduction

CDW•G is pleased to present this Statement of Work (SoW) to Northern Inyo Hospital for the deployment of the Vocera Communications System. Based on our conversations with you, CDW•G is confident that our methodologies and approach to business align closely with those of Northern Inyo Hospital, and we look forward to working with you in making this and future projects a success.

## Contact Persons

CDW•G will appoint a CDW•G contact person when the time for performance nears, and CDW•G will communicate that person's name and information to your contact person. If your contact person is someone other than the individual who signs this SoW on your behalf, please supply the name of that contact person here:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Your contact person is authorized to approve materials and services provided by CDW•G, and CDW•G may rely on the decisions and approvals made by your contact person (except that CDW•G understands that you may require a different person to sign any Change Orders amending this SoW). Your contact person will manage all communications with CDW•G, and when services are performed at your location (or another location designated by you), your contact person will be present or available.

## Description / Scope of Services

Northern Inyo Hospital is seeking the assistance of CDW•G for the deployment of their Vocera Communication System for a 50-user Enterprise license at the Bishop, California location. CDW•G will provide the installation, engineering, and Project Management resources to ensure a successful implementation.

Northern Inyo Hospital seeks assistance in the planning and deployment of a Vocera Communication System, including:

- Procurement of required hardware meeting minimum specifications for the Vocera Communication System components
- Configuration of Vocera components listed in the Bill of Material
- Design of call flows to compliment End-user workflows
- Configuration and testing of Vocera badges
- Training for Administrators, Super-users, and End-users



This project is detailed in the following major phases: Planning, Design, Implementation, and Go Live.

Northern Inyo Hospital's Cisco wireless network will be deployed by CDW•G to support the Vocera solution.

## Approval Criteria

The Northern Inyo Hospital's Vocera Communication System, as described in this Statement of Work, will be defined as successful after the following objectives are met:

- Call flow design for 5 departments within the facility
- Functionality for approximately 50 Vocera badges
- Completion of training sessions for Administrators, Trainers, Super-users and End-users

## Out of Scope

Any other tasks not included in this Statement of Work will be considered out-of-scope and will be billable on a time-and-materials basis. Tasks outside the statement of work include, but are not limited to:

- LAN/WAN remediation
- Wireless remediation
- Emergin integration
- Nurse-call integration

## Items to be Provided

The following items will be provided to Northern Inyo Hospital at the completion of this project.

- Bill of Materials
- Project Plan
- Design document
- Test plan
- Server and application configuration documents
- Vocera badge wireless signal strength survey
- Training materials



# Project Plan

## Planning

The Planning phase will be critical in determining the actual duration and overall cost of this project. The involvement of Northern Inyo Hospital staff in all phases will be necessary to ensure the success of this project. This Statement of Work is subject to revision pending the discovery portion of the engagement. Key activities that will be completed in this phase include:

### Project Kickoff

Facilitate a kick-off workshop with the key stakeholders, including your executive sponsor, project manager, key clinical, IT, and Telecommunications staff. Review best practices for deployment activities, device management, policies and procedures, training and rollout.

### Technical Discovery

A set of interviews will need to be conducted to gather information regarding existing LAN/WAN, Wireless LAN, and PBX configurations as well as IT and Telecommunications policies and standards currently in place. After the interviews are completed, a CDW•G engineer will conduct a site readiness review.

### Clinical Workshop

The clinical workshop will be conducted onsite at Northern Inyo Hospital's Bishop, CA location with all key personnel including project stakeholders, clinicians, and members of the IT team. The workshop will cover system and badge usage, goals, workflows, and best practices for successful Vocera Communication System deployment.

### Workflow Study

A CDW•G system designer will work with small groups on planning and information gathering to ensure that each department has optimal call flows for their workflows.

### Project Planning

The project team will develop a detailed project plan which will include; timelines, tasks and resource assignments.

## Design

Information gathered in the Planning phase will set the stage for the Design phase activities. The design that will be prepared must account for the configuration of the Vocera Communication System components as they relate to the following:

- LAN/WAN
- Wireless LAN
- Vocera Infrastructure



- Vocera Database

## LAN/WAN

There are many network devices that will require changes the deployment of the Vocera Communication System. New VLANs will be required for badges and possibly Vocera servers. New IP Subnets and network range reservations will be needed for the new VLANs along with reservations for specific addresses to be used for servers, controllers, and access points. DHCP, multicast, and QoS are a few of the other design considerations of the LAN/WAN environment.

## Wireless LAN

Vocera is a unique product with some unique wireless requirements. If not already in use, access classes for the administration of the controllers will need to be established along with any security related ACLs. A new Vocera badge SSID will need to be planned with consideration of the badge's security capabilities. The design will outline the requirements for optimal badge voice quality.

## Vocera Infrastructure

Vocera Infrastructure design will include planning for the configuration of the following components; Vocera Servers, Vocera Telephony Server, Vocera Report Server, and Badge Configuration Workstation.

## Vocera Database

The Vocera Database includes all of the formatted information imported into the Vocera Server, customized for Northern Inyo Hospital's workflows. The design of the database will be a reflection of the information gathered in the Planning phase's Clinical Workshop and Workflow Study. The database design will call for a complete user list including titles, job function, and contact numbers as appropriate. It will include groups of users along with their granted and restricted rights. There will be a call flow for every department, and a shared address book for all system users. As a related item to database design, policies and procedures will be defined for appropriate use.

## Implementation

All work on physical devices occurs during the Implementation Phase however this is merely the physical execution of the design created in the Design phase. The following items will need to be completed during the Implementation phase:

- Wireless LAN Validation
- Vocera Infrastructure Deployment
- Vocera Database Creation
- Testing
- Administrator and Help Desk Training





## Wireless LAN Validation

A Wireless LAN Validation will not be required due to the fact that CDW is currently implementing a VoIP grade wireless network on the premises.

## Vocera Infrastructure Deployment

All Vocera servers will be deployed per the design document. The servers will be patched to CDW•G's best practice versions, and badges will receive the latest firmware upgrade upon connection to the Vocera server.

## Vocera Database Creation

CDW•G will create the Vocera database from using the Northern Inyo Hospital's accepted detailed settings gathered in the Planning phase. This includes all users, address book entries, and a complete call flow for each phone number that will ring into the Vocera Communication System.

## Testing

To confirm the Implementation phase is completed properly, the test plan devised in the Design phase will be used to ensure all system functionality has been delivered to the end users.

## Administrator and Help Desk Training

With all systems confirmed as fully functional, the last component of the Implementation phase is the training of Vocera Administrators and Help Desk personnel.

