



Northern Inyo County Local Hospital District

**Board of Directors Regular Meeting**

**Wednesday December 21, 2011; 5:30pm**

*Board Room*

*Birch Street Annex*

*2957 Birch Street, Bishop CA*

# ***DRAFT AGENDA***

## **NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT BOARD OF DIRECTORS MEETING**

**December 21, 2011 at 5:30 P.M.**

***In the Northern Inyo Hospital Board Room at 2957 Birch Street, Bishop CA***

1. Call to Order (at 5:30 P.M.).
2. Opportunity for members of the public to comment on any items on this Agenda.
3. Approval of minutes of the October 19, 2011 regular meeting.
4. Financial and Statistical Reports for the months of September 2011 and October 2011; John Halfen.
5. Administrator's Report; John Halfen.
  - A. Building Update
  - B. Orthopedic services update
  - C. Physician Recruiting Update
  - D. Security Report
  - E. Unemployment rate reduction
  - F. Auxiliary Boutique Report
  - G. Other
6. Chief of Staff Report; Robbin Cromer-Tyler, M.D.
  - A. Medical Staff appointments (*action items*):
    - Jeanette Schneider, M.D.; William Mullen, M.D.; John Williamson, M.D.; Gregg McAninch, M.D.; Gary Turner, M.D.; Shiva Shabnam, M.D.
  - B. Medical Staff reappointments for the following (*action items*):
    - Clifford S. Beck, M.D. (*Pediatrics*); Helena L. Black, M.D. (*Emergency Medicine*); Stacey L. Brown, M.D. (*Family Practice*); Nicholas J. Carlevato, M.D. (*Radiology*); Alice E. Casey, M.D. (*Pediatrics*); D. Scott Clark, M.D. (*Surgery*); Vasuki Daram, M.D. (*Internal Medicine*); Michael L. Dillon, M.D. (*Emergency Medicine*); Emery J. Duncan, M.D. (*Dentistry*); Anne Gasior, M.D. (*Family Practice*); Nickoline M. Hathaway, M.D. (*Internal Medicine*); Andrew D. Hewchuck, D.P.M. (*Podiatry*); Asao Kamei, M.D. (*Internal Medicine*); Sheldon M/ Kop, M.D. (*Radiology*); David N. Landis, M.D. (*Radiology*); Doris Lin, M.D. (*Emergency Medicine*); Stephen J. Loos, M.D. (*Radiology*); Thomas O. McNamara, M.D. (*Radiology*); Natalie Z. Mills, M.D. (*Pathology*); Richard Nicholson, M.D. (*Family Practice*); Michael W. Phillips, M.D. (*Emergency Medicine*); Leo M. Pisculli (*Psychiatry*); Amr H. Ramadan, M.D. (*Family Practice, C-Sections*); Thomas K. Reid, M.D. (*Ophthalmology*); James A. Richardson, M.D. (*Internal Medicine*); Kenneth L. Saeger, M.D. (*Pathology*); Curtis Schweizer, M.D. (*Anesthesia*); Jennifer A. Scott, M.D.

(*Family Practice/Emergency Medicine*); Keith M. Shonnard, M.D. (*Radiology*); Gregory M. Taylor, M.D. (*Emergency Medicine*); Carolyn J. Tiernan, M.D. (*Emergency Medicine*); Eva S. Wasef, M.D. (*Pathology*); Taema F. Weiss, M.D. (*Family Practice*); Albert Douglas Will, M.D. (*Neurology*)

C. Allied Health Professionals advancements (*action items*):

- Brett Davis, P.A.; Sarah Starosta, P.A.

D. Staff Resignations for Virtual Radiologic Teleradiologists and Anne Gasior, M.D. (*action items*).

E. Policy and Procedure Approvals (*action items*):

1. *Standardized procedure, General Policy for Rural Health Clinic Nurse Practitioner*
2. *Delegation of Services Agreement Between Supervising Physician and Physician Assistant*
3. *Spinal Immobilization*
4. *Emergency Ultrasound Privileging*
5. *Performance Improvement Plan for the Emergency Department*
6. *Operative Consents*
7. *Protocol for Physician Assistant in the Operating Room*

F. CDPH MERP Survey Facility Questionnaire (*information item*).

G. Medical Staff Bylaws amendment, Pharmacy & Therapeutics Committee composition (*action item*).

H. Orthopedic Service (*information item*)

I. Other

7. Old Business

A. Agreement for Director of Orthopedic Services with Peter Godleski, M.D. (*action item*).

8. New Business

A. Construction Change Order Requests (*action items*):

1. COR 121; IB 176, 327, 301, 321, 193, Miscellaneous changes, \$0
2. COR 206.2; MAU 1-1 Platform, \$7,823.86
3. COR 227.1; IB 281 MEP Anchorage, \$7,018.51
4. COR 234; IB 9042, Changes to stairs 1 & 2, credit (\$1,766.11)
5. COR 240; IB 284 Wall mounted pipes and water heaters, \$2,582.91
6. COR 241; IB 268 Relocation of tankless heater, \$11,162.04

7. COR 251.1; IB 286 Boiler HWP-VFD relocation, \$9,005.79
  8. COR 256.1, IB 290 Temporary Fire Alarm Panel at Central Plant, \$0.00
  9. COR 257.1, IB 298 Fire Sprinkler Hard Connection, \$3,999.56
  10. COR 259, IB 319 Additional fiber and copper for data center, \$3,857.69
  11. COR 260, IB 318 Steam Boiler Flue Support, \$1,294.59
  12. COR 262, IB 236 Delete paint at exterior surface, credit (\$23,623.88)
  13. COR 264, IB 280 Revised flatwork, \$2,879.19
  14. COR 265, IB 317 Handrails at Walkways and Radiology, \$7,242.80
  15. COR 266; Paint Existing Central Plant, \$3,442.50
  16. COR 267; IB 222 Anchorage of Radio Antenna, Credit (\$1,608.58)
  17. COR 268; IB 307 Added rack support for switchgear, \$2,485.89
  18. COR 269; IB 322 Additional WAP Locations, \$7,473.35
  19. COR 271; IB 305 Bracing for shaftwell system, SmokeGuard door, \$2,871.89
  20. COR 272; IB 299 Fire Smoke Dampers at shafts, \$44,238.20
  21. COR 273; Credit for Infant Security Server and PC's; (\$8,080.48)
  22. COR 274; IB 329 Gas Regulator, \$5,709.33
  23. COR 276; IB 310 Access Control to Wall Mount, \$3,849.34
  24. COR 277; Additional Drops for IT, \$11,987.19
- B. Purchase of Additional Copper and Fiber Optic Cabling; \$29,884 (*action item*).
  - C. District Board Officer Annual Elections (*action item*).
  - D. Hear an employee grievance (*possible action item*).
  - E. Amendment to local Hospitalist contracts (*action item*).
  - F. Inyo County Energy Saving Proposal (*information*).
  - G. Approval of NIH Auxiliary Re-Organized Bylaws (*action item*).
  - H. Contract Amendment relative to notices, Kenneth Saeger, M.D. (*action item*).
  - I. Change to employee PTO cash out guidelines (*action item*)
  - J. Cancellation of office lease arrangement at 152 Pioneer Lane, Suite A (*action item*).
  - K. Cancellation of Income Guarantee and Practice Management Agreement; and Cash and Cash Accounts and Accounts Receivable Agreement with Vasuki Sittampalam, M.D. (*action item*)
  - L. Pioneer Medical Associates partnership purchase agreement (*action item*)
  - M. Lease Back Agreement for 152 Pioneer Lane, Suite C with Asao Kamei, M.D. and Nickoline Hathaway, M.D. (*action item*).

- N. Agreement for Services of Hospitalist Program Director Asao Kamei, M.D. (*action item*).
  - O. Acquisition Fund and Account Control Agreement with Taycor Financial (*action item*).
  - P. Acquisition Fund and Account Control Agreement with Celtic Leasing (*action item*).
  - Q. RSO ALARA Summary Review for 2011; Radiology Department (*information item*).
  - R. Biannual Cost of Living Adjustment (COLA) for hospital employees (*action item*).
  - S. Financial Model for Sierra Nevada Cardiology, Dr. Shapiro (*action item*).
  - T. EKG Agreement renewals for Vasuki Sittampalam Daram, M.D.; James Richardson, M.D.; and Nickoline Hathaway, M.D. (*action items*).
  - U. Mandatory Amendment to Valic 457(B) Plan (*action item*).
  - V. Rural Health Clinic Staff Physician Agreement renewal for Jennifer Scott, M.D. (*action item*).
- 9. Reports from Board members on items of interest.
  - 10. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest.
  - 11. Adjournment to closed session to:
    - A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
    - B. Confer with legal counsel regarding action filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
    - C. Confer with legal counsel regarding pending litigation based on claim filed by Terry Williams against Northern Inyo County Local Hospital District and other parties (Government Code Section 54956.9).
    - D. Confer with legal counsel regarding pending litigation based on stop notice filed by Strocral, Inc. (Government Code Sections 910 et seq., 54956.9).
    - E. Discussion to determine whether or not to initiate litigation (Government Code Section 54956.9(c)).
  - 12. Return to open session, and report of any action taken in closed session.
  - 13. Opportunity for members of the public to address the Board of Directors on items of interest.
  - 14. Adjournment.

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CALL TO ORDER                      The meeting was called to order at 5:30 pm by Peter Watercott, President.

PRESENT                                Peter Watercott, President  
John Ungersma, M.D., Vice President  
M.C. Hubbard, Secretary  
Denise Hayden, Treasurer  
D. Scott Clark, M.D., Director

ALSO PRESENT                      John Halfen, Hospital Administrator  
Douglas Buchanan, District Legal Counsel

ABSENT                                 Robbin Cromer-Tyler, Chief of Staff

ALSO PRESENT FOR  
RELEVANT PORTION(S)             Dianne Shirley, R.N., Performance Improvement Coordinator

OPPORTUNITY FOR  
PUBLIC COMMENT                    Mr. Watercott asked if any members of the public wished to comment on any items listed on the agenda for this meeting. No comments were heard.

MINUTES                                The minutes of the September 21 2011 regular meeting were approved.

FINANCIAL AND  
STATISTICAL REPORTS             Mr. Halfen called attention to the financial and statistical reports for the month of August 2011. He noted the statement of operations shows a bottom line excess of revenues over expenses of \$245,610. Mr. Halfen additionally called attention to the following:

- *Inpatient service revenue was under budget*
- *Outpatient service revenue was over budget*
- *Total Expenses were under budget*
- *Salaries and wages and employee benefits expense were both over budget*
- *Professional Fees expense was over budget*
- *The Balance Sheet showed no significant change*
- *Total net assets continue to grow*
- *Year to date net income totals \$1,391,681*

ADMINISTRATOR'S  
REPORT                                 Mr. Halfen reviewed the hospitals' investments which remain stable at this time, and noted the hospital continues to convert investments to cash in order to help fund the hospital rebuild project. He commented that the month of August was unremarkable in regard to patient volume; however the bottom line remained positive. Following review of the reports provided it was moved by D. Scott Clark, M.D., seconded by John Ungersma, M.D. and passed to approve the financial and statistical reports for the month of August 2011 as presented.

