



Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday July 15, 2009 5:30pm

*Board Room
Northern Inyo Hospital*

AGENDA

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT BOARD OF DIRECTORS MEETING

July 15, 2009 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 June 3, 2009 special meeting and the June 17, 2009 regular meeting.
4. Financial and Statistical Reports for the month of May 2009; John Halfen.
5. 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 a real property (Government Code Section 54956.8).
 - C. Confer with legal counsel regarding claim filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
 - D. Discussion with counsel of pending litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
6. Return to open session, and report of any action taken in closed session.
7. Administrator's Report; John Halfen.
 - A. Building Update
 - B. F.Y.I. Section
 - C. Other
8. Chief of Staff Report – Charlotte Helvie, M.D..
 - A. Medical Staff Election Results
 - B. Other
9. Old Business
 - A. Reaffirmation of John Halfen as negotiator regarding potential acquisition of real property at Barlow Lane and Highway 395, Bishop, California. Negotiation will be with the designee(s) of Inyo Mono Title (*action item*).
 - B. Possible termination of Professional Services Contract (*action item*).
10. New Business

- A. Security Report for 5/20/09 through 6/22/09 (*information item*).
 - B. Approval of building project expenditures outside of Turner Construction Guaranteed Maximum Price (GMP) (*action item*).
 - C. Employee grievance (*possible action*).
 - D. Stat Centrifuge purchase for the Laboratory Department (*action item*).
 - E. Contract for video interpreting (*action item*).
 - F. Ratification of lease agreement for Clarke Street Rental (*action item*).
 - G. Ratification of lease agreement for Pine Street Rental (*action item*).
 - H. Purchase of plasma thawer for Laboratory (*action item*).
 - I. EEG Agreement (pediatric) (*action item*).
- 11. Reports from Board members on items of interest.
 - 12. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest.
 - 13. Adjournment.

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- CALL TO ORDER The meeting was called to order at 12:00 noon by John Ungersma, M.D., Vice President.
- PRESENT John Ungersma, M.D., Vice President
 M.C. Hubbard, Secretary
 Michael Phillips, Treasurer
 D. Scott Clark, M.D., Director
 Doug Buchanan, District Legal Counsel
- ALSO PRESENT John Halfen, Administrator
 Sandy Blumberg, Administration Secretary
- ABSENT Peter Watercott, President
 Richard Nicholson, M.D., Chief of Staff
- OPPORTUNITY FOR
PUBLIC COMMENT Doctor Ungersma asked if any members of the public wished to address the Board on any items listed on this agenda and/or on any items of interest. No comments were heard.
- APPROVAL OF
BUDGET YEAR 2010
RESOLUTION 2 Doctor Ungersma referred to proposed Budget Year 2010 Resolution 2, which includes provision for the following:
- Approval of a 2% Cost of Living Adjustment (COLA) effective the first pay period in July 2009 for all employees
 - Provision for an additional COLA of 1% for all employees to be approved at a later date but not before January 1 2010
 - Approval of adding steps six and seven to all employee pay grades
- It was moved by D. Scott Clark, M.D., seconded by M.C. Hubbard, and passed to approve Budget Year 2010 Resolution 2 as requested, with Michael Phillips M.D. arriving immediately after the vote.
- PUBLIC COMMENT Doctor Ungersma again asked if any members of the public wished to address the Board of Directors on any items of interest or on any items listed on this agenda.
- Northern Inyo Hospital (NIH) Administrator John Halfen noted as an item of interest that a structural engineering firm for Phase I of the Hospital rebuild project has been suspended from doing business by the Internal Revenue Service (IRS) before paying one of the project surveyors for services rendered on the project Doug Buchanan, District Legal Counsel
- No other public comments were heard.
- ADJOURNMENT The meeting was adjourned at 12:04 p.m..

John Ungersma, M.D., Vice President

Attest:

M.C. Hubbard, Secretary

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- CALL TO ORDER The meeting was called to order at 5:32 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
John Ungersma, M.D., Vice President
M.C. Hubbard, Secretary
Michael Phillips, M.D., Treasurer
Richard Nicholson, M.D., Chief of Staff
- ALSO PRESENT John Halfen, Administrator
Doug Buchanan, District Legal Counsel
Sandy Blumberg, Administration Secretary
- ABSENT D. Scott Clark, M.D., Director
- OPPORTUNITY FOR
PUBLIC COMMENT Mr. Watercott asked if any members of the public wished to address the Board on any items listed on this agenda and/or on any items of interest. No comments were heard.
- MINUTES The minutes of the April 29, 2009 special meeting and the May 20, 2009 regular meeting were approved.
- CLOSED SESSION At 5:34 p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors 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 a real property (Government Code Section 54956.8).
 - C. Confer with legal counsel regarding claim filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
 - D. Discussion with counsel of pending litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
- RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN At 5:56 p.m. the meeting was returned to open session. Mr. Watercott reported the Board took no reportable action.
- FINANCIAL AND
STATISTICAL REPORTS John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of April 2009. Mr. Halfen noted the statement of operations shows a bottom line deficit of expenses over revenues of \$6,569. Mr. Halfen called attention to the following:
- *Inpatient revenue was 33% under budget*
 - *Outpatient revenue was slightly over budget*

- *Total expenses were over budget*
- *Salaries and wages were over budget, however employee benefits were under budget*
- *Professional fees expense was over budget*
- *The Balance Sheet shows receipt of funds from the 2nd bond issue*
- *Year-to-date net income totals \$3,517,317*

Mr. Halfen noted that revenue is down for the month of April but is on budget for the year, and that net assets continue to grow. He additionally noted employee salaries and wages are over budget for the month but remain under budget for the year, and employee benefits are also under budget for the year. It was moved by M.C. Hubbard, seconded by Michael Phillips, M.D. and passed to approve the financial and statistical reports for the month of April as presented.

ADMINISTRATORS REPORT

BUILDING UPDATE

Mr. Halfen noted there is nothing new of significance to report in regard to the Hospital rebuild project, and a presentation of 3-D modeling of the design plans for Phase II will take place later in this meeting.

TRAFFIC STUDY RESPONSE

Mr. Halfen reported a response has been received from Caltrans regarding the Board's request to consider installation of a traffic signal at the intersection of West Line Street and Pioneer Lane. Caltrans' letter stated that as a result on their intersection analysis they have determined installation of a signal is not warranted at this time.

STIMULUS MONEY, EMR, IT

Mr. Halfen stated it is possible that economic stimulus money may be available for hospitals, however at this time details on that subject are unclear. It is expected that information on this topic will be forthcoming in the next couple of months.

PHYSICIAN RECRUITING

Mr. Halfen reported recruiting efforts continue to bring primary care physicians and a part-time urologist to this area. Negotiations with a recent urology candidate have been discontinued, however a couple of primary care physicians have shown interest in either joining Doctors Kamei and Hathaway's office or practicing at the Rural Health Clinic (RHC). Stacey Brown, M.D. was pleased to report that Thomas Boo, M.D. plans to return to this area and will practice at RHC. Mr. Halfen also noted Radiology coverage continues to be provided by locum tenens physicians at this time.

CHIEF OF STAFF REPORT

Chief of Staff Richard Nicholson, M.D. reported following careful review and consideration the Medical Staff Executive Committee makes the following recommendations to the District Board:

1. A sixty (60) day extension of privileges for the following teleradiologists affiliated with Virtual Radiologic:

- Kimberly Joyce Burkholz, M.D.
- Farhad Keliddari, M.D.
- Karen Stark Caldemeyer, M.D.
- Susan Amy Klein, M.D.

- Steven Mark Cohen, M.D.
- Mark Cameron Davis, M.D.
- Charles Stephen Henry, M.D.
- Shailendri Eswar-Rao Philip M.D.
- Leslie Scott Miller, M.D.
- Mare Howard Paul, M.D.
- Heidi Kristine Henry, M.D.
- Richard Lee Toothman, M.D.

It was moved by Ms. Hubbard, seconded by Doctor Phillips, and passed to approve the sixty day extension of privileges for the Virtual Radiologic teleradiologists as requested.

Doctor Nicholson also reported the Medical Staff Executive Committee recommends approval of the following hospital wide policies and procedures:

1. *Informed Consent Required for Pregnant Patients Before Radiological Procedures*
2. *KUB X-Ray for kidney stones*
3. *Timeliness for Critical Tests and Critical Results*
4. *Tracheotomy Care*

It was moved by Doctor Phillips, seconded by Ms. Hubbard, and passed to approve all four policies and procedures as presented.

OLD BUSINESS

REAFFIRMATION OF NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at Barlow Lane and Highway 395 in Bishop, California. Negotiation will be with the designee(s) of Inyo Mono Title. It was moved by Ms. Hubbard, seconded by Doctor Phillips, and passed to approve the reaffirmation of Mr. Halfen as negotiator as requested.

TERMINATION OF PROFESSIONAL SERVICES CONTRACT

Mr. Halfen stated he has received a request to table discussion of the possible termination of a professional services contract to the next regular meeting of the District Board. It was moved by Doctor Phillips, seconded by Ms. Hubbard, and passed to table this agenda to the next regular meeting of the Board.

NEW BUSINESS

RED FLAGS IDENTITY THEFT PREVENTION POLICY & PROCEDURE

Leon Freis, RPh, Director of Administrative Support Services referred to a proposed policy titled *Red Flags Identity Theft Prevention*, which was created to comply with a Federal Trade Commission identity theft prevention mandate. The policy identifies identity theft risk factors and establishes steps to prevent and mitigate identity theft on patient accounts. It was moved by Ms. Hubbard, seconded by Doctor Phillips, and passed to approve the policy and procedure titled *Red Flags Identity Theft Prevention* as presented.

3-D IMAGING FOR HOSPITAL REBUILD PROJECT

Kathy Sherry and Tom Stoddard with Turner Construction Company were in attendance to give an up-to-date 3-D imaging presentation for Phase II of the Hospital rebuild project. The 3-D imaging provides a virtual picture of the future Hospital building and is intended to catch design

clashes before they occur in order to prevent costly change orders from becoming necessary.

2009-2010
APPROPRIATIONS
LIMIT AND BOARD
RESOLUTION 09-04

Mr. Halfen referred to Board Resolution 09-04 which establishes the District's appropriations limit for the 2009-2010 fiscal year. Following review of the figures presented it was moved by Ms. Hubbard, seconded by Doctor Phillips, and passed to approve an appropriations limit of \$573,523.66 for fiscal year 2009-2010 as requested.

BETA RISK
MANAGEMENT POLICY
RENEWAL

Mr. Halfen referred to a renewal quote and coverage summary for healthcare entity liability coverage for Northern Inyo Hospital (NIH) for the 2009-2010 fiscal year, as prepared by Beta Healthcare Group Risk Management Authority. The proposed liability insurance renewal policy is nearly identical to the policy for the previous year, with a slight decrease being made to the premium due for the upcoming year. It was moved by Ms. Hubbard, seconded by Doctor Phillips and passed to approve the liability insurance renewal proposal as presented.

MILLIMAN
ACTUARIAL
VALUATION

Mr. Halfen referred to an Actuarial Valuation of the Hospital District's retirement plan as of January 1, 2009, presented by Milliman and Associates. Milliman conducts an audit of the retirement plan every two years and makes recommendations regarding the District's contribution to the plan. Following review of the report Mr. Halfen asked for Board approval of the valuation and of an approximate \$100,000 increase in the Hospital's contribution for the upcoming year. It was moved by Doctor Phillips, seconded by Ms. Hubbard, and passed to approve the actuarial valuation as of January 1, 2009 as presented, and to increase the Hospital's contribution as recommended.

ENGAGEMENT OF
SHEPPARD MULLIN
RICHTER & HAMPTON

Mr. Halfen also referred to an engagement letter from Sheppard, Mullin, Richter & Hampton LLP to engage that firm to look into anti-trust issues that may affect the District regarding exclusive contracts. It was moved by Doctor Phillips, seconded by Ms. Hubbard and passed to approve the engagement of Sheppard, Mullin, Richter & Hampton as requested

SECURITY REPORT

Mr. Halfen called attention to the Security Report for February 24 2009 through May 19 2009 which was provided for information purposes only. Mr. Halfen answered questions regarding security coverage at the Hospital and stated that security personnel are going an excellent job of interfacing with the Hospital Safety Committee.

HIGH SIERRA
ULTRAMARATHON
REPORT & DONATION

Marie Boyd, Surgery Unit RN and Northern Inyo Hospital Foundation Vice President reported this years' 16th annual High Sierra Ultra marathon was a tremendous success. Ms. Boyd acknowledged the efforts of the volunteers whose help is necessary to make the race possible, and she

presented the Board with a check for \$12,655 of proceeds from the race. Ms. Boyd also noted the Foundation has donated a cumulative total of over \$84,000 in race proceeds to the Hospital District over the years. The Board thanked Ms. Boyd for her tireless dedication to the event and for the generosity of the Foundation donation. It was also noted the number of participants in this year's race was the highest yet, and that the donation to the Hospital District is the largest that has been made so far. Ms. Boyd thanked the District Board and Administrator John Halfen for making this annual event possible.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. No reports were heard.

OPPORTUNITY FOR
PUBLIC COMMENT

Mr. Watercott again asked if any member of the public wished to comment on any items of interest or on any items listed on the agenda for this meeting. Mr. Halfen commented that a special meeting of the District Board may be called in order to deal with building project cost overruns and to hear an employee grievance. No additional comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:00 p.m.

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary

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BUDGET VARIANCE ANALYSIS

May-09 PERIOD ENDING PRIOR TO AUDIT

In the month, NIH was

	3%	over budget in IP days;
	(-0.04%)	under in IP Ancillary Revenue and
	(21.2%)	over in OP Revenue resulting in
\$ 734,436	(11.2%)	over in gross patient revenue from budget &
\$ 545,012	(13.9%)	over in net patient revenue from budget

Total Expenses were:

\$ 490,955	(12.7%)	over budget. Wages and Salaries were
\$ 118,817	(8.4%)	over budget and Employee Benefits
\$ 62,371	(7.4%)	under budget.
\$ 230,865		of other income resulted in a net income of
\$ 320,025	\$ 93,572	over budget.

The following expense areas were over budget for the month:

\$ 118,817	8%	Wages and Salaries
\$ 271,943	97%	Professional Fees; registry staff & Physicians
\$ 42,535	22%	Purchased Services
\$ 18,415	9%	Depreciation Expense (see note below)
\$ 65,537	143%	Interest Expense (see note below)

Other Information:

41.43%	Contractual Percentages for month
40.75%	Contractual Percentages for Year

\$ 3,837,341 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.