## Go Live

At the end of the Implementation phase the entire Vocera Communication System is fully functional. The Go Live phase is simply getting the knowledge of how to properly use the badges and accessories to the user community. Tasks related to Go Live are:

- Train the Trainer Training
- Super User Training
- End User Training
- Support

## Train the Trainer Training

CDW•G will provide Train the Trainer classes for up to 10 Northern Inyo Hospital's trainers. These classes will provide Northern Inyo Hospital's Vocera users enough knowledge and experience to train Northern Inyo Hospital's new badge users on proper use and care of Vocera badges.



## Super User Training

Super User Training gives up to 10 of Northern Inyo Hospital's employees knowledge of advanced commands. These commands can then be taught at a peer level between the Super users and the rest of their department.

## End User Training

It is of critical importance that all badge users receive end user training and get a small amount of one on one time with a trainer before using Vocera. CDW•G will provide End User Training classes for up to 180 users, the rest will be performed by Northern Inyo Hospital's designated trainers.

## Support

As users receive training and their badges, it is important that they get a chance to practice using the device in the presence of someone experienced with the system. That person needs access to technical assistance for changes to user's names and the system address book to ensure the speech recognition is getting the maximum number of first try successes.

## Post-Deployment Visit

45 to 60 days after deployment, CDW will follow-up with Northern Inyo to determine if there are any outstanding problems or issues and will work with your personnel to correct said issues.

## Project Completion

Once the Vocera Communication System is in production and applicable issues are resolved, CDW•G will conduct a project closeout meeting with the Northern Inyo Hospital stakeholders. At this meeting, the project deliverables, and key items of note will be reviewed. Northern Inyo Hospital and CDW•G will agree that the deliverables have been completed as expected and will perform formal project signoff. At that point, all applicable project documentation will be transferred to Northern Inyo Hospital along with all Vocera support activities.

## Responsibilities and Assumptions

This SoW depends upon a number of responsibilities and assumptions that are detailed below.

If you do not fulfill all of your responsibilities under this SoW in a timely manner or if any assumption is incomplete, incorrect or becomes incorrect, then:

1. The anticipated schedule for this project may be delayed.
2. Scheduled personnel may be reassigned to a different project or may become idle. CDW•G will have the right to invoice you for any time CDW•G's personnel had been scheduled to perform this SoW (calculated using the rates specified in the "Professional Services Fees" section below using an eight-hour day) if such personnel do not perform on those scheduled days because of your failure to fulfill all of your responsibilities or because of an incomplete or incorrect assumption.



3. ~~The amount of time it takes to perform the services may increase and/or CDW•G may need to perform additional or different services in order to be able to perform the services that are the subject of this SoW, in which case, CDW•G will invoice you for any such additional or different time or performance (calculated using the rates specified in the "Professional Services Fees" section below in the increments specified therein).~~
4. It may be commercially unreasonable for CDW•G to perform the services that are the subject of this SoW, either in whole or in part, in which case CDW•G will have the right to terminate this SoW upon notice to you.

In addition to any other responsibilities described in this SoW that you may have, your obligations include (without limitation) those listed below.

### Northern Inyo Hospital General Responsibilities

1. Together with CDW•G, schedule the performance of the services.
2. Communicate all material project matters to CDW•G's contact person.
3. Provide at least one qualified technical person with system administration responsibilities for the duration of the project.
4. Provide qualified personnel at your location (or any other location designated by you where services are to be provided) to support your existing equipment for the duration of the project.
5. Provide other full-time qualified, knowledgeable personnel who will perform your obligations under this SoW, make timely decisions necessary to move performance of the services forward, participate in this project to the extent reasonably requested by CDW•G and reasonably assist CDW•G with its performance of the services.
6. Provide CDW•G's personnel with appropriate levels of access and privilege to systems and information necessary for CDW•G's performance of the services.
7. Perform other reasonable duties and tasks to facilitate CDW•G's performance of the services, including (without limitation):
  - a. provide blueprints or floor plans of buildings/campus;
  - b. provide descriptions and diagrams of your existing environment;
  - c. provide business and technical specifications desired for this project;
  - d. provide the proper physical environment for all devices; and
  - e. provide proper electrical power for all devices.

### Technical or Project-Specific Responsibilities

#### Planning Responsibilities

CDW•G Responsibilities:



1. Coordinate Kickoff meeting
2. Conduct Technical Discovery and perform Site Readiness Review
3. Lead Clinical Workshop
4. Facilitate Workflow Study
5. Create a Project Plan

#### Northern Inyo Hospital Responsibilities:

- Ensure required people attend Kickoff meeting
- Provide technical information and documentation
- Coordinate personnel for Clinical Workshop
- Organize Workflow Study groups
- Acknowledge the timeframe and personnel requirements of the Project Plan

#### Design Responsibilities

##### CDW•G Responsibilities:

- Review any existing components for compatibility with incoming components
- Plan for the integration of external systems to Vocera devices
- Create a detailed design document that will serve as the blueprint for the build and configuration of all Vocera related components

##### Northern Inyo Hospital Responsibilities:

- Reserve IP addresses, IP subnets, phone extensions and DIDs
- Define any toll restrictions to be applied to all Vocera badges
- Review the design document, and accept the design prior to the start of the Implementation phase

#### Implementation Responsibilities

##### CDW•G Responsibilities:

- Install and configure all devices per the design document
- Configure the Vocera components

##### Northern Inyo Hospital Responsibilities:

- Provide proper staging area, workspace, and access to needed personnel to CDW•G resources





- Install all operating systems per CDW•G specifications

## Go-Live Responsibilities

### CDW•G Responsibilities:

- Provide training materials for all levels of classes
- Provide one (1), 90-minute Train-the-trainer class (up to 10 people per class)
- Provide one (1), 90-minute Super-user Training class (up to 10 people per class)
- Provide 2, 60-minute End-user Training classes (up to 10 people per class)
- Attend and audit 4, 60-minute Northern Inyo Hospital-led training classes (up to 10 people per class)

### Northern Inyo Hospital Responsibilities:

- After attending the Train-the-trainer session, Trainers will attend and observe one (1) CDW•G-led End-user training class
- Provide the classroom for training with sufficient seating for up to 10 people
- Provide End-user training classes to your remaining Vocera users

In addition to any other assumptions described in this SoW, CDW•G assumes the following:

## CDW•G General Assumptions

1. When services are performed at your location (or another location designated by you), they will be performed during normal business hours (8:00a.m. to 5:00p.m. local time Monday through Friday, excluding the holidays).
2. Some services may be performed at a location other than your location (or another location designated by you).
3. When services are performed at your location (or another location designated by you), you will provide adequate, co-located workspace for the engagement personnel (both CDW•G's personnel and your personnel) with appropriate system access. CDW•G recommends keeping these personnel separate from support teams and those performing daily operations.
4. You will allow CDW•G to perform several interviews of stakeholders, sponsors, team members, technical staff and managers, who will be reasonably available for the time it takes to gather information.
5. In addition, your personnel will be available on a timely basis, and when reasonably requested by CDW•G, your personnel will provide input, review the services being performed and the items provided by CDW•G, answer questions, provide signoff, and allow CDW•G to gather and validate information, perform reviews and obtain other input.