BUILDING REPORT                    John Hawes with Turner Construction Company reported concrete work and paving of the areas surrounding the new hospital building is almost

complete. Sealing of the outside surface will take place next week, and Turner has in effect beaten the weather by completing this work before the onset of harsh winter temperatures. Flooring and design lighting are currently being installed in the new building, and doors will be hung next. Construction crews are currently working seven days a week in order to keep the project on schedule and to ensure that we are done with exterior work by the time winter weather sets in. Turner plans to turn the completed building over for approvals in February of 2012. The emergency generator for the new building is now operational, and the number of parking spaces that will be added once the project is complete is 30 additional spots. Mark Johnson with Turner Logistics was present at this meeting, and Mr. Hawes noted Turner Logistics has saved the hospital approximately \$2,000,000 in equipment costs for the new building. Turner Mobilization has been contracted to assist with the move into the new building.

PHYSICIAN  
RECRUITMENT  
UPDATE

Mr. Halfen reported orthopedic surgeon Peter Godleski, M.D. plans to begin practicing at Northern Inyo Hospital (NIH) in the next couple of months, and he is currently working through the licensing and credentialing processes. Administration also expects to interview four obstetrics and gynecological (OB/Gyn) physician candidates in the next two months; and we continue to recruit for hospitalists, family practitioners, and internal medicine physicians.

CHIEF OF STAFF  
REPORT

Chief of Staff Robbin Cromer-Tyler, M.D. was not present at this meeting, and there were no Medical Staff action items to present.

OLD BUSINESS

ANESTHESIA  
MONITORS

Surgery unit nurse manager Barbara Stuhaan, R.N. and anesthesiologist John Daniel Cowan, M.D. presented a proposal to replace the hospital's existing anesthesia monitors with new GE/Datex monitors and a transport monitor needed for the new hospital building. The hospital's existing monitors are outdated and no longer supported by the company that made them, and the new equipment proposed for purchase is the choice of all 3 NIH anesthesiologists. The interface to connect the new monitors to the new Hospital Information System (HIS) will be an additional cost, however the new monitors best suit the needs of hospital patients and the anesthesiologists. Following discussion of the equipment needed it was moved by Doctor Clark M.C. Hubbard and passed to approve the purchase of three new GE/Datex monitors as requested.

NEW BUSINESS

CONSTRUCTION  
CHANGE ORDERS

John Hawes with Turner Construction Company called attention to the following construction change order requests:

1. COR 204.1; Flashing at Stone; \$0
2. COR 242; C3 Curb Sidewalk Changes; \$1,080
3. COR 247; Revision to RF Ceiling; \$1,981



4. COR 248; Data room CRAH units; supplements IB 35; \$6,028
5. COR 250; Delete Item 46 in Food Service Equipment; (-\$5,188)
6. COR 253; Telemetry Access points; \$12,194
7. COR 254; Engineering Cost only, work not executed; \$2,309
8. COR 255; HVAC Control Wiring Conduit; \$14,983

Mr. Hawes stated the reason each change order is necessary, and answered questions anyone present had. Following review of the information provided it was moved by Doctor Ungersma, seconded by Denise Hayden, and passed to approve all eight construction change orders as requested.

#### BYLAWS RE-WORDING

Mr. Watercott referred to a proposed District Bylaws change that specifies the location of regular meetings to read as follows: "Regular meetings of the Board shall be held at Northern Inyo Hospital". It was moved by M.C. Hubbard, seconded by Ms. Hayden, and passed to approve the proposed Bylaws change as suggested by District Legal Counsel.

#### POLICY & PROCEDURE, LAW ENFORCEMENT REQUESTED COLLECTIONS

Mr. Watercott called attention to a proposed Hospital Policy and Procedure that defines Northern Inyo Hospital's (NIH's) response to law enforcement requests to draw blood for alcohol testing pursuant to California Vehicle Code 23612, with the intent of the policy being to protect hospital technicians from potentially aggressive patients. It was moved by Doctor Ungersma, seconded by Ms. Hayden, and passed to approve the *Law Enforcement-Requested Collections* policy and procedure as requested, with a minor wording change being made.

#### DISTRICT HOSPITAL LEADERSHIP FORUM

Mr. Halfen reported he recently attended the annual California District Hospital Leadership Forum and found to be informative and valuable. The Forum is working to organize District Hospital Chief Financial Officers (CFO's) for the purpose of representing smaller hospitals on issues of public funding. The group is currently working to negotiate for small hospitals in regard to Intergovernmental Transfer (IGT) dollars, and plans to meet three or four times a year. Annual membership dues are \$5,000 per hospital, and Mr. Halfen suggests that the Board approve the annual fee. It was moved by Doctor Ungersma, seconded by Doctor Clark, and passed to approve paying the annual \$5,000.00 membership dues as requested.

#### APPROVAL OF ANNUAL AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2011

Mr. Halfen called attention to the annual audit of the District's June 30 2011 financial statements prepared by K.C. Miller and Associates. The audit reflects only small adjustments being needed for the last fiscal year, none of which caused any change to the Hospital's annual net income. Mr. Halfen acknowledged the hard work and dedication of Controller Carrie Petersen to keep the hospital's books in exemplary order in the last year. Following review of the reports provided it was moved by Ms. Hubbard, seconded by Ms. Hayden, and passed to approve the audited financial statements dated June 30 2011 as requested.

#### EGHOCARDIOGRAM

CONSULTATION  
SERVICES, JOHN  
WILLIAMSON, M.D.

Administration Support Director and Laboratory Manager Leo Freis, RPH called attention to a proposed agreement for echocardiogram consultation services with John Williamson, M.D. The agreement allows Doctor Williamson and a small number of other Reno Heart cardiologists to read echocardiograms for NIH remotely. Following review of the agreement presented and following minor wording changes suggested by District Legal Counsel Douglas Buchanan, it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the Echocardiogram Consultation agreement with Doctor John Williamson and Reno Heart as recommended.

BOARD MEMBER  
REPORTS

Mr. Watercott asked if any members of the District Board wished to comment on any items of interest. No comments were heard.

OPPORTUNITY FOR  
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items of interest or on any items listed on the agenda for this meeting. Mr. Halfen reported that Union Bank of California has declined the District's application for a \$5,000,000 line of credit requested to help provide financial stability for the remainder of the hospital rebuild project.

CLOSED SESSION

At 6:24p.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. Confer with legal counsel regarding action filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
- C. Confer with legal counsel regarding pending litigation based on claim filed by Terry Williams against Northern Inyo County Local Hospital District and other parties (Government Code Section 54956.9).
- D. Confer with legal counsel regarding pending litigation based on claim filed by James Burton (Government Code Sections 910 et seq., 54956.9).
- E. Discussion to determine whether or not to initiate litigation (Government Code Section 54956.9(c)).

RETURN TO OPEN  
SESSION AND REPORT  
OF ACTION TAKEN

At 6:57 p.m. the meeting returned to open session. Mr. Watercott reported that the Board took action to approve a settlement with James Burton in the amount of \$5,000 for resolution of his complaint.

PUBLIC COMMENT

Mr. Watercott again asked if anyone present wished to comment on any items listed on the agenda for this meeting, or on any items of interest.

ADJOURNMENT

No comments were heard

The meeting was adjourned at 6:58 p.m..

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Peter Watercott, President

Attest:

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,M.C. Hubbard, Secretary

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BUDGET VARIANCE ANALYSIS

Sep-11 PERIOD ENDING

In the month, NIH was

		-6%	over budget in IP days;
	(	-0.190%	) under budget IP Revenue and
	(	13.7%	) over in OP Revenue resulting in
\$ 221,001	(	2.9%	) over in gross patient revenue from budget &
\$ 84,757	(	1.9%	) over in net patient revenue from budget

Total Expenses were:

\$ (62,006)	(	-1.4%	) under budget. Wages and Salaries were
\$ 43,996	(	2.8%	) over budget and Employee Benefits
\$ (47,476)	(	-4.7%	) under budget.
\$ (11,129)			of other income resulted in a net income of
\$ 280,168	\$	154,461	over budget.

The following expense areas were over budget for the month:

\$ 43,996	3%	Salaries & Wages
\$ 93,589	24%	Professional Fees
\$ 20,133	9%	Other Expenses

Other Information:

42.38%	Contractual Percentages for month
37.01%	Contractual Percentages for Year

\$ 1,671,850 Year-to-date Net Revenue

Special Notes:

McKesson Paragon Training is in full swing causing increase in Salaries & Wages

# NORTHERN INYO HOSPITAL

## Balance Sheet

September 30, 2011

	<i>Current</i>	<i>Prior Month</i>	<i>FYE 2011</i>
	<i>Month</i>	<i>Prior Month</i>	<i>FYE 2011</i>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 8,363,729	11,133,464	7,402,434
<b>Short-term investments</b>	7,379,602	7,413,457	12,443,143
Assets limited as to use	-	-	-
Plant Expansion and Replacement Cash	9	9	9
Other Investments (Partnership)	1,311,342	1,311,342	1,311,342
Patient receivable, less allowance for doubtful accounts \$489,826	8,383,041	7,939,286	8,782,454
Other receivables (Includes GE Financing Funds)	1,351,818	1,259,794	540,584
Inventories	2,447,810	2,460,711	2,456,875
Prepaid expenses	1,205,046	1,297,872	1,166,148
<b>Total current assets</b>	30,442,399	32,815,936	34,102,990
<b>Assets limited as to use:</b>			
Internally designated for capital acquisitions	826,556	826,520	826,452
Specific purpose assets	638,677	638,416	599,215
	1,465,233	1,464,937	1,425,666
<b>Revenue bond funds held by trustee</b>	2,724,799	2,587,816	2,313,854
Less amounts required to meet current obligations	-	-	-
<b>Net Assets limited as to use:</b>	4,190,032	4,052,753	3,739,520
<b>Long-term investments</b>	250,000	250,000	250,000
<b>Property and equipment, net of accumulated depreciation and amortization</b>	76,058,440	73,674,179	69,861,184
<b>Unamortized bond costs</b>	943,046	947,673	956,927
<b>Total assets</b>	111,883,918	111,740,540	108,910,621