NORTHERN INYO HOSPITAL

Statements of Changes in Net Assets

As of May 31, 2009

	<u>Month-to-date</u>	<u>Year-to-date</u>
Unrestricted net assets:		
Excess (deficiency) of revenues over expenses	320,024.52	3,837,341.41
Net Assets due/to transferred from unrestricted	(753.26)	(96,814.42)
Adjustment due to Distribution to Restricted undeposited	753.26	
Net assets released from restrictions used for operations	-	35,325.92
Net assets released from restrictions used for payment of long-term debt	(65,541.00)	(720,951.00)
Contributions and interest income	915.08	99,392.34
Increase in unrestricted net assets	255,398.60	3,154,294.25
Temporarily restricted net assets:		
District tax allocation	385,364.78	936,175.79
Net assets released from restrictions	-	(892,868.88)
Restricted contributions	-	100.00
Interest income	-	326.72
Net Assets for Long-Term Debt due from County	65,541.00	720,951.00
Increase (decrease) in temporarily restricted net assets	450,905.78	764,684.63
Increase (decrease) in net assets	706,304.38	3,918,978.88
Net assets, beginning of period	41,191,477.33	37,978,802.83
Net assets, end of period	41,897,781.71	41,897,781.71

NORTHERN INYO HOSPITAL

Statements of Cash Flows

As of May 31, 2009

	<u>Month-to-date</u>	<u>Year-to-date</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	706,304.38	3,918,978.88
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting fund deposit)	-	-
Depreciation	227,565.04	2,409,927.60
Provision for bad debts	165,539.22	1,451,627.27
Loss (gain) on disposal of equipment	13,319.16	24,548.86
(Increase) decrease in:		
Patient and other receivables	(1,120,284.55)	(339,437.78)
Other current assets	57,564.03	(475,945.28)
Plant Expansion and Replacement Cash	3,456,983.10	(9,383,509.76)
Increase (decrease) in:		
Accounts payable and accrued expenses	362,553.04	(44,706.02)
Third-party payors	247,887.00	(1,100,829.00)
Net cash provided (used) by operating activities	<u>4,117,430.42</u>	<u>(3,539,345.23)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(925,278.82)	(7,615,363.32)
Purchase of investments	(3,248,977.89)	(4,666,133.18)
Proceeds from disposal of equipment	48,690.81	37,461.11
Net cash provided (used) in investing activities	<u>(4,125,565.90)</u>	<u>(12,244,035.39)</u>
Cash flows from financing activities:		
Long-term debt	(62,771.41)	14,926,873.78
Issuance of revenue bonds	(47,438.75)	(118,595.30)
Unamortized bond costs	2,615.43	(381,997.18)
Increase (decrease) in donor-restricted funds, net	(386,279.86)	(143,125.97)
Net cash provided by (used in) financing activities	<u>(493,874.59)</u>	<u>14,283,155.33</u>
Increase (decrease) in cash and cash equivalents	(502,010.07)	(1,500,225.29)
Cash and cash equivalents, beginning of period	<u>1,436,000.33</u>	<u>2,434,215.55</u>
Cash and cash equivalents, end of period	<u>933,990.26</u>	<u>933,990.26</u>

NORTHERN INYO HOSPITAL

Balance Sheet

May 31, 2009

Assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2008</u>
Current assets:			
Cash and cash equivalents	933,990	1,436,000	2,434,216
Short-term investments	19,255,957	16,006,979	15,199,287
Assets limited as to use	891,248	3,458,642	49,003
Plant Expansion and Replacement Cash	11,324,749	14,781,732	1,941,239
Other Investments (Partnership)	961,824	961,824	352,361
Patient receivable, less allowance for doubtful accounts \$485,643	7,483,120	6,588,291	8,273,347
Other receivables (Includes GE Financing Funds)	249,414	189,498	571,376
Inventories	2,170,693	2,172,258	2,177,577
Prepaid expenses	1,085,681	1,141,679	602,851
Total current assets	<u>44,356,676</u>	<u>46,736,903</u>	<u>31,601,257</u>
Assets limited as to use:			
Internally designated for capital acquisitions	657,629	656,714	558,237
Specific purpose assets	563,894	178,529	520,160
	<u>1,221,523</u>	<u>835,243</u>	<u>1,078,397</u>
Revenue bond construction funds held by trustee	901,397	853,958	782,802
Less amounts required to meet current obligations	891,248	3,458,642	49,003
Net Assets limited as to use:	<u>1,231,672</u>	<u>(1,769,441)</u>	<u>1,812,196</u>
Long-term investments	<u>8,914,638</u>	<u>8,914,638</u>	<u>8,914,638</u>
Property and equipment, net of accumulated depreciation and amortization	<u>34,685,354</u>	<u>34,049,651</u>	<u>29,541,929</u>
Unamortized bond costs	<u>690,580</u>	<u>693,195</u>	<u>308,583</u>
Total assets	<u>89,878,920</u>	<u>88,624,947</u>	<u>72,178,602</u>

NORTHERN INYO HOSPITAL

Balance Sheet

May 31, 2009

Liabilities and net assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2008</u>
Current liabilities:			
Current maturities of long-term debt	51,427	109,856	683,626
Accounts payable	742,751	668,020	1,140,966
Accrued salaries, wages and benefits	2,774,915	2,563,742	2,600,516
Accrued interest and sales tax	303,843	179,544	172,391
Deferred income	47,658	95,308	-
Due to third-party payors	2,839,472	2,591,585	3,940,301
Due to specific purpose funds	-	-	-
Total current liabilities	<u>6,760,066</u>	<u>6,208,054</u>	<u>8,537,799</u>
Long-term debt, less current maturities	39,735,143	39,735,143	25,270,196
Bond Premium	1,485,929	1,490,272	391,804
Total long-term debt	<u>41,221,073</u>	<u>41,225,415</u>	<u>25,662,000</u>
Net assets:			
Unrestricted	41,333,888	41,012,948	37,458,642
Temporarily restricted	563,894	178,529	520,160
Total net assets	<u>41,897,782</u>	<u>41,191,477</u>	<u>37,978,803</u>
Total liabilities and net assets	<u>89,878,920</u>	<u>88,624,947</u>	<u>72,178,602</u>

NORTHERN INYO HOSPITAL

Statement of Operations

As of May 31, 2009

	MTD Actual	MTD Budget	MTD Variance \$	MTD Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	Prior YTD
Unrestricted revenues, gains and other support:									
In-patient service revenue:									
Routine	600,437	607,596	(7,159)	(1.2)	6,597,376	6,683,556	(86,181)	(1.3)	1,959,439
Ancillary	1,934,231	2,028,606	(94,375)	(4.7)	20,736,741	22,314,666	(1,577,925)	(7.1)	6,342,843
Total in-patient service revenue	2,534,669	2,636,202	(101,533)	(0.04)	27,334,116	28,998,222	(1,664,106)	-5.7%	8,302,282
Out-patient service revenue	4,784,717	3,948,747	835,970	21.2	45,882,932	43,436,217	2,446,715	5.6	11,346,822
Gross patient service revenue	7,319,385	6,584,949	734,436	11.20	73,217,049	72,434,439	782,610	1.1	19,649,104
Less deductions from patient service revenue:									
Patient service revenue adjustments	169,999	142,545	(27,454)	(19.3)	2,231,196	1,567,995	(663,201)	(42.3)	405,095
Contractual adjustments	2,697,175	2,535,204	(161,971)	(6.4)	27,789,914	27,887,244	97,330	0.4	8,444,707
Prior Period Adjustments	-	-	-	100.0	(1,635,264)	-	1,635,264	100.0	(41,889)
Total deductions from patient service revenue	2,867,173	2,677,749	(189,424)	(7.1)	28,385,847	29,455,239	1,069,392	3.6	8,807,914
Net patient service revenue	4,452,212	3,907,200	545,012	14%	44,831,202	42,979,200	1,852,002	4%	10,841,190
Other revenue	22,413	28,005	(5,592)	(20.0)	392,468	308,055	84,413	27.4	81,422
Transfers from Restricted Funds for									
Other Operating Expenses	65,541	65,541	-	-	720,951	720,951	-	0.0	-
Total Other revenue	87,954	93,546	(5,592)	(6.0)	1,113,419	1,029,006	84,413	8.2	81,422
Total revenue, gains and other support	4,540,166	4,000,746	539,420	(5.9)	45,944,621	44,008,206	1,936,415	8.2	10,922,613
Expenses:									
Salaries and wages	1,526,243	1,407,426	(118,817)	(8.4)	15,503,292	15,481,686	(21,606)	(0.1)	3,831,559
Employee benefits	901,341	838,970	(62,371)	(7.4)	9,163,132	9,228,670	65,538	0.7	2,119,417
Professional fees	553,474	281,531	(271,943)	(96.6)	4,211,245	3,096,841	(1,114,404)	(36.0)	832,154
Supplies	453,074	474,570	21,496	4.5	5,256,143	5,220,270	(35,873)	(0.7)	1,310,138
Purchased services	237,368	194,833	(42,535)	(21.8)	2,306,154	2,143,163	(162,991)	(7.6)	459,146
Depreciation	227,565	209,150	(18,415)	(8.8)	2,409,928	2,300,650	(109,278)	(4.8)	370,096
Interest	111,373	45,836	(65,537)	(143.0)	1,210,451	504,196	(706,255)	(140.1)	96,812
Bad debts	165,539	168,022	2,483	1.5	1,451,627	1,848,242	396,615	21.5	459,178
Other	176,853	241,537	64,684	26.8	2,198,700	2,656,907	458,207	17.3	557,114
Total expenses	4,352,830	3,861,875	(490,955)	(12.7)	43,710,672	42,480,625	(1,230,047)	(2.9)	10,035,614
Operating income (loss)	187,336	138,871	48,465	6.8	2,233,949	1,527,581	706,368	11.1	886,998
Other income:									
District tax receipts	47,650	37,013	10,637	28.7	524,150	407,143	117,007	28.7	111,039
Interest	49,597	60,000	(10,403)	(17.3)	857,396	660,000	197,396	29.9	265,680
Other	81,763	8,333	73,430	881.2	572,529	91,663	480,866	524.6	18,839
Grants and Other Non-Restricted									
Contributions	-	3,333	(3,333)	(100.0)	118,098	36,663	81,435	222.1	10,000
Partnership Investment Income	51,855	-	51,855	-	51,855	-	51,855	-	-
Total other income, net	230,865	108,679	122,186	112	2,124,028	1,195,469	928,559	77.7	405,559
Non-Operating Expense									
Medical Office Expense	25,792	13,408	(12,384)	(92.4)	173,215	147,488	(25,727)	(17.4)	31,239
Urology Office	11,897	7,689	(4,208)	(54.7)	98,089	84,579	(13,510)	(16.0)	43,252
Pediatric Office	48,286	-	(48,286)	N/A	193,965	-	(193,965)	N/A	-
OB-GYN Office	12,202	-	(12,202)	N/A	55,366	-	(55,366)	N/A	-
Total Non-Operating Expense	98,176	21,097	(77,079)	(365.4)	520,636	232,067	(288,569)	(124.4)	74,491
Excess (deficiency) of revenues over expenses	320,025	226,453	93,572	41.3	3,837,341	2,490,983	1,346,358	54.1	1,218,066

NORTHERN INYO HOSPITAL

Statement of Operations—Statistics

As of May 31, 2009

	Month		Month		Year		Year	
	Actual	Budget	Variance	Percentage	Actual	Budget	Variance	Percentage
Operating statistics:								
Beds	25.00	25.00	N/A	N/A	25.00	25.00	N/A	N/A
Patient days	273.00	265.00	8.00	1.03	3,121.00	2,915.00	206.00	1.07
Maximum days per bed capacity	775.00	750.00	N/A	N/A	8,375.00	8,250.00	N/A	N/A
Percentage of occupancy	35.23	35.33	(0.10)	1.00	37.27	35.33	1.94	1.05
Average daily census	8.81	8.83	(0.03)	1.00	9.32	8.83	0.48	1.05
Average length of stay	3.21	3.01	0.20	1.07	3.04	3.01	0.03	1.01
Discharges	85.00	88.00	(3.00)	0.97	1,025.00	968.00	57.00	1.06
Admissions	89.00	87.00	2.00	1.02	1,020.00	957.00	63.00	1.07
Gross profit-revenue depts.	4,856,038.34	4,321,007.00	535,031.34	1.12	47,755,549.12	47,531,077.00	224,472.12	1.00
Percent to gross patient service revenue:								
Deductions from patient service revenue and bad debts								
Salaries and employee benefits	41.43	43.22	(1.79)	0.96	40.75	43.22	(2.47)	0.94
Occupancy expenses	32.88	34.08	(1.20)	0.96	33.44	34.08	(0.64)	0.98
General service departments	5.01	4.38	0.63	1.14	5.45	4.38	1.07	1.24
Fiscal services department	5.27	6.28	(1.01)	0.84	5.94	6.28	(0.34)	0.95
Administrative departments	4.81	4.74	0.07	1.01	4.94	4.74	0.20	1.04
Operating income (loss)	4.75	5.37	(0.62)	0.88	5.10	5.37	(0.27)	0.95
Excess (deficiency) of revenues over expenses	1.93	1.84	0.09	1.05	2.57	1.84	0.73	1.40
	4.37	3.44	0.93	1.27	5.24	3.44	1.80	1.52
Payroll statistics:								
Average hourly rate (salaries and benefits)	41.88	43.24	(1.36)	0.97	41.10	43.24	(2.14)	0.95
Worked hours	50,066.40	47,276.00	2,790.40	1.06	523,401.67	520,036.00	3,365.67	1.01
Paid hours	57,462.12	51,895.00	5,567.12	1.11	595,718.10	570,845.00	24,873.10	1.04
Full time equivalents (worked)	284.47	273.27	11.20	1.04	274.32	273.27	1.05	1.00
Full time equivalents (paid)	326.49	299.97	26.52	1.09	312.22	299.97	12.25	1.04

Northern Inyo Hospital
Summary of Cash and Investment Balances
Calendar Year 2009

Month	<u>Operations Checking Account</u>				<u>Time Deposit Month-End Balances</u>									
	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Operations Fund	Bond and Interest Fund (2)	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund	Total Revenue Bond Fund (1)	Project Revenue Bond Fund (1)	General Obligation Bond Fund	
January	910,403	3,465,150	3,801,871	573,681	25,688,066	557,358	26,212	3,137	8,014	521,838	729,992	18,350	974	
February	573,681	5,073,277	4,962,667	684,291	25,701,675	557,358	26,212	3,137	8,014	521,965	759,081	-	-	
March	684,291	6,979,617	5,689,346	1,974,563	23,604,971	557,497	26,218	3,138	8,016	530,337	806,520	-	-	
April	1,974,563	9,529,952	9,189,387	2,315,128	24,919,927	167,252	26,218	3,138	8,016	630,495	853,958	-	14,464,947	
May	2,315,128	3,264,722	4,556,036	1,023,814	28,168,905	552,617	26,218	3,138	8,016	901,397	934,534	-	11,007,929	
Prior Year														
June	1,406,138	3,979,790	4,241,108	1,144,820	24,112,234	506,089	25,199	3,036	10,960	533,038	782,802	18,278	1,941,042	
July	1,144,820	3,591,736	4,304,179	432,378	25,157,206	473,714	25,799	3,036	10,960	533,181	826,431	18,297	1,896,555	
August	432,378	3,928,525	4,052,898	308,005	24,668,222	539,232	25,799	3,036	10,960	533,315	870,108	18,316	1,802,362	
September	308,005	6,941,975	5,021,257	2,228,723	23,464,535	539,363	25,805	3,037	8,963	533,463	913,829	18,335	488,249	
October	2,228,723	3,669,458	5,409,330	488,851	24,438,919	72,065	25,805	3,037	8,963	521,427	957,490	18,349	490,613	
November	488,851	3,294,047	3,600,921	181,977	24,595,851	89,165	25,805	3,037	8,963	521,554	1,000,949	18,350	491,657	
December	181,977	4,947,737	4,219,311	910,403	24,670,653	557,358	26,222	3,037	8,014	521,703	682,553	18,350	882	

Notes: (1) The difference between the Total and Project Revenue Bond Funds represents amounts held by the trustee to make payments on the District's behalf and about \$575,000 to cover the Bond Reserve Account Requirement with respect to the Series 1998 Bonds. The Project is exhausted.
(2) The Bond and Interest Fund now contains the Debt Service amount from the County for both the original Bond and the 2005 Bond.