6. Your personnel will be committed to the degree necessary to successfully complete this project.
7. The scope and objectives of this project will be jointly managed by you and CDW•G to better ensure completion of the project within the anticipated schedule.
8. You and CDW•G will follow CDW•G's Project Management Methodology for this project. CDW•G's Project Management Methodology may be attached to this SoW, but if it is not, it is simply as follows: You will work with CDW•G so that together we can define roles and responsibilities, develop project and test plans, identify risks, maintain change management procedures and ensure management of open issues.
9. You have acquired all necessary hardware and software required to complete this project.
10. You will provide network connectivity, Internet access and voice access for local and long distance calls.
11. When services are performed at your location (or another location designated by you), the site will be secure. CDW•G is not responsible for lost or stolen equipment.

### Other CDW•G Assumptions

1. Once the business and technical specifications desired for this project have been approved by your contact person and CDW•G's contact person, no changes to it will be made without a valid Change Order signed by both your authorized representative and CDW•G's authorized representative.
2. All Change Orders will be provided in a timely fashion either by U.S. Mail, e-mail, personal transfer or facsimile transmission to CDW•G's contact person.
3. If specified in the "Description/Scope of Services" section above, initial support services related to the services that are the subject of this SoW will be available as specified in that section. CDW•G will invoice you for the time CDW•G performs this support, calculated using the rates specified in the "Professional Services Fees" section below (in the increments specified therein). If you do not already have a maintenance contract for any additional support services, CDW•G encourages you to obtain one by contacting a CDW•G account team. Those additional support services are separate from the services provided under this SoW.
4. The configuration of any product or other device is a service that is separate from the services provided under this SoW unless such configuration is included in the "Description/Scope of Services" section above or elsewhere in this SoW (as this SoW may be amended by one or more Change Orders).

### CDW•G Technical or Project-Specific Assumptions

1. Access points, network infrastructure, hardware and systems software will support the requirements for the Vocera Communication System. These requirements are documented in Vocera's Infrastructure Implementation Guide.

2. Servers procured to run any Vocera licensed application will meet or exceed Vocera's published minimum requirements.
3. Best practice versions for all software and firmware will be supplied by CDW•G and used during this project
4. Northern Inyo Hospital's existing WLAN meets specifications for the Vocera Communication System provided in Kickoff Meeting.

## Project Scheduling

Any dates, deadlines or schedules included in this SoW or otherwise anticipated for this project are estimates only and will be used for planning purposes only. CDW•G's contact person will contact your contact person regarding scheduling matters, and together we will develop an anticipated schedule.

## Professional Services Fees

CDW•G will invoice you for the services specified in this SoW at the following hourly rates (plus the travel time and expenses described in the "Travel Time and Expenses" section below).

TABLE 1 - PROJECT RATES

ROLE	HOURLY RATE	EST. HOURS	SUB TOTALS
Vocera Engineer	\$225	26	\$5,850
Vocera Trainer/DB Designer	\$225	68	\$15,300
Project Manager	\$160	26	\$4,160
<b>Totals</b>		<b>120</b>	<b>\$25,310</b>

Based on what is known at this time, CDW•G estimates that the services will take 120 hours to perform and will result in CDW•G's fee being approximately \$25,310.00 (plus the Travel Time and Expenses described in the "Travel Time and Expenses" section below). This estimate does not represent a fixed fee, nor is it intended to limit the number of hours you may like CDW•G to perform under this SoW.

The rates above apply to services scheduled during normal business hours (8:00 a.m. to 5:00 p.m. local time Monday through Friday, excluding holidays). You will be invoiced an amount equal to 150% of these rates for services scheduled (at your request or with your approval) any other time and 200% of these rates for unscheduled services.

When services are scheduled or performed at your location (or another location designated by you), time will be calculated in one-hour increments with a four-hour minimum each day, except that for CDW•G personnel who must travel more than two hours a day to perform at your location (or another location designated by you), the applicable minimum will be eight hours (less travel time that is invoiced pursuant to the "Travel Time and Expenses" section below). When services are not scheduled or performed at your location (or another location designated by you), time will be calculated in one-hour increments with a minimum of one-hour each day.





Upon notice to you, CDW•G may adjust the rates above, provided, however that the rates will remain fixed for at least six months after the Effective Date of this SoW and then again for at least six months after any subsequent adjustment.

The rates above do not apply to services not specified in this SoW (as this SoW may be amended by one or more Change Orders). CDW•G would be pleased to consider addressing any additional services you may like under a separate SoW.

## Travel Time and Expenses

CDW•G will invoice you for the travel time of CDW•G's personnel at a rate equal to 50% of the rates specified in the "Professional Services Fees" section above. CDW•G will make efforts to schedule appropriate CDW•G personnel from CDW•G's offices located nearest to your location (or any other location designated by you where services will be performed) whenever possible. CDW•G's ability to do so will depend on factors like whether specialized project skills will be desired or required and whether doing so can meet your wishes concerning the anticipated schedule.

CDW•G will invoice you for all reasonable, direct costs incurred by CDW•G in providing the services described in this SoW. Examples of these expenses may include, but may not be limited to airfare, lodging, mileage, meals, tolls and parking. Upon your request, CDW•G will provide you with itemization and documentation of all expenses over \$25. CDW•G will not add a markup to any of these expenses. Any projected expenses discussed or set forth in this SoW are estimates only.

## Expenses

CDW•G will invoice you for all reasonable, direct costs incurred by CDW•G in providing the services described in this SoW. Examples of these expenses may include, but may not be limited to, airfare, lodging, mileage, meals, tolls and parking. CDW•G will not add a markup to any of these expenses. Any projected expenses discussed or set forth in this SoW are estimates only.

## Payment Terms

You will pay invoices containing amounts authorized by this SoW within 30 days of receipt. Any objections you may have to an invoice will be made to CDW•G within 15 days after the date of the invoice and will be directed to CDW•G's contact person.

