

**THE BOARD OF DIRECTORS  
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT  
RESOLUTION 09-01**

THE BOARD OF DIRECTORS of Northern Inyo County Local Hospital District (“the District”), meeting in regular session this January 21, 2009, having considered the facts set forth below does, after discussion and consideration and good cause appearing, determine and resolve as follows:

WHEREAS, the District operates Northern Inyo Hospital, a critical access hospital serving the communities located in said District, at Bishop, California and,

WHEREAS, operation of said hospital and the provision of adequate health care to the communities served by the District requires the availability of a number of Physicians and Surgeons in multiple specialties and,

WHEREAS, the District has been, at all relevant times, served by as many as 65 physicians and within the last two years have lost as many as 10% of this staff and,

WHEREAS, it is well documented that there are looming physician shortages of most specialties and competition is becoming severe in attracting new physicians and,

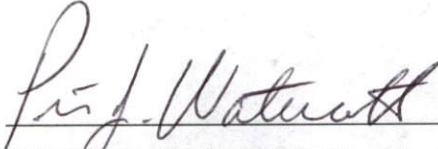
WHEREAS, it has become at least equally important to retain existing physicians in the community and,

WHEREAS, the District has conducted a public hearing on June 14, 2008 on the issue of physician recruitment and retention, attended by many physicians, and wherein the consensus of those present and the District Board was that the District must play the lead role and aggressively pursue Physician resources and,

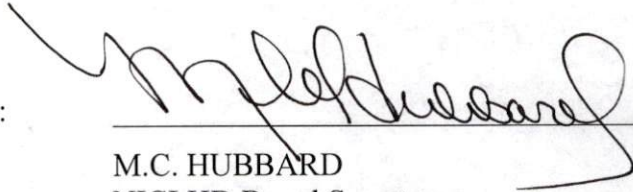
WHEREAS, the District management is capable of undertaking the task of recruiting and retaining physicians,

NOW, THEREFORE, BE IT RESOLVED that this Board finds that it will be in the best interest of the public health of the communities served by the District, and necessary to recruit and retain licensed physicians and surgeons who are qualified and board-certified to enter into any agreements, permissible by law and the ethical practice of medicine, including but not limited to:

- Income guarantees
- Rental reductions and/or subsidies
- General office support
- Malpractice subsidies
- Compensation for Call arrangements
- Management support
- Practice management service

  
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PETER WATERCOTT, President  
NICLHD Board of Directors

Attest:

  
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M.C. HUBBARD  
NICLHD Board Secretary