Investments as of 05/31/2009

ID	Purchase Date	Maturity Date	Institution	Certificate ID	Rate	Principal Invested
1	26-May-09	01-Jun-09	Local Agency Investment Fund	20-14-002 Walker	1.53%	300,180
2	01-May-09	01-Jun-09	Prudential Instl Liquidity	1012-2406	0.70%	100,000
3	29-May-09	01-Jun-09	Union Bank-Money Market	2740028807	0.17%	18,338,477
4	07-Aug-08	15-Jun-09	World Savings Bank Note	98153BAE4	5.17%	1,105,773
5	12-Jun-08	19-Jun-09	Federal Home Loan Bank-Wachovia	3133XFVFO	5.25%	102,703
Current Fiscal Year Totals						19,947,132
6	03-Jun-08	01-Jul-09	International Lease Finance Corp	459745FM2	4.75%	1,005,500
7	10-Oct-08	09-Oct-09	Amboy Bank	023305CF0	3.75%	250,000
8	15-Oct-08	15-Oct-09	Colonial Bank, N.A.	195554PG9	3.65%	250,000
9	15-Oct-08	15-Oct-09	Comerica Bank	200339CT4	3.65%	250,000
10	15-Oct-08	15-Oct-09	Morgan Stanley Bank	61747MPB1	3.65%	250,000
11	17-Oct-08	16-Oct-09	Bank of Michigan	06424TCW9	3.60%	250,000
12	17-Oct-08	16-Oct-09	Firstbank of Puerto Rico	337629B32	3.70%	250,000
13	17-Oct-08	16-Oct-09	GMAC Bank	36185AXP8	3.65%	250,000
14	16-Oct-08	16-Oct-09	Westernbank Puerto Rico	95989QKL0	3.75%	250,000
15	21-Sep-07	01-Nov-09	Citigroup Med Term Note	12560PCL3	6.88%	702,987
16	16-May-09	01-Nov-09	Federal Home Loan Mtg Corp-MBS	31282VBY0	4.50%	55,393
17	22-Feb-08	07-Dec-09	Bear Stearns Co Note	073902BR8	4.58%	933,927
18	12-Dec-08	12-Dec-09	1st Financial Bank USA (FNC CD)	5X42582	3.55%	249,000
19	12-Dec-08	12-Dec-09	Discover Bank (FNC CD)	5x42584	3.15%	250,000
20	12-Dec-08	12-Dec-09	M&T Bank N.A. (FNC CD)	5X42577	3.15%	250,000
21	12-Dec-08	12-Dec-09	Texas Community Bank (FNC CD)	5X42597	3.40%	250,000
22	18-Aug-08	15-Dec-09	World Savings Bank Note	9515GAA3	5.24%	492,950
23	30-Dec-04	30-Dec-09	Capital City Bank and Trust	9N01713	4.75%	99,000
24	05-Jan-09	05-Jan-10	Gulf Cost Community Bank IFNC CD)	5X42841	2.64%	99,000
25	11-Dec-08	15-Jan-10	Berkshire Hathaway Fin Corp GRD Sr Not	084664AR2	2.49%	203,510
26	11-Dec-08	22-Feb-10	Citigroup Inc	172967CU3	6.49%	97,308
27	25-Jul-08	01-Mar-10	Schwab Medium Term Note	80851QCX0	4.33%	528,440
28	11-Dec-08	15-Apr-10	Greater Bay Bancorp Sr Note	391648AT9	3.82%	101,688
29	22-Apr-05	22-Apr-10	Bank of Waukegan	065563AR9	4.75%	99,000
30	11-Dec-08	28-Apr-10	Toyota Motor Credit Corp Note	829233PV60	2.79%	200,164
31	24-Apr-08	15-May-10	American General Finance Corp Note	02635PSV6	4.47%	503,905
Fiscal Year End 2010						8,121,772
32	18-Dec-08	18-Dec-10	Worlds Foremost Bank (FNC CD)	5X42688	4.40%	100,000
Fiscal Year End 2011						100,000
Total Investments						28,168,905

Financial Indicators

	Target	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08
Current Ratio	>1.5-2.0	6.56	7.53	4.20	4.09	3.89	4.13	3.92	3.90	3.31	3.68	3.64
Quick Ratio	>1.33-1.5	6.04	6.96	3.74	3.66	3.50	3.69	3.47	3.44	2.89	3.22	3.18
Days Cash on Hand	>75	289.03	337.98	227.43	222.55	230.22	223.53	223.62	218.15	229.56	229.67	222.74

NORTHERN INYO HOSPITAL
DEPARTMENTAL NON-EMERGENCY OUTPATIENT VISITS

MONTHS 2009	DIAGNOSTIC RADIOLOGY		MAMMOGRAPHY		NUCLEAR MEDICINE		ULTRASOUND		CT SCANNING		MRI		LABORATORY		EKG/EEG		PHYSICAL THERAPY		RESPIRATORY THERAPY		RURAL HEALTH CLINIC		TOTALS	
	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09
JANUARY	308 / 544 / 606	198 / 193 / 434	36 / 71 / 96	166 / 205 / 206	112 / 170 / 165	86 / 89 / 470	1621 / 1809 / 1635	139 / 103 / 120	335 / 335 / 363	19 / 10 / 10	941 / 1057 / 1457	3961 / 4586 / 5562												
FEBRUARY	263 / 593 / 477	194 / 193 / 182	38 / 63 / 51	157 / 205 / 195	102 / 217 / 153	71 / 85 / 435	1662 / 1744 / 1643	84 / 113 / 116	302 / 364 / 314	19 / 11 / 10	965 / 1150 / 1374	3857 / 4738 / 4950												
MARCH	269 / 529 / 581	122 / 311 / 261	29 / 133 / 1	144 / 223 / 201	95 / 233 / 152	76 / 403 / 472	1734 / 1774 / 1904	100 / 149 / 121	340 / 346 / 428	16 / 12 / 13	1095 / 1211 / 1477	4020 / 5324 / 5611												
APRIL	258 / 697 / 600	246 / 199 / 378	46 / 183 / 68	139 / 196 / 188	123 / 264 / 161	105 / 453 / 483	1767 / 1984 / 1824	85 / 121 / 108	300 / 410 / 380	14 / 14 / 16	883 / 1318 / 1423	3966 / 5839 / 5639												
MAY	262 / 613 / 650	230 / 479 / 391	85 / 167 / 87	150 / 213 / 187	131 / 230 / 131	100 / 424 / 656	1743 / 1758 / 1811	112 / 137 / 103	295 / 349 / 354	18 / 9 / 12	1007 / 1308 / 1373	4133 / 5687 / 5755												
JUNE	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
JULY	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
AUGUST	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
SEPTEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
OCTOBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
NOVEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
DECEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
CALENDAR YEAR	1360 / 2976 / 2914	990 / 1375 / 1646	234 / 617 / 303	756 / 1042 / 987	563 / 1114 / 762	438 / 1454 / 2516	8527 / 9069 / 8817	520 / 623 / 568	1572 / 1804 / 1839	86 / 56 / 61	4891 / 6044 / 7104	19937 / 26174 / 27517												
MONTHLY AVERAGES	272 / 595 / 583	198 / 275 / 329	47 / 123 / 61	151 / 208 / 197	113 / 223 / 152	88 / 291 / 503	1705 / 1814 / 1763	104 / 125 / 114	314 / 361 / 368	17 / 11 / 12	978 / 1209 / 1421	3987 / 5235 / 5503												

*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 May 31, 2009**

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2006-07	NovaRad RIS (part of original NovaRad PACS System)	208,426 *
FY 2007-08	Seimens Patient Monitor SC 9000XL	7,799
	3-D FOR M.E.P.	45,000
	OMNICELL COLOR TOUCH	55,419 *
	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>381,368</u>
FY 2008-09	Beckman Coulter Act10	10,344 *
	Modular Building Purchase-Quality Improvement	21,785 *
	Modular Building Purchase-Employee Health & Community Relations	31,114 *
	Laparoscopic Video Equipment-Surgery	249,020 *
	Coagulation Analyzer	25,000
	Mizuhosi Fracture Table	125,483 *
	AMO Phaco Machine for Surgery	82,918 *
	Zeiss Ophthalmic Argon Laser	39,840
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>585,504</u>
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	381,368
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	<u>585,504</u>

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2008
 As of May 31, 2009**

MONTH APPROVED BY BOARD DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
Year-to-Date Board-Approved Amount to be Expended	117,639
Year-to-Date Administrator-Approved Amount	602,843 *
Actually Expended in Current Fiscal Year	849,233 *
Year-to-Date Completed Building Project Expenditures	939,431 *
TOTAL FUNDS APPROVED TO BE EXPENDED	1,569,715
Total-to-Date Spent on Incomplete Board Approved Expenditures	0

Reconciling Totals:

Actually Capitalized in the Current Fiscal Year Total-to-Date	1,452,076
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	117,639
ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	1,569,715

Donations by Auxiliary	0
Donations by Hospice of the Owens Valley	0
+Tobacco Funds Used for Purchase	12,179
	0
	12,179

*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 May 31, 2009**

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
Board Approved Construction and Remodel amounts to be Reimburse from Revenue Bonds:		
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 see revisions below	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
Total-To-Date Board Approved Construction Amounts to be reimbursed from Revenue Bonds & General Obligation Bond		<u><u>59,647,328</u></u>
Total-To-Date Spent on Construction In Progress from Rev Bonds for Incomplete Projects (Includes Architect Fees for Future Phases)		

*Completed Purchase

**Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2008
As of May 31, 2009**

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
Portable Generator	Maintenance	1,663		
CANNON iR 1025iF Printer	Pharmacy	2,163		
UME36 PRO System	Purchasing	1,902		
Month Ending May 31, 2009			5,728	602,843

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NORTHERN INYO HOSPITAL
SECURITY REPORT
05/20/09 THRU 06/22/09

FACILITY SECURITY

Access security during this period revealed 24 occasions of open or unsecured exterior doors being identified during those hours when doors were to be locked or secured. 12 of these instances were doors that had been previously locked or checked secure by Security Staff and found unlocked at a later time. 9 of these cases were with the east Radiology doors. This specific problem was addressed with Lab Staff at the time of the latest occurrence. 12 interior doors were found unlocked or unsecured during this same period.

Notable facility security problems continue to present with less frequency.

Hospital vehicles were found unsecured on three occasions with keys found in a vehicle on one occasion.

HUMAN SECURITY

NIH Security provided Law Enforcement standby in fourteen instances with five of those for arrest BAC's at the Lab.

California Department of Corrections, Camp 26, presented with an ill inmate that was admitted, underwent surgery and recovery. This inmate was guarded fulltime by DOC personnel with breaks provided by Security Staff.

Security Staff provided standby in ten instances where irrational or disruptive patients or family members were present in the Emergency Department.

Standby was provided in five instances of potential 5150 patients.

Security Staff requested Bishop Police Department respond to the Hospital for additional security in one instance. This matter involved the criminal death of an individual and the subsequent arrest of a suspect. The case evolved in such a manner as to raise concerns that retaliation against the arrestee by others could potentially occur. The time spent at the Hospital by the arrestee for pre-incarceration medical clearance would provide a window of opportunity for retaliatory criminal acts. The Police Department and the Sheriff's Department provided standby until the arrestee was medically cleared and transported to the County Jail. The matter was handled without further incident.

One intoxicated subject was found on Campus during this period. This person was cooperative and taken home by a family member.

Security Staff provided patient assists on 26 occasions during this period. Many of those instances were for ER patients that required wheelchairs or directions to the ER.

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SIERRA GEOTECHNICAL SERVICES INC.
SGSI
ENVIRONMENTAL • GEOTECHNICAL • GEOLOGY • HYDROGEOLOGY • MATERIALS

June 22, 2009

Northern Inyo Hospital
150 Pioneer Lane
Bishop, California 93514

Attention: Mr. Scott Hooker

Subject: **REVISED PROPOSAL FOR TESTING LABORATORY SERVICES**
Partial Replacement and Renovation – Phase 2
Main Hospital Building Construction
Northern Inyo Hospital
Bishop, Inyo County, California

Mr. Hooker:

Pursuant to your request, Sierra Geotechnical Services, Inc. (SGSI) submits this revised proposal for testing and observation services to be performed during the construction of the proposed new Hospital Building. It is our understanding that the project will consist of the construction of one two-story building containing a new central plant, emergency rooms, an intensive care unit, a critical care unit, three operating rooms and twenty-six patient rooms occupying approximately 56,000 square feet.

This revised proposal is based primarily upon a review of Version No. 6 of the Construction Schedule prepared by Turner Construction and of the Testing, Inspection and Observation Program (TIO) dated 5/8/2009 prepared by NTD Stichler Architecture (NTD). Also reviewed were the specifications set forth in the Project Manual and all addenda prepared by NTD, the Project Plan and all addenda assembled and prepared by NTD, and the "Geologic and Geotechnical Investigation Report" and all addenda prepared by the Project Geotechnical Engineer of Record, Converse Consultants (Converse).

We understand that construction will likely begin June 2009, following permits issued by OSHPD for the new hospital building and by the City of Bishop for the outlying civil infrastructure. All field and laboratory testing services performed by SGSI will be conducted in general accordance with the governing codes and with the approved project plans and specifications, except for the following:

It is our understanding that SGSI will be performing additional continuous inspections on all drilled pier footings during foundation construction, which otherwise would be performed by Converse. Additionally, it is our understanding that SGSI will not be performing non-destructive field and shop weld testing or shop welding inspection as these will be done by BSK & Associates (BSK). Finally, we understand that SGSI will not be performing special inspections of reinforcing bar, structural steel erection, bolting, masonry, or fire-proofing as these will be done by the project Inspector of Record (IOR).

MAMMOTH: 549 OLD MAMMOTH ROAD, MAMMOTH LAKES, CA 93546 • Phn: (760) 934-3992 Fax: (760) 934-8832
BISHOP: 873 NORTH MAIN STREET, SUITE 150, BISHOP, CA 93514 • Phn: (760) 873-6800 Fax: (760) 873-6888
PALM DESERT: 44489 TOWN CENTER WAY, SUITE D-478, PALM DESERT, CA 92260
www.sierrageotechnicalinc.com

SIERRA GEOTECHNICAL SERVICES INC.
SGSI

REVISED SCOPE OF SERVICES

This revised *scope of services* includes the following:

- **Responsibilities**

SGSI will perform inspection, sampling, and testing of products in accordance with specified standards in order to ascertain compliance of materials and mixes with the requirements of the Contract Documents. SGSI will also perform special inspections for areas of work as shown on the Project Plan and as specified in respective sections of the Project Manual.

Additional inspections and tests will be performed as requested by the Project Architect. All reports will be submitted to the Architect, Structural Engineer, Contractor, Owner, Project IOR, OSHPD, and others according to the specified schedules.

- **Excavation, Fill, and Foundation Preparation**

SGSI will perform continuous inspection during foundation excavation (drilled piers), field logging and sampling of the excavated materials, and field testing of the excavation bottom in order to verify the proposed design to actual field conditions and to determine that the grading is accomplished in general accordance with the Project Plan. All information obtained will be immediately forwarded and shared with the Converse as required.

- **Reinforcing Steel, Concrete, Grout, Mortar, Masonry, and Veneer Testing**

SGSI will perform concrete mix design review, acceptance testing, batch plant inspection, field sampling, testing and observation during the placement of reinforcing steel (only if IOR requests or is not present), concrete and masonry materials. Strength testing will be performed as required within the following: building pier foundation, pier caps, grade beams, rampways, curb and gutter, and any other structural or appurtenant concrete areas requiring testing. One set (4 cylinders) will be collected for structural or appurtenant concrete areas requiring testing at a minimum frequency of 50-cubic yards or as directed by the Project Plan and Manual. If less than 50-cubic yards of concrete are placed in a given day, then one set of cylinders will be collected on an as-needed basis. Concrete testing will include: slump, entrained air content, ambient air and concrete mix temperature, and compressive strength. Compressive strength testing will be conducted at 7 and 28 days as directed by the projects specifications and compression test results will be issued to both the contractor and client upon immediate availability.