## Expiration

This SoW will be of no force or effect if you do not sign it and transfer the signature page, together with all other pages, to CDW•G so that it is received within 30 days from the date on its cover page. If your signature arrives after expiration of that 30-day period, CDW•G may nonetheless elect to countersign and perform under this SoW, but the decision to do so will be in its sole discretion. This SoW will be of no force or effect unless fully signed by both you and CDW•G. This SoW may be signed in separate counterparts each of which shall be deemed an original and all of which together will be deemed to be one original. Electronic signatures of this



SoW (or copies of signatures sent via electronic means) are the equivalent of a written and signed SoW.

## Change Orders

This SoW may be modified or amended only in a writing signed by both you and CDW•G (referred to in this SoW as a Change Order). A sample partial Change Order form is attached as an appendix.

To modify or amend this SoW, contact your CDW•G Contact Person for a Change Order form. Complete and return the form to the CDW•G Contact Person. Each Change Order will be of no force or effect if you do not sign it and transfer the signature page, together with all other pages, to CDW•G so that it is received within 30 days from its date. If your signature arrives after expiration of that 30-day period, CDW•G may nonetheless elect to countersign and perform under that Change Order, but the decision to do so will be in its sole discretion.

Whenever there is a conflict between the terms and conditions set forth in a fully signed Change Order and those set forth in this SoW or a prior fully signed Change Order, the terms and conditions of the most recent fully signed Change Order shall prevail. Change Orders are of no force or effect if they are not fully signed by both you and CDW•G. Each Change Order may be signed in separate counterparts each of which shall be deemed an original and all of which together will be deemed to be one original. Electronic signatures of a Change Order (or copies of signatures sent via electronic means) are the equivalent of a written and signed Change Order.

## Miscellaneous and Signatures

Subject to the "Expiration" section above, this SoW is effective as of: \_\_\_\_\_, 20\_\_ (or, if left blank, on the date that this SoW is signed by the last of the parties below to do so) (the "Effective Date"). CDW•G's terms and conditions of Product Sales and Service Projects contained in the "Terms & Conditions" link at [www.CDWG.com](http://www.CDWG.com) (the "Terms and Conditions") govern this SoW, unless there is an existing written agreement covering the type of services specified in this SoW (the "Agreement") between the parties hereto or between you and an affiliate of CDW•G, in which case, such Agreement will govern. If there is a conflict between this SoW and the Terms and Conditions or, if applicable, any Agreement, then the Terms and Conditions or the Agreement will control, except as expressly amended in this SoW by specific reference to the Terms and Conditions or the Agreement. References in the Terms and Conditions or the Agreement to a SoW or a Work Order apply to this SoW. This SoW is the proprietary and confidential information of CDW•G.

This SoW can be terminated by CDW•G without cause upon at least 14 days' advanced written notice.

## Locations Receiving the Benefit of the Services

### Types of Services

Vocera Deployment

### Physical Address

150 Pioneer Lane, Bishop, CA 93514



In acknowledgement that the parties below have read and understood this SoW and agree to be bound by it, each party has caused this SoW to be signed and transferred by its respective authorized representative.

CDW•G as used in this SoW:

**CDW Government, Inc.**

By (signature): \_\_\_\_\_  
Name (printed): \_\_\_\_\_  
Title (printed): \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Date: \_\_\_\_\_

Mailing Address:

Street: 200 N. Milwaukee Ave.  
City: Vernon Hills  
State & Zip: IL 60061

YOU as used in this SoW:

**Northern Inyo Hospital**

By (signature): \_\_\_\_\_  
Name (printed): \_\_\_\_\_  
Title (printed): \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Date: \_\_\_\_\_

Mailing Address:

Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State & Zip: \_\_\_\_\_

Billing Contact: \_\_\_\_\_  
Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State & Zip: \_\_\_\_\_

**Purchase Order**

- A purchase order for payment under this SoW is attached.
- A purchase order is not required for payment under this SoW.

Initials of PSM: \_\_\_\_\_



## Appendix A. Sample Change Order

### General Information

Project Name	
Date of Change Request	
Requesting Party	
Urgency	<ul style="list-style-type: none"> <li>• Low—nice to have but will not expend resources to include.</li> <li>• Medium—important and if we can include it, we should.</li> <li>• High—required and must be included.</li> <li>• Critical—review and expedite immediately.</li> </ul>
Nature of the change. Choose all that apply.	<ul style="list-style-type: none"> <li>• Scope</li> <li>• Schedule</li> <li>• Budget</li> <li>• Performance</li> </ul>
Reason for change. Describe in detail.	
Description of change. Describe in detail if not already evident in reason above.	
Impact of not changing. Describe in detail.	

### Assessment

Is the assessment of this request authorized?	<input type="checkbox"/> Yes <input type="checkbox"/> No
What is the budget for the assessment of this change request?	
Who is responsible for performing the assessment? List all participants.	





### Assessment Results

Overall impact of performing the change request.	<ul style="list-style-type: none"> <li>• Absolutely necessary to achieve desired results.</li> <li>• Discretionary—provides benefits beyond the original target.</li> <li>• Scope reduction that will not impact original targets.</li> <li>• Scope reduction that will impact original targets.</li> </ul>
Impact on cost, for example in labor and equipment.	
Functional impact.	
Technical impact; for example, on performance and specific components.	
Impact on project schedule and resources.	

### Recommendations

Overall recommendations.	
Alternatives considered.	







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November 21, 2008

Adam Taylor  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514

**RE: Quote No. E-111808LNC-123 Fiber BB**

Dear Mr. Taylor  
Thank you for the opportunity to provide a communications infrastructure solution to your organization. The PCC Network Solutions ("a Pacific Coast Cabling, Inc. company") (The Contractor) team looks forward to completing the Structured Cabling installation of additional inter-building fiber optic backbone cable on the existing hospital campus.

**Our company**

PCC Network Solutions — Design. Build. Deliver. We know that communication is vital to the success of your organization. At Pacific Coast Cabling, we provide the means to make your communication systems mission-ready at all times. We are a premier provider of structured cabling systems, LAN/WAN networking equipment and our own fabricated cable assemblies. We are proud to bring our clients best-of-breed products from our partners: Belden Wire & Cable Company, Berk-Tek, Belden/CDT, Hitachi Cable Manchester, Foundry, Panduit, Commscope/Uniprise, ADC, Systemax, Avaya, Ortronics, CORNING and Terabeam. And our history of outstanding customer service and quality workmanship has brought us clients such as Amgen, 20<sup>th</sup> Century Fox, DreamWorks, Warner Brothers, Countrywide, Disney, Sempra Energy, St. John's, See Beyond and UCLA, to name just a few.