# NORTHERN INYO HOSPITAL

## Balance Sheet

September 30, 2011

### Liabilities and net assets

	<i>Current</i>		
	<u>Month</u>	<u>Current Month</u>	<u>FYE 2011</u>
<b>Current liabilities:</b>			
Current maturities of long-term debt	1,433,918	1,498,666	1,627,452
Accounts payable	1,443,959	1,292,179	824,579
Accrued salaries, wages and benefits	3,400,413	3,846,640	3,607,702
Accrued interest and sales tax	788,489	613,972	264,736
Deferred income	432,597	480,664	-
Due to third-party payors	2,346,201	2,246,201	2,246,201
Due to specific purpose funds	-	-	-
<b>Total current liabilities</b>	<u>9,845,577</u>	<u>9,978,321</u>	<u>8,570,668</u>
<b>Long-term debt, less current maturities</b>	47,393,738	47,393,738	47,393,738
Bond Premium	1,364,336	1,368,678	1,377,364
<b>Total long-term debt</b>	<u>48,758,074</u>	<u>48,762,416</u>	<u>48,771,102</u>
<b>Net assets:</b>			
Unrestricted	52,641,590	52,361,386	50,969,636
Temporarily restricted	638,677	638,416	599,215
<b>Total net assets</b>	<u>53,280,267</u>	<u>52,999,803</u>	<u>51,568,851</u>
 <b>Total liabilities and net assets</b>	 <u>111,883,918</u>	 <u>111,740,540</u>	 <u>108,910,621</u>

**NORTHERN INYO HOSPITAL**

**Statement of Operations**

*As of September 30, 2011*

	MTD Actual	MTD Budget	MTD Variance \$	MTD Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	Prior YTD
<b>Unrestricted revenues, gains and other support:</b>									
In-patient service revenue:									
Routine	453,062	555,480	(102,418)	(18.4)	1,538,104	1,703,462	(165,358)	(9.7)	1,569,321
Ancillary	1,566,130	1,937,515	(371,385)	(19.2)	5,115,472	5,941,697	(826,225)	(13.9)	5,663,290
Total in-patient service revenue	2,019,192	2,492,995	(473,803)	(0.190)	6,653,576	7,645,159	(991,583)	-13.0%	7,232,611
Out-patient service revenue	5,766,219	5,071,414	694,805	13.7	16,444,139	15,552,312	891,827	5.7	14,634,612
<b>Gross patient service revenue</b>	<b>7,785,410</b>	<b>7,564,409</b>	<b>221,001</b>	<b>2.90</b>	<b>23,097,716</b>	<b>23,197,471</b>	<b>(99,756)</b>	<b>(0.4)</b>	<b>21,867,223</b>
<b>Less deductions from patient service revenue:</b>									
Patient service revenue adjustments	226,121	125,005	(101,116)	(80.9)	471,369	383,349	(88,020)	(23.0)	306,890
Contractual adjustments	2,894,620	2,859,491	(35,129)	(1.2)	8,722,435	8,769,109	46,674	0.5	8,057,665
Prior Period Adjustments	-	-	-	100.0	(1,083,221)	-	1,083,221	100.0	(611,480)
<b>Total deductions from patient service revenue</b>	<b>3,120,741</b>	<b>2,984,496</b>	<b>(136,245)</b>	<b>(4.6)</b>	<b>8,110,584</b>	<b>9,152,458</b>	<b>1,041,874</b>	<b>11.4</b>	<b>7,753,075</b>
<b>Net patient service revenue</b>	<b>4,664,670</b>	<b>4,579,913</b>	<b>84,757</b>	<b>2%</b>	<b>14,987,132</b>	<b>14,045,013</b>	<b>942,119</b>	<b>7%</b>	<b>14,114,148</b>
Other revenue	25,280	39,575	(14,295)	(36.1)	76,600	121,357	(44,757)	(36.9)	120,079
Transfers from Restricted Funds for Other Operating Expenses	97,135	87,345	9,790	11.2	291,404	267,859	23,545	8.8	240,672
<b>Total Other revenue</b>	<b>122,414</b>	<b>126,920</b>	<b>(4,506)</b>	<b>(3.6)</b>	<b>368,003</b>	<b>389,216</b>	<b>(21,213)</b>	<b>(5.5)</b>	<b>360,752</b>
<b>Total revenue, gains and other support</b>	<b>4,787,084</b>	<b>4,706,833</b>	<b>80,251</b>	<b>(3.6)</b>	<b>15,355,135</b>	<b>14,434,229</b>	<b>920,906</b>	<b>(5.4)</b>	<b>14,474,900</b>
<b>Expenses:</b>									
Salaries and wages	1,643,926	1,599,930	(43,996)	(2.8)	4,956,674	4,906,440	(50,234)	(1.0)	4,594,291
Employee benefits	970,070	1,017,546	47,476	4.7	3,102,937	3,120,476	17,539	0.6	2,878,636
Professional fees	485,795	392,206	(93,589)	(23.9)	1,413,995	1,202,772	(211,223)	(17.6)	1,191,963
Supplies	461,955	468,774	6,819	1.5	1,370,071	1,437,570	67,499	4.7	1,271,072
Purchased services	199,961	234,181	34,220	14.6	681,771	718,155	36,384	5.1	724,952
Depreciation	210,173	316,008	105,835	33.5	630,369	969,092	338,723	35.0	967,270
Interest	102,434	111,153	8,719	7.8	308,011	340,867	32,856	9.6	288,071
Bad debts	178,529	195,183	16,654	8.5	438,268	598,561	160,293	26.8	698,399
Other	242,945	222,812	(20,133)	(9.0)	794,391	683,320	(111,071)	(16.3)	734,248
<b>Total expenses</b>	<b>4,495,787</b>	<b>4,557,793</b>	<b>62,006</b>	<b>1.4</b>	<b>13,696,487</b>	<b>13,977,253</b>	<b>280,766</b>	<b>2.0</b>	<b>13,348,903</b>
<b>Operating income (loss)</b>	<b>291,297</b>	<b>149,040</b>	<b>142,257</b>	<b>(5.0)</b>	<b>1,658,648</b>	<b>456,976</b>	<b>1,201,672</b>	<b>(7.4)</b>	<b>1,125,997</b>
<b>Other income:</b>									
District tax receipts	48,066	41,867	6,199	14.8	144,199	128,393	15,806	12.3	127,694
Interest	35,025	25,840	9,185	35.6	105,430	79,242	26,188	33.1	93,753
Other	3,393	5,052	(1,659)	(32.8)	13,054	15,494	(2,440)	(15.8)	17,958
Grants and Other Non-Restricted Contributions	9,567	4,994	4,573	91.6	34,298	15,314	18,984	124.0	38,001
Partnership Investment Income	-	2,459	(2,459)	(100.0)	-	7,541	(7,541)	-	-
Net Medical Office Activity	(107,180)	(103,545)	(3,635)	52.3	(283,779)	(317,549)	33,770	10.6	(332,451)
<b>Total other income, net</b>	<b>(11,129)</b>	<b>(23,333)</b>	<b>12,204</b>	<b>52</b>	<b>13,202</b>	<b>(71,565)</b>	<b>84,767</b>	<b>118.5</b>	<b>(55,044)</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>280,168</b>	<b>125,707</b>	<b>154,461</b>	<b>123</b>	<b>1,671,850</b>	<b>385,411</b>	<b>1,286,439</b>	<b>333.8</b>	<b>1,070,953</b>
<b>Contractual Percentage</b>	<b>42.38%</b>	<b>42.03%</b>			<b>37.01%</b>	<b>42.03%</b>			<b>38.65%</b>



# NORTHERN INYO HOSPITAL

## Statement of Operations--Statistics

*As of September 30, 2011*

	Month		Month		Variance		YTD Actual		YTD Budget		Year	
	Actual	Budget	Variance	Percentage	Variance	Percentage	YTD Actual	YTD Budget	Variance	Percentage		
<b>Operating statistics:</b>												
Beds	25	25	N/A	N/A	25	25	25	25	N/A	N/A	10	1.02
Patient days	169	180	(11)	0.94	560	550	2,300	2,300	N/A	N/A	0.44	1.02
Maximum days per bed capacity	750	750	N/A	N/A	24.35	23.91	6.09	5.98	0.11	0.09	(4)	1
Percentage of occupancy	22.53	24.00	(1.47)	0.94	216	220	232	223	9	9	9	1
Average daily census	5.63	6.00	(0.37)	0.94	15,237,737	15,336,183	98,446	98,446	0.88	0.88	0.23	1.01
Average length of stay	2.60	2.50	0.10	1.04	37.01	34.48	4.49	6.02	(1.53)	0.17	0.75	0.75
Discharges	65	72	(7)	0.90	6.02	5.85	5.55	5.34	0.21	0.21	0.44	1.04
Admissions	77	73	4	1.05	5.40	4.96	4.70	(0.21)	4.91	4.91	5.58	(22.38)
Gross profit-revenue depts.	5,206,210	5,000,951	205,259	1.04	7.24	1.66	7.24	1.66	5.58	4.36	4.36	4.36
<b>Percent to gross patient service revenue:</b>												
Deductions from patient service revenue and bad debits												
Salaries and employee benefits	42.38	42.03	0.35	1.01	37.01	42.03	34.71	34.48	0.23	(5.02)	0.88	0.88
Occupancy expenses	33.37	34.48	(1.11)	0.97	34.71	34.48	4.49	6.02	(1.53)	0.17	0.75	0.75
General service departments	4.52	6.02	(1.50)	0.75	6.02	5.85	5.55	5.34	0.21	0.21	0.44	1.04
Fiscal services department	5.90	5.85	0.05	1.01	6.02	5.85	5.40	4.96	0.44	0.44	1.09	1.09
Administrative departments	5.43	5.34	0.09	1.02	5.40	4.96	4.70	(0.21)	4.91	4.91	5.58	(22.38)
Operating income (loss)	1.14	(0.21)	1.35	(5.43)	7.24	1.66	7.24	1.66	5.58	4.36	4.36	4.36
Excess (deficiency) of revenues over expenses	3.60	1.66	1.94	2.17	46.14	44.94	149,221.50	152,958.00	(3,736.50)	1.20	1.03	1.03
<b>Payroll statistics:</b>												
Average hourly rate (salaries and benefits)	45.71	44.93	0.78	1.02	46.14	44.94	173,743.06	177,985.00	(4,241.94)	0.98	0.98	0.98
Worked hours	49,112.96	49,876.00	(763.04)	0.98	284.77	293.02	331.57	340.97	(8.25)	(8.25)	0.97	0.97
Paid hours	56,841.89	58,039.00	(1,197.11)	0.97	331.57	340.97	331.57	340.97	(9.40)	(9.40)	0.97	0.97
Full time equivalents (worked)	285.54	293.39	(7.85)	0.97	331.57	340.97	331.57	340.97	(9.40)	(9.40)	0.97	0.97
Full time equivalents (paid)	330.48	341.41	(10.93)	0.97	331.57	340.97	331.57	340.97	(9.40)	(9.40)	0.97	0.97