One set of grout samples will be acquired for every day that grout is placed. One set of mortar samples will be collected each day during the first 3 days of placement and on a weekly basis thereafter. In addition, SGSI will perform batch plant observation services to verify concrete mix design in conformance with the project specifications. SGSI will also observe the placement of Concrete Masonry Units (CMU) and Stone Veneer, as well as perform laboratory testing on the samples acquired. One set (4 specimens) will be collected for every 5,000 square feet of wall or as directed by the Project Plan and Manual.

under the Professional Geologist license of Mr. H. Dean Dougherty, III, or the Engineering Geologist license of Mr. Joseph A. Adler; concrete and masonry inspections and testing under the certifications of Mr. Paul Stone, Mr. Mike McGrath, Mr. Chad Senior, and Mr. Brian Young; structural steel inspections under the certifications of Mr. Adam Lake, Mr. Dennis Combs, and Mr. Kim Rosenquist; and fire-proofing inspection under the certification of Mr. Adam Lake. Copies of all licenses and certifications are on file within our office. With respect to SGSI's Quality Assurance Program, our laboratory is audited and approved by DSA, ASTM and Caltrans, and we are enrolled proficiency sampling programs with the Caltrans, AMRL and CCRL.

The results of all testing, observation, and inspection services will be provided to the client as performed or upon immediate availability. Interim, or "Milestone" reports will be furnished as requested, and a final report including all test results will be issued upon the completion of the project.

ESTIMATED COSTS

SGSI's costs for services will be on a *Time and Expenses* basis in conformance with applicable prevailing wage rates according to our 2008 Fee Schedule. We propose to perform the services described above for an estimated cost not to exceed **\$585,650.00**. Should we begin to exceed this estimated amount, you will be notified in advance, and our services will proceed only after a change-order contract has been signed and authorized by you. Please note that these estimates do not cover the costs of any retesting due to a failure by the contractor(s) to meet the required quality control specifications. In addition this proposal does not include attendance at various meetings, including planning meetings with other project consultants.

Our services would be provided in accordance with the attached Agreement and Work Order. Please carefully review the contents of this proposal, and the enclosed Agreement and Work Order. If they meet with your approval, execute the Agreement and Work Order and mail it to our office.

Thank you for this opportunity to be of service. If you should have any questions regarding this proposal, or if we can provide you with any additional service, please do not hesitate to contact me.

Respectfully,

SIERRA GEOTECHNICAL SERVICES, INC.



H. Dean Dougherty, III
Principal Geologist

Attachment: Agreement and Work Order
SGSI Schedule of Fees - 2008

SIERRA GEOTECHNICAL SERVICES INC.

W.O. 3.01143.3 (PW)

AGREEMENT AND WORK ORDER

The undersigned hereby retains the services of SIERRA GEOTECHNICAL SERVICES, INC. (SGSI) for the following site based upon the following conditions:

JOB DESCRIPTION:	<u>MATERIALS TESTING AND INSPECTION SERVICES</u>		
PROJECT NAME:	<u>NIH Main Building Construction – Phase 2</u>		
ASSESSOR PARCEL NO:	_____		
LEGAL DESCRIPTION:	_____		
LEGAL ADDRESS:	<u>150 Pioneer Lane, Bishop, CA 93514</u>		
CLIENT NAME:	<u>Northern Inyo Hospital District</u>	ATTN:	<u>Scott Hooker</u>
MAILING ADDRESS:	<u>150 Pioneer Lane</u>	WORK:	<u>760-873-3362</u>
	<u>Bishop, CA 93514</u>	EMAIL:	<u>Scott.Hooker@nih.org</u>
		FAX:	_____
OWNER NAME:	<u>same</u>	ATTN:	_____
OWNER ADDRESS:	_____	CELL:	_____
	_____	PHONE:	_____
	_____	FAX:	_____

PROFESSIONAL FEES:

See attached 2008 Schedule of Fees

OTHER FEES AND EXPENSES:

Word Processing \$8.00/page
Drawing Reproduction Cost + 15%
Report Reproduction \$0.30/page
Billing will be at the above rates for actual time spent. Overtime for hourly personnel will be billed at the above rates times 1.5.

Concrete Cylinders \$35.00/break
Outside Service Cost + 15%
Vehicle \$0.45/mile; Travel Time \$65.00/hour

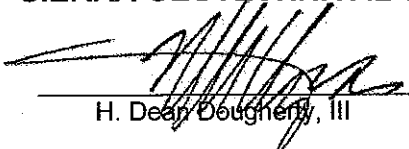
ESTIMATE OF FEES: \$585,650.00 Time and Expenses Not to Exceed
RETAINER REQUESTED: None

BILLING: Invoices will be submitted on a progress basis for services performed during the term of the project. Payment will be due on receipt of invoice. Interest will be added to accounts 30 days in arrears for each month of delinquency. In the event SGSI must institute action under this Agreement to enforce its terms, it shall be entitled to all attorney's fees and costs incurred therein. Said interest rate is 1.5% per month (annual rate of 18%).

RIGHT OF ENTRY: Right of entry is hereby granted to the job site for SGSI to perform the proposed site studies and subsurface explorations. We will take reasonable precautions to protect the environment during our fieldwork, but have not included in our fee estimate the cost for restoration of damages that may result.

ACCEPTED:
SIERRA GEOTECHNICAL SERVICES, INC.

ACCEPTED:
AUTHORIZED BY CLIENT:



H. Dean Dougherty, III

6/22/2009

DATE

X

X

DATE

MAMMOTH LAKES OFFICE:
P.O. BOX 5024
MAMMOTH LAKES CA 93546
(760) 934-3992
FAX 934-8832

BISHOP OFFICE:
873 N MAIN ST, STE 150
BISHOP CA 93514
(760) 873-6800
FAX 873-6888

PALM DESERT OFFICE:
44489 TOWN CTR WAY, STE D-478
PALM DESERT, CA 92260
(650) 366-0216
FAX 366-0298

- **Fill Compaction and Observation**

SGSI will perform acceptance testing, compaction testing and grading observation during the placement of fill, backfill, and base materials in all structural areas including: footings, building pads, Asphalt and concrete pavement areas, and utility trenches. In addition, SGSI will perform Asphalt concrete acceptance, breakdown and compaction testing. One compaction test will be performed for every 100 linear feet of backfill at a two foot vertical spacing, and every 200 linear feet of Asphalt.

- **Structural Steel**

If the IOR requests or is not present (or if BSK cannot perform), SGSI will perform continuous and periodic visual inspection of both structural and reinforcing steel placement, including but not limited to the following: anchor rods, expansion bolts, grouted dowels, epoxied dowels, field welds, fillet and penetration welds, high strength bolting, wedge anchor testing, ultrasonic testing, and end-welded studs. In addition, SGSI will confirm structural/erection tolerances and specifications including steel identification, size specification, shape tolerance (camber and sweep), frame elevations, column base locations and plumbness.

If the IOR requests or is not present (or if BSK cannot perform), SGSI will perform shop welding and fabrication inspection and testing services. Our inspector or qualified subcontracted agents will perform continuous and periodic visual inspections for all welding services accomplished at the fabricating facility. In addition, SGSI or its agents will review mill certifications and confirm material identification, review welder's certifications, inspect welding equipment for suitability, review welding electrode specifications, inspect material for conformance to mill tolerances, and review contract and shop drawings.

- **Fire Proofing**

If the IOR requests or is not present, SGSI will provide fire proofing inspection and testing services during application. Fireproofing inspection and testing will include: thickness (primary and secondary), density, and cohesion/adhesion. One sample for density and cohesion will be acquired at a minimum of every 10,000 sqft. of material placed, or as directed by the project plans and specifications.

- **Project Management and Conformance**

All testing and observation services performed by SGSI will be in general conformance with the specifications detailed within the approved Project Plan and Manual. In addition, all services performed for the proposed project will be conducted in conformance with the 2001 California Building Code, the 1997 Uniform Building Code, the City of Bishop municipal codes, standards and requirements, ASTM, Caltrans or equivalent testing standards.

SGSI special inspections and testing per UBC 1702 will be performed under the professional engineer's license of Mr. Thomas A. Platz, soil and foundation inspections will be performed

PERFORMANCE:

Sierra Geotechnical Services, Inc. (SGSI) shall perform consulting services ("Services") as needed by CLIENT in accordance with this Agreement and various Scopes of Work, each of which shall refer to this Agreement. The Scope of Work shall detail the particular Services required at a given LOCATION. Upon execution by the parties, each Scope of Work, together with this Agreement, shall constitute a separate contract.

All work performed hereunder shall be in accordance with current standards of the profession. Work shall begin as soon as possible following receipt of this executed Agreement and Work Order. The estimate submitted herein is subject to change if unusual or unforeseen elements develop.

State and local rules and regulations are subject to changing interpretations. All reports will be written by SGSI so as to meet the requirements of local governmental agencies; however, it is understood that governmental agency approval is discretionary, and accordingly SGSI cannot and does not guarantee approval of its reports by these agencies. All additional work subsequent to submittal of the initial report by SGSI will be in addition to our estimate and will be billed hourly. SGSI will submit two copies of the report to the client. Any additional report copies will be billed in accordance with the attached fee schedule.

SGSI's Services are based solely on the investigations described in the Scope of Work, which was established after consultation between the parties. Client agrees that it is unreasonable to expect to completely evaluate subsurface conditions even after the most comprehensive exploratory program reasonably possible. Further, site conditions change frequently due to the passage of time, human activities, and climatic conditions. Uncertainties are therefore inherent in the nature of SGSI's Services and impossible to avoid. CLIENT acknowledges that the identification of geotechnical conditions and the prediction of future or concealed conditions is an inexact scientific endeavor. The state of the art of geotechnical practice is such that SGSI cannot guarantee that its recommendations will prove adequate on this project and the client assumes the risk of any such failure, except if such failure is due to the negligence or misconduct of SGSI. Anything herein to the contrary notwithstanding, SGSI shall not be alleged to be negligent, nor shall SGSI be liable under this Agreement or otherwise for occurrences occasioned by performance of Services performed in accordance with standards of care and diligence utilized by those performing similar services at the time and in the general vicinity in which the Services are performed.

SGSI will use all reasonable care to minimize damage to the LOCATION and other properties, but has included only customary site cleanup in the Scope of Work. CLIENT is responsible for identifying and locating underground structures, and agrees to defend, indemnify and hold SGSI harmless from and against all liability, losses or costs resulting from damage to or destruction of underground structures not properly located and marked. CLIENT recognizes that performance of the Services may result in the necessity of some repairs, extra cleanup or field corrections and agrees to compensate SGSI for the same as if it were included in the Scope of Work.

PROFESSIONAL OPINION:

Our professional services will be performed, our findings will be obtained, and our recommendations prepared in accordance with generally accepted engineering practices. The professional opinions of SGSI will be based upon conditions revealed at exploration locations and reconnaissance of surrounding terrain.

It is agreed that SGSI is not responsible for effect that unknowns such as acts of others on adjacent properties, variables of nature including, but not limited to, earthquakes, the works of man, Acts of God, and other variables beyond the control of SGSI may have on any opinion rendered hereunder. No express or implied warranties are given hereunder with regard to soil conditions with the exception of locations, which have been explored and then only to the extent of such explorations, does SGSI warrant its work.

LIABILITY:

For any errors, omissions or other acts, including any damages based in contract, tort or other causes of action, SGSI's liability, including that of its employees, agents, and officers shall not exceed amounts recovered under limits of SGSI's insurance, plus SGSI's warranty obligation.

CLIENT shall release, defend, indemnify and hold SGSI and its employees, officers and agents harmless from and against any and all other claims, demands, losses and causes of action that are outside of the scope of work provided by SGSI. We are protected by Workmen's Compensation Insurance (and/or employer's liability insurance) and by Public Liability Insurance for bodily injury and property damage and shall provide a certificate of insurance to CLIENT, as additional insured. SGSI shall not be responsible for property damage incurred outside the scope of work provided for this agreement.

In the event suit is filed against SGSI, it is agreed that venue shall be laid in the Municipal Court of the County in which the work was performed.

INFORMATION FOR CLIENTS REGARDING SGSI'S SERVICES

We provide consulting services in the field of geotechnical engineering. As a consultant, we provide professional opinions based on limited observations and often-changing conditions. Due to the nature of this work, there are unavoidable risks. We call your attention specifically to the following points:

- Professional opinions will be based in part upon data obtained from a limited number of soil and/or other samples, tests analyses, histories of occurrences, spaced subsurface explorations and limited numbers of historical events and observations. Such information is necessarily limited and incomplete.
- The accuracy, value and analytical significance of borings and other field and laboratory procedures and data relate only to their specific time and location. The nature of many sites is such that differing characteristics can be experienced within small distances and under various climatic conditions. Greater accuracy is obtained when the number and frequency of procedures and analyses are increased, but we recognize the necessity of budgetary constraints, and have agreed with you on the Scope of Work taking into account such constraints.
- If conditions change, unexpected events occur, or variations or latent conditions are later discovered, they may have an impact on the way systems perform, and/or it will be necessary to reevaluate conclusions and recommendations. Such impacts may also necessitate a change in the applicable Scope(s) of Work.
- The Services involve tests, calculations, analyses and procedures which are in a constant of development and refinement. Evaluative techniques are evolving.
- Modifications of procedures have been made in the past, and are now being made, and are expected to continue to be made in the future. Standards existing at present may be revised as knowledge increases and the state of the practice in our profession continues to improve.
- At times, clients elect to utilize new, state of the art, or innovative techniques, system, or approaches for cost, schedule or other reasons. Sometimes governmental or regulatory agencies will allow the use of a new technique, process, or system before it has been thoroughly tested. If you elect to use unproven or new techniques, they may fail, despite the exercise of due care on our part, and despite agency approvals.
- Our work products shall be based solely upon the Services described in the Scope of Work, and not on tasks, procedures or tests beyond the scope of described Services on the time and budgetary constraints reflected in the Scope of Work.