**Our qualifications**

American National Standards Institute (ANSI) Compliant  
Electronics Industries Association (EIA) Compliant  
Telecommunications Industry Association (TIA) Compliant  
Institute of Electrical and Electronics Engineers (IEEE) Compliant  
BICSI Corporate Member  
Registered Communications Distribution Designers (RCDD) on Staff  
Manufacturer Certified  
Licensed Contractor, No. 534115  
Fully Insured  
High Bonding Capacity

Should you have any questions, please do not hesitate to contact me directly. I can be reached at 818-407-1911, via fax at 818-407-1913 or via email at [mstan@pccinc.com](mailto:mstan@pccinc.com)

Best regards,

**Michael Stan**  
Project Manager



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### Statement of work

#### OSP –

- Install Corning ALTOS 24 strand 50um LOMMF armored fiber optic OSP cable and ALTOS 12 strand 50um LOMMF armored fiber optic OSP cable.
- Install new (1) 24 strand 50um fiber cable from the Admin building to the Ramadan building.
- Install new (1) 12 strand 50um fiber cable from the Ramadan building to the Rural Health Clinic building.
- Install new (1) 12 strand 50um fiber cable from the Ramadan building to the Reid building.
- Install new (1) 12 strand 50um fiber cable from the Ramadan building to the Hospice building.
- Relocate (1) existing 12 strand 50um fiber cable from between the Rural Health Clinic building and the Swing building. Remove the cable from the Rural Health Clinic and re-route into to the Ramadan building.
- Relocate the PMA fiber cable end into the new TR which is yet to be defined.
- The fiber shall be terminated with Corning "LC" 50um LOMMMF anaerobic connectors on both ends. All terminated strands shall be inserted into Corning 50um laser enhanced adapter panels which shall be housed in Corning fiber connector housings on both ends.
- Multimode fiber optic cables will be post tested for attenuation using an optical loss test set (OLTS) at 850nm and 1300nm bi-directionally per ANSI/TIA/EIA-526-14A. Test reports will be provided to the Owner on CD ROM.

#### Closet Build-out –

- Install (1) CPI Cube-it 36"h x 24"w x 24" wall mount cabinet black in the Ramadan building, (1) CPI Cube-it 36"h x 24"w x 24" wall mount cabinet black in the Reid building and (1) CPI Cube-it 36"h x 24"w x 24" wall mount cabinet black in the Hospice building. The cabinet shall mount to newly installed and painted plywood to help support the cabinet. PCC will install a 2" conduit from the floor to the new cabinet to provide a pathway for new backbone cable. The new cabinet will mount high on the wall to allow horizontal cables to drop straight into cabinet.

### Contract Requirements

The Contractor (PCC) shall provide a **25-year warranty on all Corning** products and workmanship. PCC shall provide Certificates of Insurance for General Liability, Automobile Liability, and Workers Compensation and Employers Liability naming **Northern Inyo Hospital** as additionally insured.

PCC shall provide an installation that is compliant with **Corning** installation practices, TIA/EIA-568A, 569, 606 and 607 specifications as well as NEC and local building codes.

PCC's price shall encompass all applicable costs to provide a turn key structured cabling system solution including but not limited to all materials, labor, consumables, storage, waste removal, cable support hardware, tools, equipment, etc.

### Tentative Schedule

Start Date – TBD

Completion Date – TBD



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### Quality Assurance Installation Practices

- 1.0 **INSTALLATION PRACTICES**  
All equipment shall be installed in a neat and professional like manner and to the complete satisfaction of the Client. Any cable, or material installed that does not meet the installation specifications provided by the Statement of Work shall be replaced or repaired to Client's full approval without additional cost.
- 2.0 **INSTALLATION REQUIREMENTS**  
Installation procedures must meet or exceed the requirements listed below:
- 2.1 Installation and construction practices shall be in accordance with local utility practices and agreements, state, city and county ordinances, statutes and regulations, the National Electric Safety Code, TIA/EIA-568, TIA/EIA-569, TIA/EIA-606 and TIA/EIA-607.
- 2.2 The Client's Standard Construction Specifications shall apply where applicable.
- 2.3 All equipment deemed necessary must be new and of the type specified in the Bill of Materials. No substituted items shall be allowed except as specified or approved by the Client. No custom items shall be allowed except as specified or approved by the Client.
- 2.4 All wiring shall conform to the National Electric Code and all applicable Local Codes.
- 2.5 All racks and power supplies shall be earth grounded using #6 AWG, bare copper wire to local ground grid. Customer and/or its General Contractor are required to provide a terminal ground buss (TGB) in the area of the equipment racks. All building terminal ground buss (TGB) shall be commonly connected to a main terminal ground buss (MTGB) located near the building's main power buss.
- 2.6 All cables routed through ceilings, and building structure, shall be supported from the structure independently from other trades at intervals that meet applicable federal, state and local building codes. Cables shall be routed in such a manner as to allow other maintenance activities to occur without damage to the cable.
- 2.7 PCC shall exercise due care in handling twisted pair so as not to damage the cable. Maximum pulling tension and bend radius pre and post installation shall be adhered to.
- 2.8 PCC shall be responsible for scheduling and coordinating the cable placement with other activities which may take place subsequent to cable placement. Notice is given that the cable construction is such that relatively minor physical damage, such as compression and kinks, can have major impact on system performance.
- 2.9 Separation distances between cable and EMI sources must be maintained. Reference TIA/EIA-569.
- 3.0 **CLEAN-UP**  
During the installation, on a daily basis, and upon completion of the work, PCC shall remove all debris and waste material from the site of work and adjacent work areas, and shall leave the facilities in a neat and orderly condition to the satisfaction of the Client's Project Manager. During the duration of the installation and construction phases, PCC shall maintain an attitude of safety, cleanliness and tidiness. Subcontractor shall remove daily all scrap and waste materials. Each day, PCC shall leave the premises as orderly as when he began construction.
- 4.0 **SAFETY**
- 4.1 Installation shall be designed and accomplished with safety as a primary consideration. The objective is to protect equally the public, the client, and the contracting employees.
- 4.2 PCC shall at all times exercise extreme care to reduce to a minimum the hazard of accidental injury to themselves and the public due to the presence and installation of wires and equipment particular to their trade.