# NORTHERN INYO HOSPITAL

## Statements of Changes in Net Assets

As of September 30, 2011

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Unrestricted net assets:</b>		
Excess (deficiency) of revenues over expenses	280,168.41	1,671,849.67
Net Assets due/to transferred from unrestricted	-	-
Interest posted twice to Bond & Interest	-	-
Net assets released from restrictions used for operations	-	-
<b>Net assets released from restrictions used for payment of long-term debt</b>	(97,134.58)	(291,403.74)
Contributions and interest income	35.79	104.61
<b>Increase in unrestricted net assets</b>	<u>183,069.62</u>	<u>1,380,550.54</u>
<b>Temporarily restricted net assets:</b>		
District tax allocation	-	39,201.79
Net assets released from restrictions	-	-
Restricted contributions	200.00	200.00
Interest income	60.31	60.31
Net Assets for Long-Term Debt due from County	97,134.58	291,403.74
<b>Increase (decrease) in temporarily restricted net assets</b>	<u>97,394.89</u>	<u>330,865.84</u>
<b>Increase (decrease) in net assets</b>	280,464.51	1,711,416.38
<b>Net assets, beginning of period</b>	52,999,802.58	51,568,850.71
<b>Net assets, end of period</b>	<u>53,280,267.09</u>	<u>53,280,267.09</u>

# NORTHERN INYO HOSPITAL

## Statements of Cash Flows

*As of September 30, 2011*

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	280,464.51	1,711,416.38
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting fund deposit)		
Depreciation	210,172.82	630,369.46
Provision for bad debts	178,528.65	438,267.52
Loss (gain) on disposal of equipment	-	-
(Increase) decrease in:		
Patient and other receivables	(714,307.93)	(850,089.66)
Other current assets	105,726.40	(29,833.02)
Plant Expansion and Replacement Cash	-	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(167,996.17)	1,368,442.55
Third-party payors	100,000.00	100,000.00
<b>Net cash provided (used) by operating activities</b>	<u>(7,411.72)</u>	<u>3,368,573.23</u>
 <b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(2,594,434.48)	(6,827,625.50)
Purchase of investments	33,855.00	5,063,540.77
Proceeds from disposal of equipment	-	-
<b>Net cash provided (used) in investing activities</b>	<u>(2,560,579.48)</u>	<u>(1,764,084.73)</u>
 <b>Cash flows from financing activities:</b>		
Long-term debt	(69,090.67)	(206,561.72)
Issuance of revenue bonds	(136,983.16)	(410,945.27)
Unamortized bond costs	4,626.77	13,880.31
Increase (decrease) in donor-restricted funds, net	(296.10)	(39,566.71)
<b>Net cash provided by (used in) financing activities</b>	<u>(201,743.16)</u>	<u>(643,193.39)</u>
 <b>Increase (decrease) in cash and cash equivalents</b>	<u>(2,769,734.36)</u>	<u>961,295.11</u>
 <b>Cash and cash equivalents, beginning of period</b>	<u>11,133,463.83</u>	<u>7,402,434.36</u>
 <b>Cash and cash equivalents, end of period</b>	<u>8,363,729.47</u>	<u>8,363,729.47</u>

**Northern Inyo Hospital**  
**Summary of Cash and Investment Balances**  
**Calendar Year 2011**

Month	<u>Operations Checking Account</u>				<u>Time Deposit Month-End Balances</u>							* Total Revenue Bond Funds	General Obligation Bond Fund
	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Operations Fund	Bond and Interest Fund	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund			
January	10,507,916	6,765,249	9,559,496	7,713,669	24,907,772	790,535	26,596	2,815	4,027	723,292	2,120,894	593	
February	7,713,669	7,631,345	6,454,526	8,890,488	21,851,274	790,535	26,596	2,815	4,027	723,320	2,257,873	593	
March	8,890,488	7,124,284	7,982,727	8,032,045	19,738,054	790,635	26,599	2,815	4,027	723,351	2,394,743	593	
April	8,032,045	4,976,646	9,187,639	3,821,052	17,729,613	592,220	26,599	2,815	4,027	799,780	2,531,814	593	
May	3,821,052	9,962,528	6,016,138	7,767,442	14,707,953	592,220	26,599	2,815	4,027	799,816	2,688,329	593	
June	7,767,442	6,502,436	6,807,040	7,462,838	12,693,053	592,296	26,603	2,815	4,028	799,849	2,413,318	-	
July	7,462,838	6,842,689	6,021,265	8,284,262	9,648,452	631,498	26,603	2,815	4,028	799,881	2,450,834	-	
August	8,284,262	9,931,004	6,969,573	11,245,693	7,663,367	631,498	26,603	2,815	4,028	799,918	2,587,816	-	
September	11,245,693	4,378,829	7,163,803	8,460,718	7,629,512	631,558	26,605	3,015	4,028	799,951	2,724,799	-	
Prior Year													
October	238,152	6,928,121	6,894,086	272,187	28,514,689	394,548	26,593	2,814	4,026	723,197	3,963,503	593	
November	272,187	14,762,394	6,195,143	8,839,438	22,466,248	245,400	26,593	2,814	4,026	723,230	2,160,323	593	
December	8,839,438	11,892,778	10,224,299	10,507,916	24,092,498	826,410	26,596	2,815	4,027	723,261	1,884,461	593	

Notes: Revenue Bond Fund includes 2010 Revenue Bond and 1998 Revenue Bond Funds held by Trustee for Debt coverage and Reserves

Investments as of September 30, 2011							
Institution	Certificate ID	Purchase Dt	Maturity Dt	Principal	YTM	Broker	
LAIF (Walker Fund)	20-14-002 Walker	02-Sep-11	01-Oct-11	\$319,920	0.41%	Northern Inyo Hospital	
Union National Bank & Trust CO-FNC	5L27278	19-Oct-09	19-Oct-11	\$250,000	2.00%	Financial Northeast Corp.	
Multi-Bank Securities	761991108	30-Sep-11	31-Oct-11	\$1,758,750	0.50%	Multi-Bank Service	
Credit Suisse 1st Boston USA Note	22541LAB9	02-Feb-10	15-Nov-11	\$541,865	1.36%	Multi-Bank Service	
General Electric CAP Corp	36962G-T3-8	18-Jan-11	15-Nov-11	\$777,968	0.47%	Multi-Bank Service	
Worlds Foremost Bank (FNC CD)	5X42688	18-Dec-08	18-Dec-11	\$100,000	4.40%	Financial Northeast Corp.	
General Electric CAP Corp	36962GSX8	21-Dec-10	15-Feb-12	\$1,060,060	0.63%	Multi-Bank Service	
BP CAP MKTS	05565ABG2	16-Dec-10	10-Mar-12	\$2,570,950	0.81%	Multi-Bank Service	
<b>Total Short Term Investments</b>				<b>\$7,379,512</b>			
First Republic Bank-Div of BOFA FNC	5L28639	20-May-10	20-May-13	\$150,000	2.40%	Financial Northeast Corp.	
First Republic Bank-Div of BOFA FNC	5L28638	20-May-10	20-May-15	\$100,000	3.10%	Financial Northeast Corp.	
<b>Total Long Term Investments</b>				<b>\$250,000</b>			
<b>Grand Total Investments</b>				<b>\$7,629,512</b>			

## Financial Indicators

	Target	Sep-11	Aug-11	Jul-11	Jun-11	May-11	Apr-11	Mar-11	Feb-11	Jan-11	Dec-10	Nov-10	Oct-10
Current Ratio	>1.5-2.0	3.09	3.29	3.62	3.98	4.49	5.34	4.78	4.72	5.14	5.39	4.23	5.43
Quick Ratio	>1.33-1.5	2.58	2.79	2.89	3.49	3.87	4.30	4.15	4.20	4.62	4.88	3.54	4.65
Days Cash on Hand	>75	177.78	186.45	191.12	231.83	165.71	195.53	214.19	241.51	235.84	267.12	284.37	241.31

NORTHERN INYO HOSPITAL  
STATISTICS

MONTHS	IP			SURGERIES			TOTAL			BIRTHS			ER			OP REFERRALS			ADMITS (W/NB)			PT DAYS (W/O NB)			PT DAYS (W/NB)			DISCH (W/NB)		
	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11
	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11
JANUARY	46	26	28	109	95	88	155	121	116	25	18	16	594	604	600	3241	3157	3223	141	99	93	359	304	285	406	337	314	142	99	97
FEBRUARY	26	15	31	97	82	86	123	97	117	15	13	17	494	487	599	2988	3066	3109	96	81	94	245	209	204	278	235	238	100	83	83
MARCH	24	42	18	116	104	90	140	146	108	22	21	10	542	663	565	3579	3504	3537	124	120	78	296	254	212	338	301	234	127	115	86
APRIL	21	27	26	86	88	75	107	115	101	17	16	14	604	498	609	3424	3424	3207	100	84	74	216	231	242	251	258	273	102	90	75
MAY	36	27	21	91	92	79	127	119	100	21	14	9	708	594	488	3258	3157	3233	110	106	87	273	291	246	318	312	263	106	104	86
JUNE	29	20	19	82	97	75	111	117	94	24	14	6	660	756	857	3520	3352	3312	123	80	93	281	194	210	323	215	249	122	78	97
JULY	24	24	24	129	77	77	153	101	101	19	11	18	779	690	598	3404	3345	3035	106	77	88	268	206	187	307	225	221	107	81	88
AUGUST	31	21	30	91	70	83	122	91	113	26	19	25	603	744	702	3319	3502	3374	113	97	110	247	237	204	288	272	253	111	92	104
SEPTEMBER	29	28	24	92	97	96	121	125	120	16	11	21	684	616	638	3045	3421	3155	100	86	86	245	196	169	278	216	211	100	88	87
OCTOBER	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
NOVEMBER	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
DECEMBER	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
CALENDAR YEAR	266	230	221	893	802	749	1159	1,032	970	185	137	136	5668	5652	5656	29778	29928	29185	1013	830	803	2430	2122	1959	2787	2371	2256	1017	830	803
MONTHLY AVERAGE	30	26	25	99	89	83	129	115	108	21	15	15	630	628	628	3,309	3,325	3,243	113	92	89	270	236	218	310	263	251	113	92	89

NORTHERN INYO HOSPITAL  
DEPARTMENTAL NON-EMERGENCY OUTPATIENT VISITS

Effective April 2010, Radiology Visits include all patient types (OP, IP, & ER); this is a change from only Outpatients