We appreciate your business and look forward to working with you

SGSI SCHEDULE OF FEES – 2008

PROFESSIONAL SERVICES

Professional	Code	Rate
Principal Engineer/Geologist	(PEG)	\$ 120/hr
Senior Engineer/Geologist	(SEG)	\$ 110/hr
Project Engineer/Geologist	(PG)	\$ 95/hr
Staff Engineer/Geologist	(STEG)	\$ 85/hr
Senior Registered Hydrogeologist	(SRH)	\$ 180/hr
Field Groundwater Geologist	(FGG)	\$ 105/hr
Staff Groundwater Geologist	(SGG)	\$ 90/hr
Expert Witness/Deposition	(EW)	\$ 175/hr (4 hr min)

Field Technical

Certified Welding Inspector	(CWI)	*\$ 100/hr
Structural Welding Inspection	(SWI)	*\$ 95/hr
Certified Concrete/Masonry Inspector	(CCI)	*\$ 95/hr
Structural Observation per UBC 1702	(SO)	*\$ 95/hr
Structural Bolting Inspection	(SBI)	*\$ 95/hr
Structural Steel Inspection	(SSI)	*\$ 90/hr
Reinforcing Steel Inspection	(RSI)	*\$ 90/hr
Epoxy/Grout Dowel Inspection	(EDI)	*\$ 90/hr
Fire Proofing Inspection	(FPI)	*\$ 90/hr
Field Engineer/Geologist	(FEG)	*\$ 85/hr
Senior Field Technician	(SFT)	*\$ 75/hr
Field Technician	(FT)	*\$ 70/hr
Ultrasonic Testing	(UST)	*\$ 100/hr
Magnetic Particle Testing	(MPT)	*\$ 100/hr

FOR STANDARD OVERTIME ADD 50%; FOR HOLIDAY OVERTIME ADD 100%

** FOR PREVAILING WAGE JOBS ADD 25%*

Office and Laboratory Technical

Project Coordination	(PC)	\$ 68/hr
Laboratory Technician	(LT)	\$ 68/hr
Office Services/Clerical	(OS)	\$ 45/hr
Drafting	(DR)	\$ 70/hr
Report Reproduction		\$0.30/page
Outside Service		Cost + 15%
Job Supplies, Reproduction, etc.		Cost + 15%

Equipment Rental

Ultrasonic Weld Tester	(UWT)	\$ 75/day
Magnetic Weld Tester	(MWT)	\$ 75/day
Diamond Coring Rig	(DCR)	\$ 75/day
Torque Wrench/Skidmore	(TWS)	\$ 35/day
Water Quality Probe	(WQP)	\$ 50/day
Water Level Sounder	(WLS)	\$ 25/day

SGSI SCHEDULE OF FEES – 2008 (Continued)

Vehicle, Travel and Per Diem

Trucks	(MI)	\$0.55/mi
Travel Time	(TT)	\$ 65/hr
Room and Board	(RB)	Cost + 15%
Meals	(M)	\$ 35/day

LABORATORY TESTING

Moisture / Density	Code	Rate
ASTM D-1557 (4")	(MDC4)	\$ 200
ASTM D-1557 (6")	(MDC6)	\$ 210
Check Point	(CKPT)	\$ 100
Moisture and Dry Density (In-Situ)	(MDD)	\$ 45
Moisture (In-Situ)	(MST)	\$ 35

Aggregates

Sieve Analysis ASTM C-136	(SA)	\$ 90
Sieve Analysis with 200 Wash	(SAW)	\$ 120
Wash Analysis ASTM C-117	(WA)	\$ 60
Specific Gravity (Coarse) ASTM C-127	(SGC)	\$ 60
Specific Gravity (Fine) ASTM C-128	(SGF)	\$ 70
Specific Gravity ASTM D-854	(SG)	\$ 80
Sand Equivalent ASTM D-2419 (3x)	(SE)	\$ 90

Shear

Direct Shear (Undisturbed, 3 Point)	(UST)	\$ 200
Direct Shear (Remolded, 3 Point)	(RST)	\$ 230

Consolidation

ASTM D-2435 (8 Point)		\$ 340
Additional Points		\$ 40

Strength

Compressive Test Cylinder (6"x12")	(CCT)	\$ 35
Compressive Test Grout Sample	(CTGS)	\$ 35
Compressive Test Grout Prism	(CTGP)	\$ 60
Compressive Test Mortar Cylinder	(CTMC)	\$ 35
Compressive Test Shotcrete Core	(CTSC)	\$ 35

Asphalt / Pavement

Asphalt extraction by ignition – CTM 382		\$ 400
Maximum Density of Asphalt Concrete – CALT 375		\$ 350
Gradation of Extracted Sample		\$ 100
Moisture Content of Asphalt Concrete		\$ 45

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*People you know,
caring for people you love.*

N . I . H . M E M O R A N D U M

DATE: June 26, 2009
TO: Board of Directors
FROM: Leon Freis R.Ph. Director Administrative Support Services
RE: STAT Centrifuge

As part of our ongoing effort to improve turn around times for Emergency Department and ICU, we have identified the need for a STAT centrifuge for Chemistry.

The STAT centrifuge is a small batch (up to 10 tubes) high-speed centrifuge that readies plasma tubes in 5 minutes. This will cut off at least 10-25 minutes from the normal centrifuge time. The variation occurs when a normal centrifuge batch has been started and cannot be interrupted for 15 minutes before the STAT can be run for an additional 15 minutes.

The cost of the unit is \$3,316.88 including tax.

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**NORTHERN
INYO HOSPITAL**

Northern Inyo County Local Hospital District

150 Pioneer Lane
Bishop, California 93514
(760) 873-2833 voice
(760) 873-2633 fax

Petition to join the Health Care Interpreter Network (HCIN)

Northern Inyo Hospital recognizes that access to basic health care services is the right of every patient. Through its Language Services Policy, NIH ensures timely and appropriate access to health care services for patients with language or communication barriers requesting services at its facilities.

Throughout time NIH has shown its commitment to meet the needs of all its patients. In 1991, NIH contracted the services of AT&T Language Services, currently known as Language Line Services, in an effort to provide effective means of communication with patients speaking a language other than English. In 2005, NIH leased 13 dual-handset telephones; they were called the "language line telephone." These dual-handset telephones provided the convenience of allowing the patient and health care provider to have a handset each, and both could be talking or listening to the Language Line interpreter. The major inconvenience with these was the length of the handset's cord. In an effort to bring a solution to that issue, and to promote the use of the over-the-phone interpreting service, we replaced those telephones with a cordless dual-handset model; which **most people** seem to like better and use more frequently. Today, we have 15 dual-handset "language line" telephones in use.

During 2008, NIH provided health care services to patients speaking more than 23 different languages, including American Sign Language. Just as the need to communicate with patients continues to grow, technology continues to evolve.

Besides English, Spanish continues to be the language spoken by most individuals in NIH service area. NIH provides Spanish interpreters to ensure timely communication between patients and health care providers. Language Line's over-the-phone interpreting provides coverage for any other spoken language. NIH's commitment to provide timely access to health care services for patients experiencing language or communication barriers, including the deaf and hard of hearing, whose primary language is American Sign Language, bring us to meet technology advancements in the form of video interpreting.

The **Health Care Interpreter Network** is a collaboration of hospitals and providers that share the services of their trained language interpreters over a video and voice network. By pooling resources, these providers help guarantee that any patient who walks in the door of any member hospital will receive high-quality, timely care *in a language he or she can understand*. When a language is not available from an interpreter at one of the HCIN hospitals, the call is automatically transferred to a contracted telephonic language provider. American Sign Language (ASL) is available 24/7 on the HCIN system, through Language Line Services. Through the HCIN system, every point of patient contact is able to reach an interpreter on demand, 24/7, in 170 languages.

Currently the HCIN serves San Joaquin General Hospital, San Joaquin County Health Services (including Behavioral Health, Correctional Health, community clinics, and Public Health sites), Contra Costa Regional Medical Center, Contra Costa Health Services (including 9 community clinic sites), San Mateo Medical Center (including 4 community clinic sites and the

Burlingame Long Term Care Facility), Riverside County Regional Medical Center, Kern Medical Center, and Rancho Los Amigos National Rehabilitation Center, Los Angeles County – USC Medical Center, Harbor – UCLA Medical Center, and Olive View – UCLA Medical Centers in Los Angeles County.

There are currently more than 40 interpreters online within the HCIN system. Languages provided by member hospitals include Spanish, Cantonese, Mandarin, Vietnamese, Lao, Mien, Cambodian, Hmong, Korean, Russian, Farsi, Armenian, Tongan, and Hindi. American Sign Language is available on HCIN video stations through Language Line Services. Spanish interpreters on HCIN currently offer service between 7:00 am and 9:00 pm on weekdays, and between 8:30 and 4:30 on weekends.

Eligibility for HCIN membership is offered to California hospitals and health care providers that are:

- Public, district, or University of California hospitals
- Community hospitals which are not members of hospital systems larger than three distinct acute care facilities
- Currently accepting health plans which serve the Medi-Cal population.

Annual membership fees in HCIN are: \$40,000 for public hospitals, \$50,000 for populations with significant indigent/Medi-Cal service, \$60,000 other community hospitals.

HCIN has offered NIH to join its network under the **HCIN Lite Membership**. HCIN has offered to provide grant funding for the equipment and set-up (as outlined on the Service Agreement, page 11) for a six-month trial period including six months of the connection fee. This offer is being made as a result of a generous grant from the California HealthCare Foundation (CHCF). This grant funding represents a total savings of \$17,520.00; yes NIH will spend ZERO dollars for the first six months.

At the end of the six-month trial period, should Northern Inyo Hospital wish to continue with the Lite connection, the equipment will then be officially donated to the hospital, and the on-going connection fee and per-minute charges will be NIH's responsibility.

The cost of HCIN Lite service is \$375.00 per month or \$4,500.00 a year, compared with \$40,000.00 to \$60,000.00 for a standard full membership. Additionally, per minute charges for spoken languages are \$1.55, and for American Sign Language \$3.35.

The maximum number of video connections allowed for the Lite service are two. The service fee includes up to two video units installed. These video units will be installed in two areas of most demand, and who will have the most potential benefit from its availability: the emergency room, and the Rural Health Clinic. Each video unit will be installed on a mobile cart to facilitate its use in different patient care areas within its location.

Dear Board members, I would like to ask you to approve the attached contract allowing NIH to join the Health Care Interpreter Network (HCIN) under the listed conditions and terms.

Sincerely,
José García.

**HEALTH CARE INTERPRETER NETWORK HCIN SERVICE
SUBSCRIBER AGREEMENT**

HCIN Health Care Interpreter Network for ("HCIN") service (the "HCIN Service") will be provided to the Subscriber listed on the signature page below ("you," "your," or "Subscriber") on the terms and conditions set forth in this Subscriber Agreement (the "Agreement") by the Health Care Interpreter Network ("HCIN," "we," "us," or "our") and our agents and affiliates, licensors, suppliers, and service providers. For purposes of this Agreement, "affiliate" means any entity that controls, is controlled by or is under common control with HCIN. HCIN will not be provided to you until this Agreement is signed by both you and HCIN. When signed by both parties, this Agreement shall be a binding contract between you and HCIN.

1. Equipment.

a. Required Equipment: Subscriber understands and agrees that the HCIN Service requires certain equipment provided by you (the "Subscriber Equipment"), or equipment provided by HCIN or its designee ("HCIN-Supplied Equipment"). Under this Agreement, the term "Equipment," when used by itself, refers to all Subscriber Equipment and HCIN-Supplied Equipment collectively. Subscriber Equipment must meet the specific compatibility requirements established by HCIN and its underlying providers. HCIN reserves the right to provide the HCIN Service only to the extent that Subscriber uses equipment compatible with the HCIN Service. HCIN has the unrestricted right, but not the obligation, to upgrade or change the firmware in the Equipment at any time that we, in our sole discretion, determine is necessary or desirable. We may perform these upgrades or changes remotely or on the Premises as we determine in our sole discretion.

If you change premises or disconnect your HCIN Service, you must contact HCIN for additional information concerning disconnecting the HCIN Service, the possibility, costs and procedures for transferring the Equipment and HCIN Service to your new premises.

b. Access to Subscriber's Premises: You authorize HCIN and its employees, agents, contractors, and representatives to enter your premises at which the HCIN Service will be accessed (the "Premises") in order to install, maintain, inspect, repair and remove the HCIN Equipment and any equipment used in connection with the HCIN Service. All such access will occur at a time agreed to with you. Subscriber warrants that you are the owner of, or a tenant in, the Premises, and that you have the authority to enter into this Agreement.

c. HCIN-Supplied Equipment: The HCIN-Supplied Equipment will at all times remain the property of HCIN, its provider Paras and Associates ("PAA") or another designee of HCIN or PAA. You acknowledge that the HCIN-Supplied Equipment is merely a means through which the HCIN Service is provided by us and may be removed or changed by us at our discretion as we deem appropriate. You agree not to use the HCIN-Supplied Equipment for any purpose other than to use the HCIN Service pursuant to this Agreement. During the term of this Agreement, HCIN or its designee will repair and maintain all HCIN-Supplied Equipment and you agree that the HCIN-Supplied Equipment will not be serviced by anyone other than HCIN

agents. You shall not sell, transfer, lease, encumber or assign all or part of the HCIN-Supplied Equipment to any third party. You will not relocate the HCIN-Supplied Equipment. At your request, we may, at an additional charge, relocate the HCIN-Supplied Equipment within the Premises at a time agreed to with you.

e. Subscriber Equipment: You represent that you own the Subscriber Equipment or otherwise have the right to use such equipment in connection with the HCIN Service. HCIN shall have no obligation to provide, maintain or service the Subscriber Equipment. If you proceed with the installation of or use the HCIN Service in conjunction with Subscriber Equipment that does not meet the minimum requirements (a "Non-Recommended Configuration"), you agree that (i) you will not be entitled to Subscriber support relating to any issues other than the quality of the signal delivered to the equipment, and (ii) the following limitation of liability shall apply: NEITHER HCIN NOR ANY OF ITS AFFILIATES, LICENSORS, SUPPLIERS, SERVICE PROVIDERS OR AGENTS WARRANT THAT A NON-RECOMMENDED CONFIGURATION WILL ENABLE YOU TO SUCCESSFULLY INSTALL, ACCESS, OPERATE, OR USE THE HCIN SERVICE. YOU ACKNOWLEDGE THAT ANY SUCH INSTALLATION, ACCESS, OPERATION OR USE COULD CAUSE DAMAGE TO SUBSCRIBER EQUIPMENT. NEITHER HCIN NOR ANY OF ITS AFFILIATES, LICENSORS, SUPPLIERS, SERVICE PROVIDERS OR AGENTS SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY SUCH FAILURE OR DAMAGE. The foregoing limitation of liability is in addition to and shall not limit any other limitation of liability set forth in this Agreement. Placement, testing or use of non-recommended equipment or a Non-Recommended Configuration may cause harm to the HCIN Service. As such, HCIN reserves the right to terminate your HCIN Service without notice if you are found to be using a Non-Recommended Configuration.

2. Proprietary Rights.

a. Ownership of Addresses: You acknowledge that use of the HCIN Service does not give you any ownership or other rights in any on-line addresses provided to you, including but not limited to Internet Protocol ("IP") addresses, phone system station or extension numbers. We may modify or change these addresses at any time without notice and shall in no way be required to compensate you for these changes.

b. Authorization to Transmit: HCIN does not claim any ownership of any material that you transmit using the HCIN Service. By using the HCIN Service to transmit content, you (i) warrant that the content complies with the provisions of this Agreement, (ii) consent to and authorize, its agents and affiliates, licensors, suppliers, and service providers to distribute the content and (iii) warrant that you have the right to provide this authorization. You acknowledge that material transmitted using the HCIN Service may be distributed by and to third parties, such as calls routed to third party interpreter service providers, and you agree to indemnify, defend and hold harmless HCIN, its agents, licensors, suppliers, service providers and affiliates for any harm resulting from these actions.

c. Copyright in the HCIN Service: Title and intellectual property rights to the HCIN Service are owned by HCIN, its agents, suppliers, service providers or affiliates or their licensors or otherwise by the owners of such material and are protected by law. The copying, redistribution, reselling or reverse engineering of any part of the HCIN Service without express prior written consent from HCIN or other owner of such material is prohibited.

d. Subscriber Information and Privacy "The HCIN Service will allow you to transmit content to third parties, such as providers of interpreter services outside of your hospital. Therefore, these parties will be in receipt of protected health information regarding those patients in need of such services. In order to comply with applicable provisions under the Health Insurance Portability and Accountability Act of 1996, you agree to treat an interpreter from another subscriber hospital, whose services you utilize as per the terms of this Agreement, as a member of your "workforce". These interpreters understand and agree that they are required to follow all privacy, confidentiality, HIPAA and other similar policies and procedures and applicable compliance plans adopted by their employer hospital as it relates to any protected health information obtained through the provision of interpreter services. The "workforce" designation shall not, in any way, be used to characterize or treat an interpreter as being an employee or agent of the non-employer hospital subscriber for tax, liability, benefits or any other similar purpose."