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**Terms & conditions, assumptions & caveats**

1. Typically a 50% check is due upon project award, or full material invoice due upon project award. "Percentage of Completion" invoices when applicable can also be submitted biweekly, on or about the 10<sup>th</sup> and 25<sup>th</sup> of each month, and/or as material is received, and/or as labor is incurred. Payment terms are 2% 10, Net 30 from invoice date. Any variance to these terms must be negotiated with PCC V.P. of Finance.
2. Leasing Options are also available.
3. A purchase order or written contract will be required prior to the start of this project.
4. All labor has been quoted during The Contractor regular business hours of 7:00 a.m. to 3:30 p.m., Monday through Friday except holidays. Work outside of regular business hours is available where additional charges may apply.
5. Idle time incurred by The Contractor due to the absence of required escorts, clearances, permits, inability to enter the work place, delays by other trades or other factors beyond our control will be charged to the customer at a rate of (\$55.00) per man-hour.
6. If demobilization and remobilization is required for this project, additional costs per incident will be charged to the customer.
7. Any shipping charges incurred will be prepaid and added to final invoice.
8. A 15% Return/Handling Fee will be assessed on any materials returned by client. Non-Returnable/Non-Refundable materials include: cabinets/racks built to order, copper and fiber optic interconnect cords, non-standard lengths or custom hybrid configurations of fiber optic cable or copper cable, etc.
9. It is the responsibility of the proposed client to notify The Contractor, prior to the start of a project, of any Hazardous Materials such as asbestos contained materials (ACMs), Lead, Acids, Chemicals, etc., in or around the area of the project that may be disturbed. In the event that Hazardous Materials are present prior to job commencement or are encountered during the project, additional costs, damages and/or delays attributed to necessary procedures for working in this environment will be the responsibility of the proposed client and/or building owner/management.
10. The information contained in this document is proprietary to The Contractor and is intended to be used as evaluation and/or bidding information only. No part of this document may be disclosed, reproduced and/or distributed to anyone except the listed recipients within this package without the written permission from The Contractor.
11. This quotation is based upon the written specifications and drawings provided by the client and is limited to the material and labor items listed herein. Any omissions within the written specifications and drawings resulting in changes to this quote must be agreed upon by all parties in the form of a written change order and may result in additional charges to the client. All change orders must be signed by the customer prior to the commencement of work specified in that change order.
12. The Contractor will establish new cable pathways via "J" hooks, rod hangers, sleeves, cable runway (telecom room only) and "D" rings.
13. It is assumed that pull strings will be provided in all conduits installed by others.
14. Certificates of Insurance will be submitted upon request. Special requirements, such as waivers of subrogation, may result in additional charges to the customer.
15. The Contractor's quotation is good for (30) days from the date of quotation.
16. This quotation is not to be used as an "Add & Delete" schedule.
17. If The Contractor crews are required to be on-site during move-in, system start-up, or first in service, this will be billed on a Time & Material basis. The Contractor will have the account manager available during the project cut over on-call for any questions.
18. A secured, storage area inside the building will be provided for The Contractor materials and tools.





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19. No wall repair, painting or removal of existing/abandoned cable is included in this project. The National Electrical Code (NEC) was amended in 2002. One of the amendments concerns the requirement that abandoned cable (both copper and fiber) be removed. The NEC defines "abandoned cable" as: Installed communications cable that is not terminated at both ends at a connector or other equipment and not identified for future use with a tag." Our bid has been submitted without costs for any removal of abandoned cable, unless stated otherwise. In the event we are directed to remove abandoned cable, PCC will perform removal work at a T&M basis.
20. License and/or bond(s) costs are not included as a part of this response, unless stated otherwise.
21. Parking will be provided to The Contractor employees at no additional cost.
22. Price includes one (1) machine printed label per faceplate, unless stated otherwise.
23. The Contractor realizes that the removal, storage and reinstallation of existing (used) ceiling tiles may result in incidental damages. While The Contractor exercises care in the handling of these tiles, incidental damage may occur. As such, The Contractor accepts no liability for any such incidental damages.
24. Pricing for this project is based on the assumption that the ceiling type is suspended with drop in tiles not exceeding 10' in height, unless stated otherwise.
25. Pricing is based upon the assumption that the suspended ceiling grid and ceiling tiles will not be in place during placement of the cabling.
26. Pricing is based upon "Non-Permitted Confined Space Entry" standard as per CAL OSHA 1910.146 Confined Space Entry.
27. Station numbering scheme to be provided five (5) working days prior to the start of the project.
28. All coring to be provided by others. Floor or wall X-Ray's are not included. If X-Ray's are required, customer will be responsible for additional charges to perform this service.
29. No liquidated damages will be accepted.
30. Price does not include the removal of any existing cabling.
31. Price is based upon the assumption that this is not a prevailing wage job. It is the Owner or applicable agencies responsibility to notify bidders if prevailing wages are required to be paid, and what prevailing wage schedule should be used for any given project. If prevailing wages are required additional costs will be incurred and charged back to the Owner or applicable agency.
32. Price does not include coring and riser sleeves.
33. Price does not include grounding of racks and cable runway, cable sheaths and entrance protectors.
34. Price includes the painting of plywood backboards.
35. Price includes rodding the existing conduit for pull line placement.
36. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
37. Pertaining to PCC quoted duct-bank installations: Dig-Alert / USA will be called to the site by PCC's trenching subcontractor to identify underground utilities. Please note that underground utility blueprints must be provided by client as well, to ensure ALL utilities are accurately identified. Although PCC will perform trenching with the utmost in care, Dig-Alert / USA, PCC, nor PCC's trenching subcontractor will accept responsibility/liability for any underground utility damage that may occur during duct bank excavation/installation on utilities that could not be identified prior.



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**Pricing**

We will perform the above statement of work for the sum of:  
**Twenty Eight Thousand Four Hundred Fifty Three Dollars 40/100, (\$28,453.40) Price includes Material Sales Tax of \$1,177.09**

**Lump sum agreement**

This Lump Sum Agreement (the "Agreement") is made and entered into on **November 21, 2008** by and between The Contractor, a California corporation, and **Northern Inyo Hospital** (the "Customer"), who agree as follows:

1. Description of Work. The Contractor will provide the labor and materials to perform and complete the work detailed on The Contractor Quotation # **E-111808LNC-123 Fiber BB** attached to and incorporated in this Agreement by reference, and described as follows: **install 50um LOMMF fiber optic backbone cable, relocate existing fiber cables, install wall mount cabinets, install conduit for cable pathway into cabinets, terminate, test, label and document** (the "Work"). The Work will be performed at Customer's facility located at **150 Pioneer Lane, Bishop, CA 93514** (the "Property"). Customer will provide The Contractor and any The Contractor subcontractor with complete and uninterrupted access to the Property so that The Contractor can perform and until The Contractor completes the Work.