MONTHS 2011	DIAGNOSTIC RADIOLOGY			MAMMOGRAPHY			NUCLEAR MEDICINE			ULTRASOUND			CT SCANNING			MRI			LABORATORY			E.K.G./ E.E.G			PHYSICAL THERAPY			RESPIRATORY THERAPY			RURAL HEALTH CLINIC			TOTALS		
	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11	09	10	11			
JANUARY	606	622	742	434	330	192	96	77	34	206	198	242	165	167	185	470	658	100	1635	1619	1661	120	96	99	363	352	558	10	17	18	1457	1220	1362	5562	5356	5183
FEBRUARY	477	542	644	182	313	190	51	51	41	195	201	251	153	147	155	435	456	91	1643	1522	1497	116	114	126	314	376	596	10	15	23	1374	1254	1207	4950	4891	4821
MARCH	581	587	693	281	321	201	1	99	46	201	206	243	152	170	196	472	440	115	1904	1795	1786	121	117	139	428	449	712	13	9	27	1477	1404	1273	5611	5577	5431
APRIL	600	786	609	378	289	170	68	57	39	198	252	248	161	161	159	483	148	89	1824	1804	1658	108	113	129	380	395	750	16	10	14	1423	1394	1084	5639	5409	4949
MAY	650	764	687	391	177	159	87	40	49	187	234	244	131	183	190	656	109	107	1811	1622	1570	103	93	141	354	456	771	12	19	21	1373	1165	1164	5755	4862	5103
JUNE	594	632	602	455	199	205	37	42	38	224	220	253	150	158	183	461	100	113	1881	1707	1671	120	104	98	388	401	539	19	14	18	1387	1346	1441	5716	4923	5161
JULY	610	792	644	444	205	179	84	45	36	210	253	238	179	179	167	505	111	89	1805	1589	1526	102	118	91	328	423	499	11	17	13	1116	1123	1388	5394	4795	4870
AUGUST	528	813	672	398	187	204	73	57	35	193	252	243	165	220	182	392	106	104	1779	1648	1671	103	111	132	386	442	520	12	17	17	1071	1357	1552	5100	5210	5332
SEPTEMBER	505	786	692	402	184	173	113	37	30	200	239	238	61	140	166	350	105	125	1743	1728	1534	116	106	117	363	375	417	11	37	14	1209	1234	1336	5083	4971	4842
OCTOBER	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
NOVEMBER	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
DECEMBER	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
CALENDAR YEAR	5151	6244	5985	3345	2205	1673	610	505	348	1814	2055	2200	1317	1525	1593	4234	2233	933	16025	15034	14574	1009	972	1072	3904	3669	5362	114	155	165	11887	11487	11797	46810	46094	45692
MONTHLY AVERAGES	572	694	665	372	245	186	68	56	39	202	228	244	146	169	176	470	248	104	1781	1670	1619	112	108	119	367	408	596	13	17	18	1321	1277	1311	5423	5122	5077

\*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, 2012  
 As of September 30, 2011

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2008-09	Coagulation Analyzer	25,000
FY 2009-10	Platelet Function Analyzer	9,000
	PMA-IT Server Room Wiring Project	34,625
	Nexus VOIP Telephone System	958,776
	Siemens Analyzers EXL/EXL200	250,940
FY 2010-11	McKesson Paragon Hospital Information System                      Capital Fees Only	2,687,694
	PenRad Mammography Software	20,000
	Kronos Workforce HR and Payroll	244,000
	AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>4,230,035</u>
FY 2011-12	Bladder Scanner for ER to be purchased by NIH Auxillary Donation	13,145
	Transport Monitor for PACU to be purchased by NIH Auxillary Donation	15,000
	GE/DATEX Anesthesia Patient Monitors	97,637
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>125,782</u>
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	4,230,035
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	<u>125,782</u>
	Year-to-Date Board-Approved Amount to be Expended	4,355,817
	Year-to-Date Administrator-Approved Amount	37,826 *
	Actually Expended in Current Fiscal Year	<u>                    *</u>
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	4,393,643

Northern Inyo Hospital  
Monthly Report of Capital Expenditures  
Fiscal Year Ending JUNE 30, 2012  
As of September 30, 2011

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	<b>Total-to-Date Spent on Incomplete Board Approved Expenditures</b>	871,635
Reconciling Totals:		
	Actually Capitalized in the Current Fiscal Year Total-to-Date	37,826
	Plus: Lease Payments from a Previous Period	0
	Less: Lease Payments Due in the Future	0
	Less: Funds Expended in a Previous Period	0
	Plus: Other Approved Expenditures	<u>4,355,817</u>
	<b>ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE</b>	<b>4,393,643</b>

**Northern Inyo Hospital**  
**Monthly Report of Capital Expenditures**  
**Fiscal Year Ending JUNE 30, 2012**  
**As of September 30, 2011**

<b>Administrator-Approved Item(s)</b>	<b>Department</b>	<b>Amount</b>	<b>Month Total</b>	<b>Grand Total</b>
SINGLE TIER STRAIGHT CART FOR COMPUTE RADIOLOGY		4,554		
QUICKCHARGE SOFTWARE UPGRADE 6.2	ACCOUNTING/PAYROLL	1,500		
<b>MONTH ENDING JULY 2011</b>			<b>6,054</b>	<b>37,826</b>

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BUDGET VARIANCE ANALYSIS

Oct-11 PERIOD ENDING

In the month, NIH was

	14%	over budget in IP days;
(	-0.048%	) under budget IP Revenue and
(	-4.6%	) under in OP Revenue resulting in
\$ (363,563)	(	-4.7%) under in gross patient revenue from budget &
\$ (483,002)	(	-10.2%) under in net patient revenue from budget

Total Expenses were:

\$ (75,918)	(	-1.6%	) under budget. Wages and Salaries were
\$ 64,553	(	3.9%	) over budget and Employee Benefits
\$ 96,684	(	9.2%	) over budget.
\$ 7,497			of other income resulted in a net loss of
\$ (215,439)	\$ (345,291)		under budget.

The following expense areas were over budget for the month:

\$ 64,553	4%	Salaries & Wages
\$ 96,684	9%	Employee Benefits
\$ 34,991	7%	Supplies
\$ 18,778	8%	Other Expenses

Other Information:

44.23%	Contractual Percentages for month
38.77%	Contractual Percentages for Year

\$ 1,456,411 Year-to-date Net Revenue

Special Notes:

McKesson Paragon Training is in full swing causing increase in Salaries & Wages

# NORTHERN INYO HOSPITAL

## Balance Sheet

*October 31, 2011*

amounts 1,000

	<i>Current</i>	<i>Prior Month</i>	<i>FYE 2011</i>
	<u>Month</u>	<u>Prior Month</u>	<u>FYE 2011</u>
<b>Current assets:</b>			
Cash and cash equivalents	5,247	8,364	7,402
<b>Short-term investments</b>	7,130	7,380	12,443
Assets limited as to use	0	0	0
Plant Expansion and Replacement Cash	0	0	0
Other Investments (Partnership)	1,311	1,311	1,311
Patient receivable, less allowance for doubtful accounts \$489,826	8,631	8,383	8,782
Other receivables (Includes GE Financing Funds)	841	1,352	541
Inventories	2,443	2,448	2,457
Prepaid expenses	1,194	1,205	1,166
<b>Total current assets</b>	<u>26,797</u>	<u>30,442</u>	<u>34,103</u>
<b>Assets limited as to use:</b>			
Internally designated for capital acquisitions	827	827	826
Specific purpose assets	8	639	599
	<u>834</u>	<u>1,465</u>	<u>1,426</u>
<b>Revenue bond funds held by trustee</b>	2,862	2,725	2,314
Less amounts required to meet current obligations	0	0	0
<b>Net Assets limited as to use:</b>	<u>3,696</u>	<u>4,190</u>	<u>3,740</u>
<b>Long-term investments</b>	<u>250</u>	<u>250</u>	<u>250</u>
<b>Property and equipment, net of accumulated depreciation and amortization</b>	<u>78,820</u>	<u>76,058</u>	<u>69,861</u>
<b>Unamortized bond costs</b>	<u>938</u>	<u>943</u>	<u>957</u>
<b>Total assets</b>	<u><u>110,502</u></u>	<u><u>111,884</u></u>	<u><u>108,911</u></u>

# NORTHERN INYO HOSPITAL

## Balance Sheet

October 31, 2011

amounts 1,000

### Liabilities and net assets

	<i>Current</i>		
	<i>Month</i>	<i>Prior Month</i>	<i>FYE 2011</i>
<b>Current liabilities:</b>			
Current maturities of long-term debt	1,269	1,434	1,627
Accounts payable	1,680	1,444	825
Accrued salaries, wages and benefits	3,603	3,400	3,608
Accrued interest and sales tax	426	788	265
Deferred income	385	433	0
Due to third-party payors	1,952	2,346	2,246
Due to specific purpose funds	0	0	0
<b>Total current liabilities</b>	<b>9,315</b>	<b>9,846</b>	<b>8,571</b>
<b>Long-term debt, less current maturities</b>	<b>47,394</b>	<b>47,394</b>	<b>47,394</b>
Bond Premium	1,360	1,364	1,377
<b>Total long-term debt</b>	<b>48,754</b>	<b>48,758</b>	<b>48,771</b>
<b>Net assets:</b>			
Unrestricted	52,426	52,642	50,970
Temporarily restricted	8	639	599
<b>Total net assets</b>	<b>52,434</b>	<b>53,280</b>	<b>51,569</b>
<b>Total liabilities and net assets</b>	<b>110,502</b>	<b>111,884</b>	<b>108,911</b>