3. Fees

a. Fees and Charges: You agree to pay all charges and fees associated with the use of the HCIN Service, which charges may include, without limitation, monthly service fees, initial capital amortization and associated fees, installation charges, charges for service calls and other charges described in the HCIN Order Sheet. In addition, you agree to pay all applicable federal, state and local fees and taxes. Monthly service, equipment and other fees shall be payable monthly in advance and billed according to our then current billing policies. Your HCIN invoice may also contain charges for other services agreed upon and provided by us or our subsidiaries, licensors, suppliers, service providers or affiliates. If we receive partial payment of any such invoices, we will apply such payment in the amounts and proportions to the outstanding charges as we determine. Our acceptance of any partial payment by you does not mean that we waive our rights to collect the full balance owed to us.

b. Late Payments; Failure to Pay: You agree to pay HCIN, as set forth in this Agreement, for any fees or charges due to HCIN, including any administrative late fee(s) and related fees, charges and assessments due to late payments or non-payments. If HCIN does not receive any required payment from you by the date on which the payment is due, or you pay less than the full amount due HCIN where we provide more than one product or service to you, you may be charged such fees, charges and assessments and the HCIN Service may be disconnected after written payment escalation plan is presented to Subscriber Chief Financial Officer. If the HCIN Service is disconnected, in addition to the rights and remedies of HCIN under this Agreement or otherwise, you may be required to pay a reconnect fee in addition to all past due charges before the HCIN Service is reconnected. Any administrative late fee(s) and related fees, charges and assessments due to late payment and

nonpayment are not penalties. Rather, they are liquidated damages intended to be a reasonable advance estimate of our costs resulting from late payments or non-payments by our Subscribers, which costs will not be readily ascertainable.

4. Acceptable Use Policy; Prohibited Uses and Limitations

a. Acceptable Use Policy: You expressly agree not to use the Equipment or the HCIN Service, directly or indirectly, to undertake or accomplish any unlawful purpose or in violation of any posted HCIN policy applicable to the HCIN Service, including without limitation any HCIN Acceptable Use Policy (the "AUP") attached hereto as Exhibit I or other policy posted on the HCIN Service's web site or on another web site about which you have been notified, and that the AUP or other policy may be modified by HCIN from time to time. Notwithstanding anything to the contrary in this Agreement, you acknowledge and agree that the terms of the AUP and any other applicable HCIN policies may be put into effect or revised from time to time without notice by posting a new version of the AUP or the other policy as set forth above. Accordingly, you and other users of the HCIN Service should consult the AUP and all other posted policies regularly to conform to the most recent version.

b. Prohibited Uses of the HCIN Service: Use of the Equipment or the HCIN Service for transmission of any information, data or material in violation of any federal, state or local law or regulation is prohibited.

c. Limitation of the HCIN Service: The HCIN Service is limited to the features and functions described on the HCIN web site and in written information provided to you on or before the Effective Date, subject to changes reasonably made by HCIN during the term of this Agreement. The HCIN Service does not store transmitted images or audio recordings. The HCIN Service provides a connection between you and interpreters in your network or interpreter services available from third parties. HCIN Service is not an interpreter service.

5. Representations and Warranties of Subscriber. You represent and warrant that:

a. Subscriber Information: The Subscriber information that you have provided and will provide to HCIN during the term of this Agreement is accurate, complete and current. You agree to promptly notify us, in accordance with the terms of this Agreement, if there is any change in the information that you have provided to us. Failure to provide and maintain accurate information constitutes a breach of this Agreement.

b. Multiple Users: You acknowledge that you are executing this Agreement on behalf of all persons who use the Equipment and/or HCIN Service at your Premises. You shall have sole responsibility for ensuring that all of your users understand and comply with the terms and conditions of this Agreement. You further acknowledge and agree that you are solely responsible for and liable for any and all breaches of the terms and conditions of this Agreement, whether the breach is the result of use of the HCIN Service, and/or the Equipment, by you or by any users at the Premises. Subscriber agrees to indemnify, defend and hold harmless HCIN and its affiliates, licensors, suppliers, service providers and agents against all claims and expenses (including reasonable attorney fees) arising out of the use of

the HCIN Service and/or the Equipment or the breach of this Agreement by you or any user at the Premises.

c. Compliance with Laws: You will comply with all applicable laws when you use the HCIN Service. Your use of the HCIN Service does not violate any regulation or law or other agreement to which you are a party.

d. No Tampering: You will not service, alter, modify or tamper with the Equipment or with the HCIN Service, or permit any other person (unless authorized in writing by HCIN) to do so. This prohibition includes, without limitation, altering equipment to change the downloading or uploading capacity of the equipment.

e. IP Addresses: HCIN will provide you with a range of Internet protocol ("IP") address(es) as a component of the HCIN Service and these IP address(es) may change. You will not alter, modify, or tamper with these IP address(es) or those of any other Subscriber. HCIN will release and/or recover the IP address(es) upon disconnection, discontinuance, or termination of the HCIN Service or this Agreement.

f. Theft of HCIN Service: You will not connect the HCIN Service or any Equipment to more locations, either on or outside of the Premises, than are reflected in your account with us. You acknowledge that any unauthorized receipt of the HCIN Service constitutes theft of service, which is a violation of federal law and can result in both civil and criminal penalties, and a breach of this Agreement.

6. Termination and Expiration.

a. Term: The term of this Agreement shall commence upon the installation of your HCIN Service, and shall continue for the term specified in the HCIN Order Sheet and on a month to month basis thereafter until terminated as provided for in this Agreement or until superseded by a revised Subscriber Agreement or HCIN Order Sheet.

b. Termination by HCIN: We may terminate this Agreement if you fail to comply in full with any term of this Agreement within thirty (30) days after receiving written notice from us which details the basis of the claimed breach. In the event HCIN terminates the HCIN Service for any reason other than your violation of this Agreement, any fees and charges will accrue through the date of termination but any prepaid monthly service fees for HCIN Service not received will be refunded (less any outstanding amounts due HCIN for initial capital, equipment or other applicable fees and charges). Subscriber will be obligated to immediately pay any and all costs associated with the Subscriber Note.

c. Subscriber Obligations Upon Termination. You agree that upon termination of this Agreement:

- i. You will immediately cease use of the HCIN Service and the Equipment.
- ii. You will pay in full for your use of the HCIN Service and any and all costs associated with the note pledged for the capital costs. You agree to pay on a pro-rated basis for any use by you of the HCIN Service for any portion of a month.
- iii. If you have HCIN-Supplied Equipment, you will contact HCIN to request a Return Material Authorization ("RMA"), in connection with which HCIN will provide return delivery instructions. If

specified in the RMA, you will return the HCIN-Supplied Equipment Delivered Duty Paid ("DDP," Incoterms 2000) to HCIN's U.S. delivery address within fourteen (14) days after termination of the Agreement. (Under DDP, Subscriber pays for packing, shipping, insurance, and Subscriber bears the risk of loss of the HCIN-Supplied Equipment until unloaded from the common carrier at the HCIN delivery point, among other things). Otherwise, if specified in the RMA, you will permit us, and our employees, agents, contractors, and representatives, to access your premises during regular business hours to remove the HCIN-Supplied Equipment and other material provided by HCIN. This removal will be conducted at an agreed to time; and you will ensure the return of all HCIN-Supplied Equipment to HCIN. If any HCIN-Supplied Equipment is not returned, you agree that HCIN may invoice you for, and you will pay, the applicable charges.

d. Retention of Rights: Nothing contained in this Agreement shall be construed to limit HCIN's rights and remedies available at law or in equity. Upon termination of this Agreement for any reason, HCIN and its suppliers reserve the right to cancel your account user names and all related content. We shall have no liability whatsoever as the result of the loss of any such data, names or addresses.

e. Survival: All representations, warranties, indemnifications and limitations of liability contained in this Agreement shall survive the termination of this Agreement, as well as any other obligations of the parties hereunder which, by their terms, would be expected to survive such termination or which relate to the period prior to termination.

7. Limitation of Liability; No Warranties; Warnings.

a. Limited Warranty: OTHER THAN STANDARD EQUIPMENT MANUFACTURER WARRANTIED PROVIDED BY THE EQUIPMENT MANUFACTUERERS, EQUIPMENT AND THE SERVICE ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, EXCEPT AS EXPRESSLY STATED IN A MUTUALLY AGREED ORDER SHEET UNDER THIS AGREEMENT. NEITHER HCIN NOR ITS AFFILIATES, LICENSORS, SUPPLIERS, SERVICE PROVIDERS OR AGENTS WARRANT THAT ANY CONNECTION TO, TRANSMISSION OVER, OR RESULTS OF THE EQUIPMENT OR THE SERVICE WILL MEET SUBSCRIBER'S REQUIREMENTS OR WILL PROVIDE UNINTERRUPTED USE OR WILL OPERATE AS REQUIRED, UNINTERRUPTED, AT ANY MINIMUM SPEED, OR ERROR FREE.

YOUR SOLE REMEDY FOR SERVICE INTERRUPTION SHALL BE LIMITED TO A PRORATED CREDIT UPON REQUEST ONLY AS SET FORTH IN THE APPLICABLE HCIN SERVICE LEVEL EXHIBIT ATTACHED HERTO AS EXHIBIT II. TO QUALIFY FOR SUCH CREDIT, YOU MUST REQUEST THE CREDIT FROM HCIN WITHIN THIRTY (30) DAYS OF THE FAILURE. CREDITS SHALL BE APPLIED ONLY AGAINST CURRENT AND FUTURE FEES PAYABLE BY YOU FOR THE SERVICE AND ANY CREDITS PROVIDED BY HCIN ARE AT OUR SOLE

DISCRETION AND IN NO EVENT SHALL CONSTITUTE OR BE CONSTRUED AS A COURSE OF CONDUCT BY HCIN. NEITHER HCIN NOR ITS AFFILIATES, LICENSORS, SUPPLIERS, SERVICE PROVIDERS OR AGENTS WARRANT THAT ANY CONTENT SENT BY OR TO YOU WILL BE TRANSMITTED IN UNCORRUPTED FORM OR WITHIN A REASONABLE PERIOD OF TIME. ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF PERFORMANCE, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, ARE HEREBY EXCLUDED.

b. Limitation of Liability: EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, IN NO CIRCUMSTANCE AND UNDER NO LEGAL THEORY (INCLUDING WITHOUT LIMITATION TORT, CONTRACT, AND OTHERWISE), SHALL HCIN VIDEO VOICE CALL CENTER OR ITS AFFILIATES, LICENSORS, SUPPLIERS, SERVICE PROVIDERS OR AGENTS HAVE ANY LIABILITY TO SUBSCRIBER OR TO ANY PERSON OR ENTITY FOR (i) ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, TREBLE, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL LOSSES OR DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, LOSS OF EARNINGS, LOSS OF BUSINESS OPPORTUNITIES AND PERSONAL INJURIES (INCLUDING DEATH), RESULTING DIRECTLY OR INDIRECTLY OUT OF, OR OTHERWISE ARISING IN CONNECTION WITH, THE INSTALLATION, MAINTENANCE, FAILURE, REMOVAL OR USE OF THE SERVICE OR THE HCIN EQUIPMENT OR SUBSCRIBER'S RELIANCE ON OR USE OF THE HCIN EQUIPMENT OR THE SERVICE, INCLUDING WITHOUT LIMITATION ANY MISTAKES, OMISSIONS, INTERRUPTIONS, COMPUTER OR OTHER HARDWARE OR SOFTWARE FAILURE OR MALFUNCTION, DELETION OR CORRUPTION OF CONTENT, WORK STOPPAGE, ERRORS, DEFECTS, DELAYS IN OPERATION, DELAYS IN TRANSMISSION, OR FAILURE OF PERFORMANCE OF THE HCIN EQUIPMENT OR THE SERVICE; OR (ii) ANY LOSSES, CLAIMS, DAMAGES, EXPENSES, LIABILITIES OR COSTS (INCLUDING LEGAL FEES) RESULTING DIRECTLY OR INDIRECTLY OUT OF, OR OTHERWISE ARISING IN CONNECTION WITH, ANY ALLEGATION, CLAIM, SUIT OR OTHER PROCEEDING BASED UPON A CONTENTION THAT THE USE OF THE HCIN EQUIPMENT OR THE SERVICE BY SUBSCRIBER OR ANY OTHER PERSON OR ENTITY INFRINGES THE COPYRIGHT, PATENT, TRADEMARK, TRADE SECRET, CONFIDENTIALITY, PRIVACY, OR OTHER INTELLECTUAL PROPERTY RIGHTS OR CONTRACTUAL RIGHTS OF ANY THIRD PARTY.

c. Security of Subscriber Network: You are responsible for the security of your own portion of the network upon which the HCIN Service runs. This includes the premises cabling, virtual local area network, and data jacks used by equipment. We may terminate all or any portion of the installation or operation of the HCIN Service if a virus, trojan horse, worms or any other malicious code is found to be present on your network or equipment. We are not

required to provide you with any assistance in removal of the virus.

d. No Liability for Viruses: HCIN and its licensors, suppliers, and service providers make no representation or warranty that any software or content installed on your device(s) or accessed from the HCIN Service does not contain a virus or other harmful feature. It is your sole responsibility to take appropriate precautions to protect your network, any computer or other hardware of yours from damage to its software, files or data as a result of any such virus or other harmful feature. If we decide, in our sole discretion, to install or run virus check software on your devices, we make no representation or warranty that the virus check software will detect or correct any or all viruses. You acknowledge that you may incur additional charges for any service call made or required on account of any problem related to a virus or other harmful feature detected on your system. NEITHER HCIN NOR ITS AFFILIATES, LICENSORS, SUPPLIERS, SERVICE PROVIDERS OR AGENTS SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY DAMAGE TO OR LOSS OR DESTRUCTION OF ANY HARDWARE, SOFTWARE, FILES OR DATA RESULTING FROM ANY VIRUS OR OTHER HARMFUL FEATURE OR FROM ANY ATTEMPT TO REMOVE IT.

e. No Liability for Effects of Subscriber's Hardware and Software: The installation, use, inspection, maintenance, repair and removal of the Equipment and certain Subscriber Equipment used in connection with the HCIN Service may result in service outage or potential damage to your network and other Subscriber Equipment. Except for gross negligence or willful misconduct by us, neither HCIN nor any of its affiliates, licensors, suppliers, service providers and agents shall have any liability whatsoever for any damage, loss or destruction to the Subscriber Equipment (including without limitation your computer(s) and peripherals). In the event of such gross negligence or willful misconduct by HCIN or any of its affiliates, licensors, suppliers, service providers and agents, at our sole discretion we shall pay for the repair or replacement of the damaged parts up to a maximum of \$5,000 and this shall be your sole remedy relating to such activity. NEITHER HCIN NOR ANY OF ITS AFFILIATES, LICENSORS, SUPPLIERS, SERVICE PROVIDERS OR AGENTS SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY DAMAGE TO OR LOSS OR DESTRUCTION OF ANY CONTENT, SOFTWARE, FILES OR DATA.

f. Not Liable For Third Parties: You acknowledge that we may use the services, equipment and infrastructure and content of others in providing the HCIN Service and that third parties may provide components of the HCIN Service. We are not responsible for the performance (or non-performance) of such services, equipment, infrastructure or content of others whether or not they constitute components of the HCIN Service. In addition, you understand that you will have access to the services and content of third parties through the HCIN Service, including without limitation that provided by content providers (whether or not accessible directly from the HCIN Service). HCIN Services, equipment, infrastructure and content that are not provided by us (even if they are components of the HCIN Service) are not the responsibility of HCIN, and we shall have no liability with respect to such services, equipment,

infrastructure and content. You should address questions or concerns relating to such services, equipment, infrastructure and content to the creators of such services, equipment, infrastructure and content. No undertaking, representation or warranty made by an agent or employee of HCIN or our underlying third party providers in connection with the installation, maintenance, or provision of the HCIN Service which is inconsistent with the terms of this Agreement shall be binding on HCIN. The limitations of liability set forth in this Agreement apply to the acts, omissions, and negligence of HCIN and its underlying third party providers (and their respective officers, employees, agents, contractors or representatives) which, but for that provision, would give rise to a cause of action in contract, tort or any other legal doctrine.

g. Subscriber Responsibility for Content: You acknowledge that there may be some health-related content available through the HCIN Service that may be offensive to some individuals, and unsuitable for children, for example if used in a psychiatric setting. We assume no responsibility for this content. All content and material accessed by you or others through the HCIN Service is accessed and used by you or such others at their own risk, and neither HCIN nor its affiliates, licensors, suppliers, service providers or agents shall have any liability whatsoever for any claims, losses, actions, damages, suits or proceedings arising out of or otherwise relating to access to such content or material by you or others. Questions or complaints regarding content or material should be addressed to the content provider.

h. Monitoring of Transmissions: HCIN shall have no obligation to monitor transmissions made in connection with the HCIN Service. However, you acknowledge and agree that HCIN and its agents shall have the right to monitor any such transmissions from time to time and to use and disclose them in accordance with this Agreement, and as otherwise required by law or government request. We reserve the right to refuse to transmit any information or materials, in whole or in part, that, in our sole discretion, is unacceptable, undesirable or in violation of this Agreement.

i. High Risk Activities: The HCIN Service is not fail-safe and is not designed or intended for use in situations requiring fail-safe performance or in which an error or interruption in the HCIN Service could lead to severe injury to business, persons, property or environment ("High Risk Activities"). These High Risk Activities may include, without limitation, activities where absolutely accurate data or information is required. You expressly assume the risks of any damages resulting from High Risk Activities.

j. Sole Remedy: Your sole and exclusive remedies under this Agreement are as expressly set forth in this Agreement. Some states do not allow the exclusion or limitation of implied warranties, and some states do not allow the limitations or exclusion of incidental or consequential damages, so certain of the above exclusions may not apply. In such states, the liability of HCIN and its affiliates, licensors, suppliers, service providers and agents is limited to the maximum extent permitted by law.