2. Contract Price and Payment. Customer agrees and is required to pay to The Contractor a lump sum of **Twenty Eight Thousand Four Hundred Fifty Three Dollars 40/100, (\$28,453.40)** for the Work (the "Contract Price"). 50% deposit required upon project award. "Percentage of Completion" invoices will be submitted biweekly, on or about the 10<sup>th</sup> and 25<sup>th</sup> of each month, and/or as material is received, and/or as labor is incurred. Terms are 2% 10, NET 30. Price is payable as follows (check one):

- Upon Completion. In a single lump sum payment upon completion of the Work, which is due and payable within terms of 2% 10, NET 30.
- Biweekly Installments. "Percentage of Completion" invoices will be submitted biweekly, on or about the 10<sup>th</sup> and 25<sup>th</sup> of each month. All invoices are due and payable 2% 10, NET 30. When phases of Work are clearly discernable, installment invoices will be submitted upon completion of each phase of the Work as follows:

<u>Phase of Work</u>	<u>Anticipated Days to Complete Phase</u>	<u>Amount Due on Completion of Phase</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
	<b>Total Installment Payments</b>	\$ _____

Each installment is due and payable within terms of 2% 10, NET 30. If Customer fails to timely pay any of such installments, The Contractor may stop performance of the Work and/or require payment of the entire unpaid balance of the Contract Price prior to resuming and/or completing the Work.



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If performance of the Work is delayed, despite the above-stated payment terms The Contractor may invoice Customer for the Work completed, and such invoice is due and payable within terms of 2% 10, NET 30. An invoice is deemed delivered to Customer upon the date of personal service or transmittal by facsimile to **Adam Taylor** facsimile number **(760)872-5868**, or two (2) days after the date of mailing to Customer at **150 Pioneer Lane, Bishop, CA 93514**.

3. Service Charges and Return Fee's. Accounts will be assessed a monthly service charge equal to one and one-half percent (1 1/2 %) of any amounts not timely paid. Such service charge will accrue and become payable on the same day of each month commencing on the day such amount was due. Accounts will also be assessed a 15% Return/Handling Fee for any material returned by client.

4. Attorney's Fees. If The Contractor takes or commences any action or proceeding and/or hires an attorney to collect any unpaid portion of the Contract Price or to otherwise enforce this Agreement, Customer will pay to The Contractor the reasonable attorney's fees and costs incurred by The Contractor, which includes, but is not limited to, all expert and other witness fees and associated expenses. The Contractor may file or commence such action or proceeding in any court of competent jurisdiction which The Contractor in its sole discretion determines. The laws of the State in which such action or proceeding is filed or commenced will govern.

5. Mechanic's Lien. As permitted by the California Civil Code, The Contractor will file a Preliminary Lien Notice with respect to the Work to protect The Contractor's mechanic's lien rights. This notice is not indicative of the credit worthiness of either The Contractor or Customer.

6. Entire Agreement. This Agreement constitutes the sole understanding and agreement between The Contractor and Customer concerning the performance of and payment for the Work. This Agreement may be amended only by a change order or other writing signed by The Contractor and Customer. Customer may not assign Customer's rights or delegate Customer's duties under this Agreement.

7. Bonds. Customer agrees and is required to pay any additional premiums for performance and/or payment bonds with respect to the Work resulting from any change orders agreed to by The Contractor and Customer.

**Client Information Here**



Northern Inyo Hospital \_\_\_\_\_

Pacific Coast Cabling, Inc.,  
a California corporation

by \_\_\_\_\_  
Authorized signature

by \_\_\_\_\_  
Authorized Purchaser's signature

\_\_\_\_\_  
Authorized name

\_\_\_\_\_  
Authorized Purchaser's name

title: \_\_\_\_\_

title: \_\_\_\_\_

date: \_\_\_\_\_

date: \_\_\_\_\_



# Vocera Communications® Badge

## Wearable Instant Voice Communication



The Vocera Communications Badge: simple to use, lightweight, wearable (P/N 220-01557)



The AHA has endorsed the Vocera Communications System

The Vocera Communications Badge is the user interface to the Vocera Communications System. The System enables instant, wireless voice communication that users control with naturally spoken commands. This easy-to-use system is ideal for hospitals, hotels, retail stores, and other in-building environments where mobile workers need to stay in contact to perform their jobs. Vocera has proven to improve staff communication, productivity and teamwork by enabling immediate voice communication among teams.

The Vocera Communications System consists of two key components: the Vocera System Software that controls and manages call activity, and the Vocera Communications Badge, a lightweight, wearable, voice-controlled communication device that operates over a wireless LAN (802.11b/g). Together, the Vocera System Software and Badge, allow users to instantly communicate with others throughout a networked building or campus environment.

Optional Vocera Telephony Solution Software enables users to make and receive telephone calls directly from their Badge through the PBX.

### ∴ Vocera Communications Badge—B2000

The Vocera Communications Badge is a small, wearable, wireless device that provides a voice-controlled user interface to the Vocera Communications System. The Badge enables immediate, hands-free conversations among people at the point of care or service. It contains a speaker, microphone, wireless radio, and a high-contrast OLED display that shows caller ID, text messages, and alerts.

### ∴ The New B2000 Badge

Features	Benefits
<ul style="list-style-type: none"> <li>• Weighs less than 2 oz. (53.9 g)</li> <li>• Voice Controlled, one button operation</li> <li>• Wireless Performance</li> </ul>	<ul style="list-style-type: none"> <li>• Lightweight, wearable</li> <li>• Virtually hands-free use to allow staff to keep working while communicating</li> <li>• Voice Quality of Service (QoS)—WMM<sup>1</sup></li> <li>• High performance antenna for improved transmit and receive sensitivity</li> </ul>
<ul style="list-style-type: none"> <li>• Interoperability</li> </ul>	<ul style="list-style-type: none"> <li>• 802.11b/g wireless radio allows the Badge to operate in 802.11b, 802.11g, or mixed environments</li> </ul>
<ul style="list-style-type: none"> <li>• Security</li> </ul>	<ul style="list-style-type: none"> <li>• WPA2 (with AES Encryption)</li> <li>• EAP-FAST with CCKM<sup>1</sup></li> <li>• Maintains existing security protocol support</li> </ul>
<ul style="list-style-type: none"> <li>• Extended Talk Time</li> <li>• Antibacterial</li> <li>• Supportability</li> </ul>	<ul style="list-style-type: none"> <li>• U-APSD wireless power save extends talk time<sup>1</sup></li> <li>• BioCote® Antimicrobial Technology reduces bacteria growth on the Badge</li> <li>• Badge-based diagnostics improve reporting and trouble shooting</li> <li>• Upgradeable platform</li> <li>• Linux-based modular software platform</li> <li>• Scalable hardware platform with enhanced CPU and memory</li> </ul>
<ul style="list-style-type: none"> <li>• Durability</li> </ul>	<ul style="list-style-type: none"> <li>• Single circuit board design</li> <li>• Patch antenna mounted directly onto PCB</li> <li>• Enhanced design for durability</li> </ul>
<ul style="list-style-type: none"> <li>• Usability</li> </ul>	<ul style="list-style-type: none"> <li>• High contrast OLED display for readability</li> <li>• Enhanced Badge status notifications</li> <li>• Multi-colored sleeves for departments/functions</li> </ul>
<ul style="list-style-type: none"> <li>• Additional Features</li> </ul>	<ul style="list-style-type: none"> <li>• Do Not Disturb button</li> <li>• Headset jack</li> <li>• Multiple wearing options</li> </ul>

**Note: Requires Vocera Server Release 4.0 SP6 or higher.**

<sup>1</sup> Full support for these features will be delivered in the first half of 2008 via a firmware service pack release.