**NORTHERN INYO HOSPITAL**  
**Statement of Operations amounts in 1,000**  
*As of October 31, 2011*

	MTD		MTD		YTD		YTD		
	MTD Actual	MTD Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Prior YTD
<b>Unrestricted revenues, gains and other support:</b>									
In-patient service revenue:									
Routine	603	574	29	5.1	2,141	2,277	(136)	(6.0)	1,117
Ancillary	1,849	2,002	(153)	(7.6)	6,965	7,944	(979)	(12.3)	3,651
Total in-patient service revenue	2,453	2,576	(123)	(0.048)	9,106	10,221	(1,115)	-10.9%	4,768
Out-patient service revenue	5,000	5,240	(240)	(4.6)	21,444	20,793	652	3.1	10,185
<b>Gross patient service revenue</b>	<b>7,453</b>	<b>7,817</b>	<b>(364)</b>	<b>(4.70)</b>	<b>30,551</b>	<b>31,014</b>	<b>(463)</b>	<b>(1.5)</b>	<b>14,953</b>
<b>Less deductions from patient service revenue:</b>									
Patient service revenue adjustments									
Contractual adjustments	316	129	(187)	(144.5)	787	513	(275)	(53.6)	268
Prior Period Adjustments	2,888	2,955	67	2.3	11,610	11,724	114	1.0	5,409
	0	0	0	100.0	(1,083)	0	1,083	100.0	(394)
<b>Total deductions from patient service revenue</b>	<b>3,203</b>	<b>3,084</b>	<b>(119)</b>	<b>(3.9)</b>	<b>11,314</b>	<b>12,236</b>	<b>922</b>	<b>7.5</b>	<b>5,282</b>
<b>Net patient service revenue</b>	<b>4,250</b>	<b>4,733</b>	<b>(483)</b>	<b>-10%</b>	<b>19,237</b>	<b>18,778</b>	<b>459</b>	<b>2%</b>	<b>9,671</b>
Other revenue	64	41	23	57.0	141	162	(21)	(13.2)	86
Transfers from Restricted Funds for Other Operating Expenses	97	90	7	7.6	389	358	30	8.5	160
<b>Total Other revenue</b>	<b>161</b>	<b>131</b>	<b>30</b>	<b>23.0</b>	<b>529</b>	<b>520</b>	<b>9</b>	<b>1.7</b>	<b>247</b>
<b>Total revenue, gains and other support</b>	<b>4,411</b>	<b>4,864</b>	<b>(453)</b>	<b>22.9</b>	<b>19,766</b>	<b>19,298</b>	<b>468</b>	<b>1.7</b>	<b>9,918</b>
<b>Expenses:</b>									
Salaries and wages	1,718	1,653	(65)	(3.9)	6,674	6,560	(115)	(1.8)	3,106
Employee benefits	1,148	1,051	(97)	(9.2)	4,251	4,172	(79)	(1.9)	1,871
Professional fees	361	405	44	10.9	1,775	1,608	(167)	(10.4)	806
Supplies	519	484	(35)	(7.2)	1,889	1,922	33	1.7	742
Purchased services	232	242	10	4.1	914	960	46	4.8	518
Depreciation	211	327	116	35.4	841	1,296	454	35.1	644
Interest	102	115	13	11.0	410	456	46	10.0	181
Bad debts	93	202	108	53.8	532	800	269	33.6	468
Other	249	230	(19)	(8.2)	1,043	914	(130)	(14.2)	537
<b>Total expenses</b>	<b>4,634</b>	<b>4,710</b>	<b>76</b>	<b>1.6</b>	<b>18,330</b>	<b>18,687</b>	<b>357</b>	<b>1.9</b>	<b>8,874</b>
<b>Operating income (loss)</b>	<b>(223)</b>	<b>154</b>	<b>(377)</b>	<b>21.3</b>	<b>1,436</b>	<b>611</b>	<b>825</b>	<b>(0.2)</b>	<b>1,044</b>
<b>Other income:</b>									
District tax receipts	48	43	5	11.1	192	172	21	12.0	85
Interest	13	27	(14)	(51.5)	118	106	12	11.7	116
Other	2	5	(3)	(55.5)	15	21	(5)	(25.8)	15
Grants and Other Non-Restricted Contributions	0	5	(5)	(100.0)	34	20	14	67.5	29
Partnership Investment Income	0	3	(3)	(100.0)	0	10	(10)	-	0
Net Medical Office Activity	(56)	(107)	51	131.1	(340)	(425)	85	20.0	(215)
<b>Total other income, net</b>	<b>7</b>	<b>(24)</b>	<b>32</b>	<b>131</b>	<b>21</b>	<b>(96)</b>	<b>116</b>	<b>121.6</b>	<b>30</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(215)</b>	<b>130</b>	<b>(345)</b>	<b>(266)</b>	<b>1,456</b>	<b>515</b>	<b>941</b>	<b>182.7</b>	<b>1,074</b>
Contractual Percentage	44.23%	42.03%			38.77%	42.03%			38.46%



# NORTHERN INYO HOSPITAL

## Statement of Operations--Statistics

*As of October 31, 2011*

	Month		Month		Variance		YTD Actual		YTD Budget		Year	
	Actual	Budget	Variance	Budget	Percentage	Percentage	Actual	Budget	Variance	Budget	Variance	Percentage
<b>Operating statistics:</b>												
Beds	25	25	N/A	N/A	N/A	N/A	25	25	N/A	25	N/A	N/A
Patient days	210	185	25	25	1.14	1.14	770	735	35	735	35	1.05
Maximum days per bed capacity	775	775	N/A	N/A	N/A	N/A	3,075	3,075	N/A	3,075	N/A	N/A
Percentage of occupancy	27.10	23.87	3.23	3.23	1.14	1.14	25.04	23.90	1.14	23.90	1.14	1.05
Average daily census	6.77	5.97	0.81	0.81	1.14	1.14	6.26	5.98	0.28	5.98	0.28	1.05
Average length of stay	3.44	2.50	0.94	0.94	1.38	1.38	2.78	2.50	0.28	2.50	0.28	1.11
Discharges	61	74	(13)	(13)	0.82	0.82	277	294	(17)	294	(17)	1
Admissions	67	75	(8)	(8)	0.89	0.89	299	298	1	298	1	1
Gross profit-revenue depts.	4,802,370	5,167,616	(365,246)	(365,246)	0.93	0.93	20,040,107	20,503,799	(463,692)	20,503,799	(463,692)	0.98
<b>Percent to gross patient service revenue:</b>												
Deductions from patient service revenue and bad debts	44.23	42.03	2.20	2.20	1.05	1.05	38.77	42.03	(3.26)	42.03	(3.26)	0.92
Salaries and employee benefits	38.23	34.48	3.75	3.75	1.11	1.11	35.56	34.48	1.08	34.48	1.08	1.03
Occupancy expenses	4.74	6.02	(1.28)	(1.28)	0.79	0.79	4.55	6.02	(1.47)	6.02	(1.47)	0.76
General service departments	6.59	5.85	0.74	0.74	1.13	1.13	6.16	5.85	0.31	5.85	0.31	1.05
Fiscal services department	5.84	5.34	0.50	0.50	1.09	1.09	5.62	5.34	0.28	5.34	0.28	1.05
Administrative departments	6.14	4.96	1.18	1.18	1.24	1.24	5.58	4.96	0.62	4.96	0.62	1.13
Operating income (loss)	(4.95)	(0.21)	(4.74)	(4.74)	23.57	23.57	2.35	(0.21)	2.56	(0.21)	2.56	(11.19)
Excess (deficiency) of revenues over expenses	(2.89)	1.66	(4.55)	(4.55)	(1.74)	(1.74)	4.77	1.66	3.11	1.66	3.11	2.87
<b>Payroll statistics:</b>												
Average hourly rate (salaries and benefits)	49.16	44.94	4.22	4.22	1.09	1.09	46.89	44.94	1.96	44.94	1.96	1.04
Worked hours	50,918.60	51,541.00	(622.40)	(622.40)	0.99	0.99	200,140.10	204,499.00	(4,358.90)	204,499.00	(4,358.90)	0.98
Paid hours	57,952.59	59,973.00	(2,020.41)	(2,020.41)	0.97	0.97	231,695.65	237,958.00	(6,262.35)	237,958.00	(6,262.35)	0.97
Full time equivalents (worked)	289.31	292.85	(3.54)	(3.54)	0.99	0.99	285.91	292.98	(7.06)	292.98	(7.06)	0.98
Full time equivalents (paid)	329.28	340.76	(11.48)	(11.48)	0.97	0.97	330.99	340.91	(9.92)	340.91	(9.92)	0.97

# NORTHERN INYO HOSPITAL

## Statements of Changes in Net Assets

As of October 31, 2011

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Unrestricted net assets:</b>		
Excess (deficiency) of revenues over expenses	(215,439.16)	1,456,410.51
Net Assets due/to transferred from unrestricted	-	-
Interest posted twice to Bond & Interest	-	-
Net assets released from restrictions used for operations	-	-
<b>Net assets released from restrictions used for payment of long-term debt</b>	(97,134.58)	(388,538.32)
Contributions and interest income	34.41	139.02
<b>Increase in unrestricted net assets</b>	<u>(312,539.33)</u>	<u>1,068,011.21</u>
<b>Temporarily restricted net assets:</b>		
District tax allocation	-	39,201.79
Net assets released from restrictions	(631,000.00)	(631,000.00)
Restricted contributions	-	200.00
Interest income	-	60.31
Net Assets for Long-Term Debt due from County	97,134.58	388,538.32
<b>Increase (decrease) in temporarily restricted net assets</b>	<u>(533,865.42)</u>	<u>(202,999.58)</u>
<b>Increase (decrease) in net assets</b>	(846,404.75)	865,011.63
<b>Net assets, beginning of period</b>	53,280,267.09	51,568,850.71
<b>Net assets, end of period</b>	<u>52,433,862.34</u>	<u>52,433,862.34</u>

# NORTHERN INYO HOSPITAL

## Statements of Cash Flows

As of October 31, 2011

	<u>Month-to-date</u>	<u>Year-to-date</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	(846,404.75)	865,011.63
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting fund deposit)		
Depreciation	210,821.62	841,191.08
Provision for bad debts	93,247.91	531,515.43
Loss (gain) on disposal of equipment	-	-
(Increase) decrease in:		
Patient and other receivables	169,757.83	(680,331.83)
Other current assets	15,490.22	(14,342.80)
Plant Expansion and Replacement Cash	-	-
Increase (decrease) in:		
Accounts payable and accrued expenses	28,141.66	1,396,584.21
Third-party payors	(394,119.51)	(294,119.51)
<b>Net cash provided (used) by operating activities</b>	<u>(723,065.02)</u>	<u>2,645,508.21</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(2,972,758.87)	(9,800,384.37)
Purchase of investments	249,693.27	5,313,234.04
Proceeds from disposal of equipment	-	-
<b>Net cash provided (used) in investing activities</b>	<u>(2,723,065.60)</u>	<u>(4,487,150.33)</u>
<b>Cash flows from financing activities:</b>		
Long-term debt	(169,328.59)	(375,890.31)
Issuance of revenue bonds	(136,983.68)	(547,928.95)
Unamortized bond costs	4,626.77	18,507.08
Increase (decrease) in donor-restricted funds, net	630,965.59	591,398.88
<b>Net cash provided by (used in) financing activities</b>	<u>329,280.09</u>	<u>(313,913.30)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	(3,116,850.53)	(2,155,555.42)
<b>Cash and cash equivalents, beginning of period</b>	<u>8,363,729.47</u>	<u>7,402,434.36</u>
<b>Cash and cash equivalents, end of period</b>	<u>5,246,878.94</u>	<u>5,246,878.94</u>