8. Dispute Resolution.

a. Mediation Requirement for Certain Disputes: If the Subscriber and HCIN are unable to resolve informally any claim or dispute related to or arising out of this Agreement or the services provided, Subscriber and HCIN agree to

mediation for a period of thirty (30) days before any litigation may be commenced, except as provided below. You must contact us within one (1) year of the date of the occurrence of the event or facts giving rise to a dispute, or you waive the right to pursue a claim based upon such event, facts or dispute.

b. Mediation Services and Procedures: The mediation will take place at JAMS at a location, convenient to you, in the area where you receive service from us. HCIN will advance all reasonable mediation filing fees and mediator's costs and expenses, except that SUBSCRIBER IS RESPONSIBLE FOR ALL COSTS THAT YOU INCUR IN THE MEDIATION, INCLUDING, BUT NOT LIMITED TO, EXPERT WITNESSES OR ATTORNEYS. You and HCIN agree that a single JAMS mediator will mediate the dispute. Moreover, participating in mediation may result in limited discovery.

c. Exclusions from Mediation: You and HCIN agree that the following will not be subject to mediation: (1) any claim filed by HCIN to collect outstanding balances for unpaid service or the theft of any service or equipment; and (2) any dispute concerning intellectual property rights or for which a party seeks injunctive relief. This Agreement is governed by California law without application of any conflict of laws principles.

9. Miscellaneous

a. Changes to the HCIN Service and the Agreement: HCIN may, in its sole reasonable discretion, change, add to or remove portions of the HCIN Service (including without limitation content, functionality, hours of availability, equipment requirements, speed, and upstream and downstream rate limitations) at any time without notice. In addition, after the term specified in the HCIN Order Sheet, we may modify this Agreement at any time in our sole discretion upon thirty (30) days prior notice to you. Your continued use of the HCIN Service following notice of these changes shall be deemed to be your acceptance of any the changes. If you do not agree to any changes, you must immediately stop using the HCIN Service and notify HCIN that you are terminating this Agreement. You will then be entitled to a refund of any unused portion of any monthly service fee for the HCIN Service that has been paid by you in advance (less any outstanding amounts due HCIN for equipment or other applicable fees and charges).

b. No Joint Relationship: Nothing in this Agreement will create any joint venture, joint employer, franchisee-franchisor, employer-employee or principal-agent relationship between HCIN, any content, backbone, network, circuit and other technology or communications providers, software and other licensors, hardware and equipment suppliers or other third party providers of elements of the HCIN Service, nor impose upon any such companies any obligations for any losses, debts or other obligations incurred by the other.

c. Assignment: HCIN may assign its rights and obligations under this Agreement, without notice, to (i) any affiliate, licensor, supplier, or service provider of HCIN, (ii) to any party (or its affiliate) acquiring all or substantially all of the assets or stock, by merger or otherwise, of HCIN or any affiliate of HCIN, or (iii) to any person or entity purchasing or otherwise acquiring the HCIN system serving the Premises. HCIN will notify Subscriber in writing of such

assignment. This Agreement may not be assigned or transferred by Subscriber without HCIN 's prior written consent.

d. General: This Agreement and all exhibits hereto constitute the entire agreement and understanding between the parties with respect to the subject matter of this Agreement, and supersede and replace any and all prior written or verbal agreements. In the event that any portion of this Agreement is held to be unenforceable, the unenforceable portion shall be construed in accordance with applicable law as nearly as possible to reflect the original intentions of the parties and the remainder of the provisions shall remain in full force and effect. HCIN 's failure to insist upon or enforce strict performance of any provision of this Agreement shall not be construed as a waiver of any provision or right. Neither the course of conduct between the parties nor trade practice shall act to modify any provision of this Agreement.

e. Governing Law: The laws of the State of California shall govern and apply to any interpretation of or disputes arising under this Agreement.

f. Notices: Any notice required to be given pursuant to the terms of this Agreement shall be in writing postage and delivery charges pre-paid, and shall be sent by facsimile machine, hard delivery, overnight mail service, first class mail, or certified mail, return receipt requested, to Subscriber or to HCIN at the addresses and/or facsimile numbers set forth on the signature page to this Agreement. Notices hereunder shall be deemed to have been given and shall be effective upon actual receipt by the other party.

SIGNATURE PAGE TO THE HCIN SUBSCRIBER AGREEMENT

SUBSCRIBER

By: _____

Name: _____

Title: _____

Date: _____

Address, phone and email:

HEALTH CARE INTERPRETER NETWORK

By: _____

Name: _____

Title: _____

Date: _____

Address, phone and email:

Exhibit I

Health Care Interpreter Network ACCEPTABLE USE POLICY

HCIN Service Subscribers accept and agree to the following restrictions on use. Violation of this policy may result in the termination or suspension of Subscriber's HCIN Service without any liability whatsoever.

This policy applies to all content provided to or through HCIN, including voice, audio, video or still images and any other data transmitted via HCIN (collectively "Content").

1. Illegal and Destructive Activities.

A Subscriber may not engage in any of the following acts, which are illegal and/or destructive to HCIN and other Subscribers: (1) send or display Content that is libelous, defamatory, obscene, pornographic, threatening, abusive, or hateful; (2) send Content that contains viruses, worms, or any other malicious code or destructive elements; (3) interfere with or infringe the copyrights, trademarks, logos, service marks, or confidential information of others; (4) use or attempt to use the HCIN Service to violate security or the security of systems accessible through it; (5) cause harm to HCIN or third-party equipment, software, or processes used in connection with furnishing the HCIN Service; or use or attempt to use the HCIN Service in a manner that is otherwise in violation of any applicable law.

2. Sensitive Health-Related Information.

Some of the Content that will be transmitted on the HCIN Service may be sensitive personal health-related information inappropriate for viewing or hearing by minors under the age of 18. Minors may be present in hospital rooms where interpreter services are being provided. HCIN cannot effectively and does not control, block, filter or screen Content for such materials or warn people regarding the nature of such information.

3. Blocking of Certain Content.

HCIN reserves the right to block or remove any Content from the HCIN Service, or restrict access to or the availability of, material which, in the sole discretion of HCIN, is obscene, lewd, lascivious, violent, harassing, or otherwise objectionable or inconsistent with the purpose of the HCIN Service in providing health-related interpreter services.

4. Indemnification.

EACH SUBSCRIBER AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS HCIN AND THIRD-PARTIES WHO PARTICIPATE IN THE HCIN FROM ANY LOSS, DAMAGE, OR COST (INCLUDING ATTORNEYS' FEES) RESULTING FROM VIOLATION OF THIS POLICY.

Exhibit II
Service Level Agreement for HCIN

1. Platform Availability Goal

HCIN goal is to maintain the Service at an availability of 99.8%

2. Components included

The "HCIN" means HCIN service of operating the HCIN servers that receive calls from HCIN Subscriber's video and voice callers, process those calls and direct any outbound calls in accordance with agreed upon protocols with Subscriber. No other service or product is included in HCIN. For purposes of determining Platform Downtime (as defined below), the HCIN will not include the circuits used to connect a caller to the HCIN, or the circuits used to connect a call between the HCIN and the destination of an outbound call from the HCIN.

3. Platform Availability Measurement and Remedies

"Platform Downtime" is measured based on the total outage of time experienced by Subscriber. Platform Downtime will exist when the HCIN is unable to process calls from the Subscriber and route them using agreed upon protocols. Platform Downtime is measured from the time the Subscriber reports the problem to HCIN and a trouble ticket is issued, to the time the Subscriber is again able to process calls. Upon Subscriber's written request to HCIN made within five business days of the last day of the month in which the Platform Downtime occurred, Subscriber will be entitled to a service credit equal to pro-rated equivalent of 1 day of service for each cumulative hour of Platform Downtime over and above the availability percentage expectations.

4. Service Credit Exceptions

Service credits will not be available to Subscriber in cases where the HCIN is unavailable as a result of: a) the acts or omissions of Subscriber, its employees, contractors or agents or any other third parties who utilize or access the HCIN; b) the failure or malfunction of equipment, applications or systems not owned or controlled by HCIN; c) circumstances or causes beyond the control of HCIN, including instances of a Force Majeure Event (as defined in the Subscriber Agreement); d) planned outages caused by scheduled service maintenance, alteration, or implementation; or e) the unavailability of required Subscriber personnel, including as a result of failure to provide HCIN with accurate current contact information.

5. Maximum Credits

Under no circumstance will HCIN be required to credit Subscriber in any one calendar month for charges in excess of seven days of service. A credit will only be applied to the month in which the event giving rise to the credit occurred. The provisions of this Agreement state Subscriber's sole and exclusive remedy for service interruptions or service deficiencies of any kind whatsoever for the HCIN.

6. Maintenance Window Definition

Maintenance will be classified as one of the following two types:

6.1 Normal Maintenance

"Normal Maintenance" will refer to upgrades of hardware or software or upgrades to increase capacity. Currently, Normal Maintenance will be undertaken only on Saturday, Sunday, or on Tuesday, and Thursday mornings between the hours of 12 midnight and 6 am PT.

Normal Maintenance will not be deemed to be Platform Downtime. HCIN may change the maintenance window times upon notice to Subscriber.

6.2 Urgent Maintenance

"Urgent Maintenance" will refer to efforts to correct conditions which are likely to cause a material HCIN outage and which require immediate correction. Urgent Maintenance will be deemed an outage for purposes of calculating Platform Downtime and platform availability. HCIN may undertake Urgent Maintenance at any time HCIN deems necessary. HCIN will provide notice of Urgent Maintenance to Subscriber as soon as is commercially practicable under the circumstances.

HCIN ORDER SHEET
Grant Funded

Summary:

- | | |
|--|----------|
| 1. Six (6) Months Connection Fee | \$ 2,250 |
| 2. Two (2) Polycom PVX3000 for CM (3yr service) | \$ 9,350 |
| One (1) Cart for mobile operation | \$ 1,080 |
| One (1) Wall mount | \$ 770 |
| Two (2) VPM appliance and set-up | \$ 4,070 |
| 3.. Usage Fees: fees for per minute usage of all spoken languages provided by HCIN member hospitals shall be \$1.55 reimbursed to the HCIN member providing the service.
American Sign Language (ASL) \$3.35 per minute | |
| 4. Additional Equipment Purchase: | TBD |
| _____ | |
| _____ | |
| _____ | |
| 5. Additional Planning and Installation: | TBD |

Per Minute Charges/Revenues for Interpretation are not financed and will occur through a separate on-going monthly billing/credit process.

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**REAL ESTATE LEASE
RESIDENTIAL**

This Lease Agreement (this "Lease") is made effective as of July 1, 2009, by and between Bil and Jane Askin ("Landlords"), and Northern Inyo Hospital ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant a one-bedroom unit, one level, with one bath, kitchen with all new appliances: electric stove, refrigerator, dishwasher, garbage disposal, and no other appliances. Unit is part of a duplex. Back unit (A) is occupied by other party(s). The "Premises" is located at 331 Clarke Street, Bishop, California 92514.

PARKING. Tenant shall be entitled to street parking only. Tenant shall be entitled to ZERO (0) parking space(s) in driveway located on east side of house. Driveway is for sole use by occupants of back unit A.

STORAGE. Tenant shall be entitled to store items of personal property in storage shed located at back door of unit. Landlords shall not be liable for loss of, or damage to, such stored items. Tenant shall be responsible for any damage resulting from their use of this area.

OCCUPANTS. It is agreed by the Landlords that the Tenant will be using premises to house traveling medical personnel working at the hospital. Tenant will provide Landlords with information such as name and medical department of each occupying agent prior to them taking residence in unit.

The Premises may not be occupied by more than 2 person(s), consisting of 2 adult(s) and 0 child(ren) under the age of 18 years, unless the prior written consent of the Landlords is obtained.

TERM. The lease term will begin on July 1, 2009 and will terminate on June 30, 2010.

RENEWAL TERMS. This Lease shall automatically renew for an additional period of twelve (12) Months per renewal term on the same terms as this Lease, unless either party gives written notice of a change in terms or their termination no later than Thirty (30) days prior to the end of the renewal term.

HOLDOVER. If Tenant maintains possession of the Premises for any period after the termination of this Lease ("Holdover Period"), Tenant shall pay to landlords a

lease payment for the Holdover Period based on the terms of the following Lease Payments paragraph. Holdover Period shall be no longer than one month from termination of stated lease, without prior written consent of Landlords.

LEASE PAYMENTS. Tenant shall pay to Landlords lease payments of \$750.00, payable in advance, on the FIRST day of each month. Lease payments shall be made to the Landlords at 337 Clarke Street, Bishop, California 93514, and may be changed from time to time by Landlord.

LATE PAYMENTS. Tenant shall pay a late charge of \$100.00 for each payment that is not paid and delivered to landlords or his designated agent by the end of the fifth day of the month.

NON-SUFFICIENT FUNDS. Tenant shall be charged \$100.00 for each check that is returned to Landlords for lack of sufficient funds.

SECURITY DEPOSIT. Tenant shall deposit with Landlords upon the execution of this lease the sum of \$750.00 as a security deposit for the Tenant's faithful performance of the provisions of this Lease. If Tenant fails to pay rent or other charges due, or otherwise defaults with respect to any provision of this Lease, Landlords may use the security deposit, or any portion of it, to cure the default or compensate Landlords for damages sustained by Landlords resulting from Tenant's default or negligence.

Landlords shall not be required to keep the security deposit separated from its general account nor shall Landlords be required to pay Tenant any interest on the security deposit. If Tenant performs all of Tenant's obligations under this Lease, the security deposit or that portion thereof which has not previously been applied by the landlord, shall be returned to Tenant within three (3) weeks after the expiration of the term of this Lease, or after Tenant has vacated the premises, whichever is later.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlords on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

USE OF PREMISES/ABSENCES. Tenant agrees that their occupying agent of the unit will be respectful of tenants in adjoining Unit A and not to infringe upon their

“peaceful enjoyment” of their premises with excessive noise since the unit shares two common walls.