## Accessories

Vocera Communications offers a full range of hardware and accessories designed to enhance the end-user experience. Wearing the Badge in the appropriate manner (no more than six inches from the user's mouth) and using an approved accessory provide optimal speech recognition.

The Vocera Communications Badge can be worn on a lanyard around the user's neck, or with a universal clip to attach to the user's apparel or existing lanyard. Additionally, Vocera offers a headset-ready lanyard that has the headset cables and connector built into it to reduce the amount of wires hanging around the user's neck.

## System Requirements

Vocera Server Release 4.0 SP6 or higher.

## System Specifications

### Badge Specifications

#### Physical Dimensions

4.2 x 1.4 x .6 in. (10.6 x 3.5 x 1.5 cm)

#### Weight

1.9 oz. (53.9 g), with standard battery

#### LED Indicators

Two Indicators: single and two-color

#### Display Screen

- 80 x 48 bit-mapped display
- Supports 4 lines of text, 15 characters per line, up to 150 characters per message (font dependent)

#### Controls

- Call button
- Hold/Do Not Disturb button
- Volume/Menu Selection buttons

#### Headset Support

- 2.5 mm headset jack
- Visit [www.vocera.com](http://www.vocera.com) for a list of Vocera approved headsets

### Electrical

#### RF Output Power

16dBm Max

Results are based on laboratory testing under ideal conditions. Please refer to the Vocera Infrastructure Guide for network design recommendations.

#### RF Coverage Recommendations

-75 dBm at 11Mbps, -65 dBm at 54 Mbps

#### Microphone Frequency Range

350 Hz to 3.75 KHz

#### Microphone Directionality

Unidirectional cardioid response

#### Speaker Frequency Range

950 Hz to 3.75 KHz

#### Peak Speaker Loudness

75 dBspl at 25 cm

#### Peak Speaker Loudness with Optional Speaker Horn

85 dBspl at 25 cm

#### Batteries

- Standard Battery: Lithium Ion, 660 mAh typical
- Extended Life Battery: Lithium Ion, 850 mAh typical

#### Battery Life<sup>4</sup>

- Standard: 2 hours of talk time; 20 hours of standby time
- Extended: 2.5 hours of talk time; 27 hours of standby time

<sup>4</sup> Battery life estimates based on a full charge and environmental factors. Battery life may vary.

### Environmental

#### Operating Ranges

- Temperature Range: 0° C to 40° C
- Humidity Range: 5 to 95% relative humidity, non-condensing

#### Storage Ranges

- Temperature Range: -20° C to 40° C
- Humidity Range: 5 to 95% relative humidity, non-condensing

#### Drop Specification

1.5 meters onto concrete

### Wireless Specifications

#### Network Standard

IEEE 802.11b/g

#### Frequency Band

2400-2484 MHz

#### Data Rates Supported

1, 2, 5.5, 11, 6, 9, 12, 18, 24, 36, 48, 54 Mbps

#### Wireless Medium

- Direct Sequence Spread Spectrum (DSSS)
- Orthogonal Frequency Division Multiplexing (OFDM)

#### Media Access Protocol

Carrier sense multiple access with collision avoidance (CSMA/CA)

#### Modulation

- DBPSK@ 1 Mbps
- DQPSK@ 2 Mbps
- CCK@ 5.5 and 11 Mbps
- BPSK at 6 and 9 Mbps
- QPSK at 12 and 18 Mbps
- 16-QAM at 24 and 36 Mbps
- 64-QAM at 48 and 54 Mbps

#### Operating Channels

- 11 channels (FCC)
- 13 channels (ETSI)

#### Roaming

- IEEE 802.11b/g compliant

### WLAN Security

Vocera supports standard and vendor-specific security suites. Vocera supports Wi-Fi Protected Access (WPA and WPA2) and the Cisco LEAP Security Suite. The following modes are supported:

- Encryption: 64-bit and 128-bit WEP, TKIP, AES
- Authentication: Open, WPA-PSK, WPA-PEAP w/ MsCHAPv2, WPA2 (AES), EAP-FAST with CCKM<sup>1</sup>, and Cisco EAP (LEAP) using 802.1x framework.
- Quality of Service (QoS)—WiFi Multimedia (WMM) support<sup>1</sup>

<sup>1</sup> Full support for these features will be delivered in the first half of 2008 via a firmware service pack release.

### Regulatory

#### RF Certifications

For a list of all certifications, visit [www.vocera.com](http://www.vocera.com)



## Vocera Communications Badge—B2000

Black Badge  
220-01742  
White Badge  
220-01557



## Available Accessories

### Attachments

All attachments sold in 25-packs

#### Lanyards

200-01044

#### Universal Clips

200-01045

#### Pocket Clips

200-01046

#### Magnetic Clips (available Q3 2008)

230-01750



### Vocera Protective Sleeves

All sleeves sold in 10-packs

230-01311 Translucent White	230-01718 Black
230-01760 Purple	230-01761 Dark Blue
230-01762 Pink	230-01763 Green
230-01764 Yellow	230-01765 Aqua
230-01766 Violet	230-01767 Orange
230-01768 Red	



Colors may vary

### Protective Holster

230-00537 Black



### Speaker Horn

230-01011 Black  
230-01772 White



### Standard Battery (black)

230-00531

### Extended Life Battery (black)

230-00532

### Standard Battery (white)

230-01771

### Extended Life Battery (white)

230-01770

### Single-bay Battery Charger<sup>2</sup>

230-00533



### Eight-bay Battery Charger<sup>2</sup>

230-00534

<sup>2</sup> Badges sold separately.



Contact your Vocera Representative or Value Added Reseller to order accessories.

**vocera**  
COMMUNICATIONS

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**END**