**Northern Inyo Hospital**  
**Summary of Cash and Investment Balances**  
**Calendar Year 2011**

Month	<u>Operations Checking Account</u>			<u>Time Deposit Month-End Balances</u>							* Total Revenue Bond Funds	General Obligation Bond Fund
	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Operations Fund	Bond and Interest Fund	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund		
January	10,507,916	6,765,249	9,559,496	7,713,669	24,907,772	790,535	26,596	2,815	4,027	723,292	2,120,894	593
February	7,713,669	7,631,345	6,454,526	8,890,488	21,851,274	790,535	26,596	2,815	4,027	723,320	2,257,873	593
March	8,890,488	7,124,284	7,982,727	8,032,045	19,738,054	790,635	26,599	2,815	4,027	723,351	2,394,743	593
April	8,032,045	4,976,646	9,187,639	3,821,052	17,729,613	592,220	26,599	2,815	4,027	799,780	2,531,814	593
May	3,821,052	9,962,528	6,016,138	7,767,442	14,707,953	592,220	26,599	2,815	4,027	799,816	2,688,329	593
June	7,767,442	6,502,436	6,807,040	7,462,838	12,693,053	592,296	26,603	2,815	4,028	799,849	2,413,318	-
July	7,462,838	6,842,689	6,021,265	8,284,262	9,648,452	631,498	26,603	2,815	4,028	799,881	2,450,834	-
August	8,284,262	9,931,004	6,969,573	11,245,693	7,663,367	631,498	26,603	2,815	4,028	799,918	2,587,816	-
September	11,245,693	4,378,829	7,163,803	8,460,718	7,629,512	631,558	26,605	3,015	4,028	799,951	2,724,799	-
October	8,460,718	4,652,446	7,563,728	5,549,437	7,379,819	558	26,605	3,015	4,028	799,986	2,861,783	-
Prior Year												
November	272,187	14,762,394	6,195,143	8,839,438	22,466,248	245,400	26,593	2,814	4,026	723,230	2,160,323	593
December	8,839,438	11,892,778	10,224,299	10,507,916	24,092,498	826,410	26,596	2,815	4,027	723,261	1,884,461	593

Notes: Revenue Bond Fund includes 2010 Revenue Bond and 1998 Revenue Bond Funds held by Trustee for Debt coverage and Reserves

Investments as of October 31, 2011						
Institution	Certificate ID	Purchase Dt	Maturity Dt	Principal	YTM	Broker
LAIF (Walker Fund)	20-14-002 Walker	14-Oct-11	01-Nov-11	\$320,226	0.39%	Northern Inyo Hospital
Multi-Bank Securities	761991108	30-Sep-11	31-Oct-11	\$1,758,750	0.01%	Multi-Bank Service
Credit Suisse 1st Boston USA Note	22541LAB9	02-Feb-10	15-Nov-11	\$541,865	1.36%	Multi-Bank Service
General Electric CAP Corp	36962G-T3-8	18-Jan-11	15-Nov-11	\$777,968	0.47%	Multi-Bank Service
Worlds Foremost Bank (FNC CD)	5X42688	18-Dec-08	18-Dec-11	\$100,000	4.40%	Financial Northeast Corp.
General Electric CAP Corp	36962GSX8	21-Dec-10	15-Feb-12	\$1,060,060	0.63%	Multi-Bank Service
BP CAP MKTS	05565ABG2	16-Dec-10	10-Mar-12	\$2,570,950	0.81%	Multi-Bank Service
<b>Total Short Term Investments</b>				<b>\$7,129,819</b>		
First Republic Bank-Div of BOFA FNC	5L28639	20-May-10	20-May-13	\$150,000	2.40%	Financial Northeast Corp.
First Republic Bank-Div of BOFA FNC	5L28638	20-May-10	20-May-15	\$100,000	3.10%	Financial Northeast Corp.
<b>Total Long Term Investments</b>				<b>\$250,000</b>		
<b>Grand Total Investments</b>				<b>\$7,379,819</b>		

## Financial Indicators

	Target	Oct-11	Sep-11	Aug-11	Jul-11	Jun-11	May-11	Apr-11	Mar-11	Feb-11	Jan-11	Dec-10	Nov-10
Current Ratio	>1.5-2.0	2.88	3.09	3.29	3.62	3.98	4.49	5.34	4.78	4.72	5.14	5.39	4.23
Quick Ratio	>1.33-1.5	2.40	2.58	2.79	2.89	3.49	3.87	4.30	4.15	4.20	4.62	4.88	3.54
Days Cash on Hand	>75	152.23	177.78	186.45	191.12	231.83	165.71	195.53	214.19	241.51	235.84	267.12	284.37

Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2012  
 As of October 31, 2011

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2008-09	Coagulation Analyzer	25,000
FY 2009-10	Platelet Function Analyzer	9,000
	PMA-IT Server Room Wiring Project	34,625
	Nexus VOIP Telephone System	958,776
	Siemens Analyzers EXL/EXL200	250,940
FY 2010-11	McKesson Paragon Hospital Information System                      Capital Fees Only	2,687,694
	PenRad Mammography Software	20,000
	Kronos Workforce HR and Payroll	244,000
	AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>4,230,035</u>
FY 2011-12	Bladder Scanner for ER to be purchased by NIH Auxillary Donation	13,145
	Transport Monitor for PACU to be purchased by NIH Auxillary Donation	15,000
	GE/DATEX Anesthesia Patient Monitors	97,637
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	<u>125,782</u>
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	4,230,035
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	<u>125,782</u>
	Year-to-Date Board-Approved Amount to be Expended	4,355,817
	Year-to-Date Administrator-Approved Amount	99,841 *
	Actually Expended in Current Fiscal Year	<u>                    *</u>
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	4,455,658

Northern Inyo Hospital  
 Monthly Report of Capital Expenditures  
 Fiscal Year Ending JUNE 30, 2012  
 As of October 31, 2011

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	<b>Total-to-Date Spent on Incomplete Board Approved Expenditures</b>	871,635
Reconciling Totals:		
	Actually Capitalized in the Current Fiscal Year Total-to-Date	99,841
	Plus: Lease Payments from a Previous Period	0
	Less: Lease Payments Due in the Future	0
	Less: Funds Expended in a Previous Period	0
	Plus: Other Approved Expenditures	<u>4,355,817</u>
	<b>ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE</b>	<u><u>4,455,658</u></u>
	Donations by Auxiliary	0
	Donations by Hospice of the Owens Valley	0
	+Tobacco Funds Used for Purchase	0
		<u>0</u>
		<u><u>0</u></u>

\*Completed Purchase

(Note: The budgeted amount for capital expenditures for all priority requests for the fiscal year ending June 30, 2011, is \$515,769 coming from existing hospital funds.)

\*\*Completed in prior fiscal year



**Northern Inyo Hospital**  
**Monthly Report of Capital Expenditures**  
**Fiscal Year Ending JUNE 30, 2012**  
**As of October 31, 2011**

<b>Administrator-Approved Item(s)</b>	<b>Department</b>	<b>Amount</b>	<b>Month Total</b>	<b>Grand Total</b>
FOOD STEAMER	DIETARY	6,328		
<b>MONTH ENDING OCTOBER 2011</b>			<b>6,328</b>	<b>99,841</b>

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# NORTHERN INYO HOSPITAL

## SECURITY REPORT

SEPTEMBER 2011

### FACILITY SECURITY

Access security during this period revealed eleven instances of open or unsecured doors being located during those hours when doors were to be secured. One interior door was located during this same time period.

Two alarms were activated during this period. An entry alarm was activated in the RHC that was determined to be an employee error and a panic alarm was activated in the ED that resulted in a response from Bishop Police. This alarm was determined to be a malfunction.

The main building roof access was found unsecured on two occasions.

One Hospital vehicle was found unsecured during this period.

### HUMAN SECURITY

On September 4<sup>th</sup>, Security Staff stood by with an intoxicated, mildly disruptive, patient in the ED.

On September 7<sup>th</sup>, Security Staff stood by with an assault victim in the ED until the arrival of ICSO.

On September 16<sup>th</sup>, Security Staff stood by with an assault victim in the ED until the arrival of BPD.

On September 20<sup>th</sup>, Security Staff was called in early to maintain security over a 5150 patient that had attempted a previous escape from Inyo County Mental Health Staff. Security relieved BPD personnel who had responded to the escape attempt.

On September 24<sup>th</sup>, Security Staff assisted with the management of an ED patient with severe head trauma.

On September 27<sup>th</sup>, Security Staff was called to the ED for assistance with a mildly combative and intoxicated patient.

On September 27<sup>th</sup>, Security observed a fight between two female adults in the main parking lot. The fight stopped upon arrival of Security and the subjects left Campus without further incident.

Security Staff provided Law Enforcement assistance on ten occasions this month. Four were for Lab BAC's.

5150 standby was provided in two instances.

Security Staff provided thirty three patient assists this month.

Srd

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**Unemployment  
Insurance  
Division**

October 5, 2011

Georgan Stottlemyre  
Manager of Human Resources  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514

Dear Mrs. Stottlemyre:

We recently completed our quarterly review of the member accounts of the California Association of Hospitals and Health Systems (CAHHS) Joint Unemployment Insurance Program in order to determine the contribution required under the formula and guidelines established by our actuary. We are pleased to inform you that a **reduction in** contribution for your account has been approved for the third quarter of 2011.

Thanks to your hospital's lower quarterly benefit charges in the second quarter of 2011 your trust fund reserve account balance is sufficient to cover anticipated charges and your proportionate share of the group protection against catastrophic losses. Therefore, your contribution for the third quarter, 2011 will be lowered from \$24,679 to \$16,685 in accordance with actuarial formula. As always, an invoice will be sent under separate cover.

We will continue to monitor your account on a quarterly basis and will advise you as to any future changes in your quarterly contribution requirements to the Program.

Please call our Director of UI Services, Karen Velarde, or me if you have any questions regarding your contribution or if you would like to discuss any aspect of unemployment insurance.