Tenant and agent shall occupy and use the Premises as a dwelling unit only. Tenant shall notify Landlords of any anticipated extended absence from the Premises not later than the first day of the extended absence.

KEYS. The Tenant will be given 4 keys (2 front door, 2 back door) to the Premises. If all keys are not returned to the Landlords at the end of the lease, the Tenant shall be charged \$50.00.

MAINTENANCE. Landlord’s obligation for maintenance shall include:

1. The roof, outside walls, and other structural parts of the building.
2. The driveway and sidewalks.
3. The sewer, water pipes, and other matters related to plumbing.
4. the electrical wiring.
5. the heating and cooling systems.
6. All other items of maintenance not specifically delegated to Tenant under this Lease.

Tenant’s obligations for maintenance shall include:

1. Install heavy duty felt pads on the bottom of all furniture.

ALTERATIONS AND ADDITIONS. Tenant shall not, without the Landlords’ prior written consent, make any alterations, improvements or additions in or about the Premises and any additions to or alterations of the Premises, with the exception of movable furniture. The Tenant shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by the Tenant.

ACCESS BY LANDLORDS TO PREMISES. Subject to Tenant’s consent (which shall not be unreasonably withheld) or 24 hour notice, Landlords shall have the right to enter the Premises to make inspections, to provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. As provided by law, in the case of an emergency, Landlords may enter the Premises without Tenant’s consent.

UTILITIES AND SERVICES. Landlord shall be responsible for the following utilities and services in connection with the Premises:

- garbage pick-up, water and sewer.

Tenant shall pay for all propane, electrical, telephone service, cable, and other services supplied to the Premises, except as herein provided.

Tenant shall be responsible for any broken windows, toilet or drain stoppages from the unit to where system joins with front unit drains. Tenant shall be responsible for any interior or exterior wall or structural damage cause by tenants affixing any items to the structure (pictures, plants, etc.)

PROPERTY INSURANCE. Landlords and Tenant shall each be responsible to maintain appropriate insurance for their respective interests in the Premises and property located on the Premises.

DEFAULTS. Tenant shall be in default of this Lease, if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within THREE (3) day(s) (or any other obligation within FIVE (5) day(s) after written notice of such default is provided by Landlords to Tenant, Landlords may take possession of the Premises without further notice, and without prejudicing Landlord's rights to damages. In the alternative, Landlords may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses suffered by Landlords by reason of Tenant's defaults.

HOLD HARMLESS. Tenant shall indemnify and hold Landlord harmless from and against any and all claims arising from Tenant's use or occupancy of the Premises or from any activity, work, or things which may be permitted or suffered by Tenant in or about the Premises including all damages, costs, attorney's fees, expenses and liabilities incurred in the defense of any claim, or action or proceeding arising there from. Except for Landlords' willful or grossly negligent conduct, Tenant hereby assumes all risk of damage to property, including household furniture and goods, or injury to person in or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlords.

HABITABILITY. Tenant has inspected the Premises and fixtures (or has had the Premises inspected on behalf of Tenant), and acknowledges that the Premises are in a reasonable and acceptable condition of habitability for their intended use, and the agreed lease payments are fair and reasonable. If the condition changes so that,

in Tenant's opinion, the habitability and rental value of the Premises are adversely affected, Tenant shall promptly provide reasonable notice to Landlords in writing.

PETS. Tenant may NOT have pets without Landlords' prior written consent.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises without prior written consent of Landlords, which shall not be unreasonably withheld.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

Landlords:

Bil and Jane Askin
337 Clarke Street
Bishop, California 93514

Tenant:

Northern Inyo Hospital
Contact Person: Sandy Blumberg
Administration Offices
150 Pioneer Lane
Bishop, California 93514

Such addresses may be changed from time to time by either party by providing notice as set forth above.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision it would become valid and

enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the State of California.

ADDITIONAL PROVISIONS: In the event of any dispute resulting in litigation or collection action between the parties to this lease, the prevailing party shall be entitled to reasonable attorney fees and costs.

Tenant has inspected the Premises and states that the Premises are in satisfactory condition, free of defect, except as noted below:

	SATISFACTORY	UNSATISFACTORY	COMMENTS
Flooring			
Walls			
Windows			
Screens			
Window coverings			
Stove			
Refrigerator			
Dishwasher			
Disposal			
Bathroom			
Closets			
Mirror Closet doors			
Ceilings			
Doors			
Locks			
Lights			
Rinnai Heater			
Evaporative cooler			

This Summary is not an official part of your document. It contains highlights of the important information that has been entered into the document.

SUMMARY of the RESIDENTIAL LEASE

LANDLORDS

Bil and Jane Askin

TENANT(S)

Northern Inyo Hospital

ADDRESS OF PREMISES

331 Clarke Street
Bishop, California 93514

LEASE PAYMENTS

Payment terms.

Lease payment: \$750.00

Due on the FIRST day of each month

SECURITY DEPOSIT

\$750.00

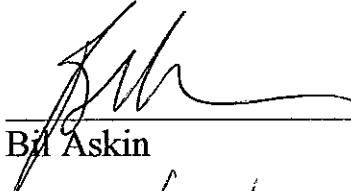
LANDLORDS CONTACT INFORMATION

337 Clarke Street
Bishop, CA 93514
(760) 872-4265

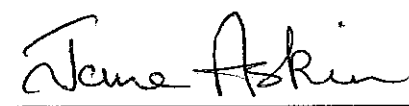
The tenants entering into this lease agree to be jointly and severability liable for all matters or cost relating to this lease.

LANDLORDS:

Bil and Jane Askin



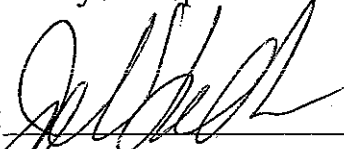
Bil Askin
Date: 6/12/09



Jane Askin
Date: 6/12/09

TENANT:

Northern Inyo Hospital

Agent: 

Print Name John Halfon
Date: 6-19-09

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LEASE AGREEMENT

Dated 6/19/09

Agreement between Janice Clover, Trustee for the Christopher Family Trust, Owner, and Northern Inyo Hospital, Tenant, for a dwelling located at 768 W. Pine Street.

Tenants agree to lease this dwelling for a term of one year, beginning 7/1/09 and ending 6/30/10 for \$700 per month, payable in advance on the 10th day of every calendar month, to Owners -- Christopher Family Trust -- 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.

Tenants may terminate this lease at any time for any reason. gc

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

Use of the following is included in the rent: storage building located next to carport.

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.
- 4) Not to repair their motor vehicle on the premises if such repairs will take longer than a single day.
- 5) Not to keep any liquid-filled furniture in this dwelling.
- 6) To pay rent by check or money order made out to Owners: Christopher Family Trust.
- 7) To pay for repair of all damage -- including drain stoppages -- they or their guests have caused.
- 8) 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 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 Christopher Family Trust
*By Jan Clover

Tenant John Halter
*By John Halter

*Person authorized to accept legal service on Owners'/Tenants' behalf.

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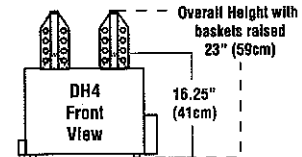
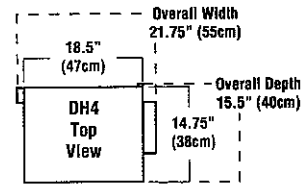
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QUICKTHAW™ PLASMA THAWING SYSTEMS MODEL DH4

SPECIFICATIONS

Thawing Capacity	4 bags
Chamber Volume	4.75 gallons
Chamber Dimensions (w x h x d)	15.5" x 11" x 7.5"
Exterior Dimensions (w x h x d)	18.5" x 16.25" x 14.75"
Overall Exterior Dimensions (w x h x d) Includes drain cover, agitation switch cover, and overwrap box holder	21.75" x 23" x 15.5"
Chamber Material	Stainless Steel
Basket Material	Stainless Steel
Chamber Drain Time	3 minutes
Electrical	115V 50/60Hz 6A
Net Weight	58 lb
Clearance Requirements	Minimum of 8" above the thawer for the basket lift-out system to operate
Certified to applicable UL and CSA standards by a NRTL	

FOOTPRINT

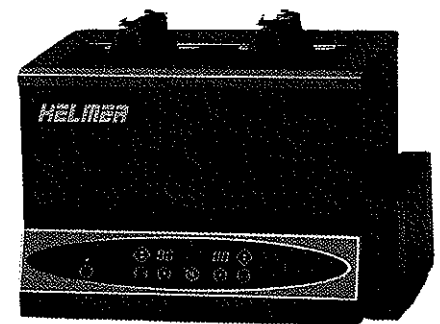


FEATURES

- Rapid Thaw Times
- Microprocessor temperature controller with audible and visual high temperature alarm
- Independent controls and LED display for each basket
- Superior Construction
 - Polished stainless steel tank and baskets
 - Bacteria-resistant powder coated exterior
 - Quick connect drain system efficiently empties the chamber for easy cleanup
- Overwrap Protection

WARRANTY

2 Years Parts
1 Year Labor at Helmer



Leon Freis
 Northern Inyo Hosp
 150 Pioneer Ln
 Bishop, CA 93514
 Phone: (760)873-5811
 Fax: (760)872-5852



ISO13485:2003 certified

Questions? Please call or e-mail

Cara Fry - cfry@helmerinc.com

or 1-800-7-HELMER

(1-800-743-5637)

Customer #: CA486

Quotation

Quote Number 82301 Date 7/6/2009 Quote Expires 8/31/2009

Qty	Part Number	Model	Description	Price	Extend
	Amerinet Pricing		<u>Contract # VL10039</u>		
1	500809-1	DH4	<p>QuickThaw Plasma Thawing System The Model DH4 is an advanced deep stainless steel 37°C water bath with agitating baskets. The DH4 thaws up to 4 units of frozen plasma at a time (accommodates bags up to approximately 6"wide). The system uses standard size Helmer Plasma Overwrap Bags (overwrap dimensions 6½"W x 13"H). A supply of 250 Helmer Plasma Overwraps comes with the unit.</p> <p>DIMENSIONS - 18.5"W X 16.25"H X 14.75"D (Allow total 25.5" height for basket clearance.) WEIGHT - 58 lbs. COLOR - Blue BTU/hr - 2356 ELECTRICAL - 115 volts; 6 amps; 60Hz</p> <p>WARRANTY: 2 years parts, 1 year labor at Helmer</p> <p>Certified to UL and CSA standards by Entela</p> <p>"Ask about Helmer Extended Warranty Plans"</p>	\$4,823.90	\$4,823.90
1	400275-1	CT4	<p>Cover for DH4 (Optional) A vacuum-formed cover to aid in the reduction of water evaporation and promote chamber cleanliness. Color: Translucent Smoke.</p>	\$194.09	\$194.09
1	500606-1	DT1	<p>Digital Thermometer (Optional) A solar powered digital thermometer designed for use with the Helmer Plasma Thawing Systems.</p>	\$164.10	\$164.10
			Subtotal		\$5,182.09
1	Estimated Shipping - UPS		Shipping via UPS Ground	\$92.00	\$92.00

SEND ORDER TO: HELMER 14395 Bergen Boulevard Noblesville, IN 46060 USA

Toll Free Free (USA & Canada): 800-743-5637 Ph: 317-773-9073 Fax: 317-773-9082 Email: sales@helmerinc.com www.helmerinc.com

Qty	Part Number	Model	Description	Price	Extend
	Extended Warranty Options		Extended Warranty Options- Parts and Labor Warranty WTQN1 -1 Yr.....\$546 WTQN2 -2 Yr.....\$1274 WTQN3 - 3Yr.....\$2262 Parts Only Warranty WTQNA -1 Yr.....\$276 WTQNB -2 Yr.....\$640 WTQNC - 3Yr.....\$1134 Your local representative is: Cara Fry Helmer 14395 Bergen Boulevard Noblesville, IN 46060 Phone: 800-743-5637 Fax: 317-773-9082 Email: cfry@helmerinc.com www.helmerinc.com		

Terms: Net 30 days - Pending Approval
 Visa and Mastercard accepted.
 F.O.B. Noblesville, IN. Shipping charges will be prepaid and added to your invoice.
 Estimated shipping rates are valid for 30 days.

Total	\$5,274.09
	Prices are in US Dollars

Your interest in Helmer products is appreciated. Please contact us if we may be of further assistance to you, or help with placing an order.

SEND ORDER TO: HELMER 14395 Bergen Boulevard Noblesville, IN 46060 USA
 Toll Free (USA & Canada): 800-743-5637 Ph: 317-773-9073 Fax: 317-773-9082 Email: sales@helmerinc.com www.helmerinc.com

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

THIS AGREEMENT MADE AND ENTERED INTO this first day of July 2009, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "Hospital") and Marie Toczek, M.D. (hereinafter "Physician").

**I
RECITALS**

- A. Hospital is located at 150 Pioneer Lane, Bishop, California, and operates therein a service designated as the Electrocardiographic Department (hereinafter "EKG Department").
- B. Physician is a practitioner licensed to practice medicine in the State of California, and a diplomate of the American Board of Neurology. 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 "EEGs") and is readily available to interpret electroencephalographs.
- C. Hospital desires to contract with Physician to provide professional interpretation of EEGs 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 "EEG" shall mean all electroencephalographs

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 following services:
 - a. Be available to provide interpretation of all EEG studies performed by the EEG Department on pediatric patients. Said interpretations are to be done within 48 hours of the time the EEG studies are received. Physician shall have no exclusive

right to read studies hereunder, and acknowledges that EEGs 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 EEG which he or she is obligated to read within 48 hours of its creation, or should Physician fail to read and interpret any EEG done in preparation for any surgery, whether emergency or elective, if said EEG has not been read within a reasonable time prior to the time scheduled for said surgery, said EEG will be read and interpreted by Dr. Kamei or his designee, 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 EEG 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 certified by the American Board of Neurology) to perform such services for him in the event of his or her absence or inability to perform such services.
 - c. Participate in retrospective evaluation of care provided in the EEG Department.
 - d. Be available to provide interpretation of EEGs 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.
2. Physician shall at all times comply with the policies, rules and regulations of the Hospital, subject to State and federal statutes covering 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 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.

III **COVENANTS OF THE HOSPITAL**

4. Hospital shall pay Physician \$100 per EEG interpreted. Said sums are payable on the twentieth (20th) day of the calendar month immediately following the service performed. Payments made pursuant to this Paragraph 6 shall be deemed Physician's full, complete, and reasonable compensation for services under this Agreement.
5. 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**

6. 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 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.
7. In the performance of 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 the Hospital's By-Laws and with the Hospital Medical Staff By-Laws 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 EEG 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.
8. Physician shall, at all relevant times, be a member of the Hospital Medical Staff.
9. Each party shall comply with all applicable requirements of law relating to licensure and regulation of both physicians and hospitals.
10. 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.
11. 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: Marie Toczek
204 W. Kenneth Road
Glendale, CA 91202-1439

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

12. The term of this Agreement is two (2) years, commencing on 6-01-09 and ending at midnight on 5-31-11.

13. 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 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.

14. Originals of medical records of the EEG 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 48 hours of the time the EEG is received. Physician acknowledges that, should he or she remove an original EEG from the custody of the EEG Department, he or she shall return it to the custody of the EEG 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 EEG Department and any EEG machines, carts, or collection or storage vehicles located within the Hospital but outside the EEG Department physical premises. Physician shall not destroy or mutilate originals of medical records or EEGs.
15. This Agreement is for the personal services of Physician and Physician may not assign his or her rights, duties, obligations or responsibilities thereunder.
16. 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.

17. 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

PHYSICIAN

By _____
Peter Watcott, President
Board of Directors

Marie Toczek, M.D.

END