Sincerely,

Charles O. Howarth,  
Senior Vice President

COH/js

cc: Chief Financial Officer

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AUX  
bake/boutique  
Sale  
12-10-11

INCOME CONTINUED

DAY OF BOUTIQUE	\$4,852.15
HALL SALE	919.35
TICKET SALES	4,669.00
MINI DRAWING (PRE SALES)	350.00

---

TOTAL INCOME	
BOUTIQUE 2011	\$10,790.50

EXPENSES

WORKSHOP EXPENSES	\$112.65
TICKET PRINTING	246.32
TICKET MAILING	54.00
ADVERTIZING	15.00
RENTAL CHURCH HALL	250.00
PRIZES	1,500.00
	1 <sup>st</sup> place Father Gracey
	2 <sup>nd</sup> place Steve Kothman
	3 <sup>rd</sup> place Virginia Baer
OTHER EXPENSES	206.50

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TOTAL EXPENSES	\$2,384.47
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INCOME	\$10,790.50
EXPENSES	2,384.47

---

TOTAL INCOME	\$8,406.03
BOUTIQUE 2011	

compiled by Sharon Moore  
Boutique Chairman  
& Auxiliary Treasurer



NORTHERN INYO HOSPITAL AUXILIARY  
BOUTIQUE REPORT 2011

INCOME

DAY OF BOUTIQUE: GIFT ITEMS	\$3,500.65
MINI DRAWING (MINIATURE HOUSE)	180.00
BAKED GOODS	504.50
ANNIES ATTIC	667.00

---

TOTAL DAY OF BOUTIQUE	\$4,852.15
-----------------------	------------

HALL SALE DECEMBER 9<sup>TH</sup> 2011

GIFT ITEMS	\$719.35
BAKED GOODS	200.00

---

TOTAL HALL SALE	\$919.35
-----------------	----------

DAY OF BOUTIQUE	\$4,852.15
HALL SALE	919.35

---

TOTAL SALES	\$5771.60
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BOUTIQUE TICKETS

PRE TICKET SALES	\$ 4,405.00
DAY OF BOUTIQUE	264.00

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TOTAL TICKET SALES	\$4,669.00
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MINI DRAWING (PRESALES)	350.00
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**NORTHERN INYO HOSPITAL**  
**Rural Health Clinic**

153 Pioneer Lane  
Suite B  
Bishop, CA 93514  
(760) 873-2849  
Fax (760) 873-2836

July 7, 2011

Members of the Interdisciplinary Committee

RE: Advancement of Brett Davis from Interim Status

I wish to recommend Physician Assistant Brett Davis for advancement to regular, full-time status from his current interim status. His requirement for interim status is to have each and every chart reviewed for a minimum of 6 months. Since he started in December, Drs. Boo, Scott and I have reviewed the documentation of each of Brett's patient encounters. Dr Boo has reviewed 343 charts; Dr Scott has reviewed 125; I have reviewed 652 (total of 1150 charts).

We have found no significant deficiencies in our reviews. On the contrary, Brett has demonstrated excellent critical thinking with regard to diagnoses, management and follow up of RHC patients. His documentation is complete yet succinct with excellent communication of the care plan to the other clinical team members..

Some excerpts from his reviews:

*"... Great note, comprehensive history, physical and plan!..."*

*"... Good documentation and followup for ruling out the PE..."*

*"... Good job. I would have referred this pt for NCS too. ..."*

*"... Good care. Major secondary prevention issues addressed..."*

*"... Good evaluation and documentation...."*

At this point, I believe that an email or mail ballot would be appropriate in order to advance his status. Chart review will continue at the state requirement of 10% of his charts monthly.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read 'Stacey Brown', with a long horizontal line extending to the right.

Stacey Brown, MD

Medical Director



**NORTHERN INYO HOSPITAL**  
**Rural Health Clinic**

153 Pioneer Lane  
Suite B  
Bishop, CA 93514  
(760) 873-2849  
Fax (760) 873-2836

October 13, 2011

Members of the Interdisciplinary Committee

RE: Status of Supervision/Probation requirements for Brett Davis, PA

As of this date, Brett has complied with the requirements of the Diversion Program (Maximus) and the Medical Board of California, Physician Assistant Committee as below.

- 1) Drug testing: Brett must call a Maximus phone number every day (365 days a year) to see if he must produce a drug sample. If he is selected randomly, he must present to the hospital lab/ER for an observed urine or hair specimen. If he does not produce the specimen or the specimen is suspect, he is immediately removed from working, his worksite monitor is notified within 1 hour (Dr Brown or Boo – RHC) and he must have 2 negative specimens on subsequent days before returning to work. He cannot possess and must abstain from the use of alcohol, controlled substances and dangerous drugs.  
**STILL CURRENT** – last random “hair test” this month, \$300
- 2) Resource/Peer Support: Brett must attend 12 step meetings and health support meetings with his peers and sponsor weekly in San Bernardino.  
**COMPLETED APRIL 2011**
- 3) Monthly self-reports: Brett must complete monthly self reports to his Diversion Manager throughout his probationary period  
**STILL CURRENT**
- 4) Worksite Monitor Reports: Monthly reports by Dr Brown or Boo for first three months then quarterly thereafter.  
**STILL CURRENT, NOW QUARTERLY**
- 5) MBC-approved Ethics course  
**COMPLETED JUNE 2008**
- 6) Controlled Substances: Brett is only allowed to prescribe Schedule IV and V medications. He must maintain a record of all controlled substances administered or transmitted orally in writing in the patient’s records and in a separate file or ledger to be made available for inspection and copying by the P.A. Committee.  
**STILL CURRENT, RECORDED IN THE ELECTRONIC MEDICAL RECORD**

Stacey Brown, MD, FAAFP  
Medical Director

QuickTime™ and a  
TIFF (Uncompressed) decompressor  
are needed to see this picture.

Northern Inyo Hospital Rural Health Clinic  
153 Pioneer Lane  
Bishop, CA 93514  
Phone: (760) 873-2849  
Fax: (760) 873-2836

March 19, 2011

Members of the Interdisciplinary Committee

RE: Advancement of Sarah Starosta from Interim Status

I wish to recommend Physician Assistant Sarah Starosta for advancement to regular, full-time status from her current interim status. Her requirement for interim status is to have each and every chart reviewed for a minimum of 3 months. Since she started in October, Dr Boo and I have reviewed the documentation of each of Sarah's patient encounters. Dr Boo has reviewed 287 charts. I have reviewed 471.

We have found no deficiencies in our reviews. On the contrary, Sarah has demonstrated excellent critical thinking with regard to diagnoses, management and follow up of RHC patients.

Some excerpts from her reviews:

*"... ongoing chart review demonstrates excellent care and documentation by this provider..."*

*"... great post-encounter f/u on BP/CVD risk..."*

*"... excellent care. Appropriately addressed an impressive array of issues..."*

At this point, I believe that an email or mail ballot would be appropriate in order to advance her status. Chart review will continue at the state requirement of 10% of her charts monthly.

Thank you for your consideration.

Stacey Brown, MD  
Medical Director

**Maggie Egan**

---

**From:** Roberta Monte [Roberta.Monte@vrad.com]  
**Sent:** Monday, August 29, 2011 7:06 AM  
**Subject:** Dr Leslie Scott Miller

Hi,

Due to unexpected scheduling changes, Dr. Leslie Scott Miller will no longer be reading for your facility as of 08/29/11. Please consider this your official notification. Feel free to contact me with any questions. I apologize for the inconvenience.

Thanks,

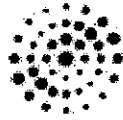
**Radiology Excellence Delivered. Together.**

---

**Roberta Monte** | Privileging Specialist | vRad  
11995 Singletree Lane, #500 | Eden Prairie, MN 55344  
p 952.595.1244 | f 952.935.2757 | [www.vrad.com](http://www.vrad.com)



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# VIRTUAL RADIOLOGIC™

October 12, 2011

Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514

RE: Resignation of Virtual Radiologic Physicians

Dear Medical Staff Office,

Effective November 1<sup>st</sup>, 2011, the following Radiologists will no longer be reading for Northern Inyo Hospital:

- Karen Aderholdt
- Kimberly Burkholz
- Karen Caldemeyer
- Steven Cohen
- Mark Davis
- Charles Henry
- Heidi Henry
- Susan Klein
- Kevin McDonnell
- Raymond Montecalvo
- Marc Paul
- Shailendri Philip
- Bruce Reiner
- Ronald Sonken
- Mark Takaki
- Richard Toothman
- William Zinn
- Jeffrey Zorn

Please consider this letter as a formal resignation and resign privileges effective the date listed above.

Sincerely,

Heather Johnson  
Director of Physician Services  
Virtual Radiologic Corporation

Anne E. Gasior, M.D.  
3055 Birch St  
Bishop, CA 93514  
760-872-9323  
typhus66@hotmail.com

November 29, 2011

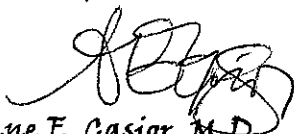
Chief of Medical Staff  
Dr. R. Cromer-Tyler  
Northern Inyo Hospital  
150 Pioneer Lane  
Bishop, CA 93514

Dear Dr. Robbin Cromer-Tyler,

Please accept this letter as notice of my resignation of active staff privileges at the end of this year, 2011. After much consideration, I have decided to accept a position elsewhere and will not be working locally.

It has been an honor and pleasure working at Northern Inyo Hospital for the past 12+ years. I have enjoyed working and growing with my colleagues and all of Northern Inyo Hospital's staff and patients. Unfortunately for myself, I will not have the delight of working in the new hospital so you will have to enjoy for me! I hope to return in the future and rejoin the hospital staff.

Sincerely and best wishes,

  
Anne E. Gasior, M.D.



NORTHERN INYO HOSPITAL  
STANDARDIZED PROCEDURE

GENERAL POLICY FOR RURAL HEALTH CLINIC NURSE PRACTITIONER

- I. Definition: "Nurse Practitioner" (NP) means a registered nurse who possesses additional preparation and skills in physical diagnosis, psychosocial assessment, and management of health-illness needs in primary health care, and who has been prepared in a program that conforms to board standards.
  
- II. Development and Review
  - A. All standardized procedures are developed collaboratively and approved by the NIH Interdisciplinary Practice Committee (IDPC) and must conform to all 11 steps of the standardized procedure guidelines as specified in Title 16, CCR Section 1474.
  - B. All standardized procedures will be kept in a manual that includes dated and signed approval sheets of the persons covered by the standardized procedures.
  - C. All standardized procedures are to be reviewed every 3 years at minimum by the NP(s), Clinic Nurse Manager, Medical Director and then by the IDPC. Standardized procedures will be updated by the Nurse Practitioner(s), Nurse Clinic Manager, or Medical Director as practice changes.
  - D. All changes or additions to the standardized procedures are to be approved by the IDPC. All standardized procedures approved by the IDPC will be sent to the Medical Staff Executive Committee and, if so approved, to the NIH Board of Directors.
  
- III. Setting of Practice: Northern Inyo Hospital Rural Health Clinic (NIH RHC)
  
- IV. Scope of Practice
  - A. The NP may perform the following functions within his/her specialty area and consistent with their experience and credentialing: assessment, management, and treatment of episodic illness, chronic illness, contraception, and the common nursing functions of health promotion, and general evaluation of health status (including but not limited to ordering laboratory procedures, x-rays, and physical therapies as well as recommending diets, and referring to specialty services when indicated).
  - B. Standardized procedure functions, such as managing medication regimens, are to be performed at NIH RHC. Consulting Medical Director Physician, or his/her relief will be available to the NP(s) in person or by phone.
  - C. Physician consultation is to be obtained under the following circumstances:
    1. Emergent conditions requiring prompt medical intervention after the initial stabilizing care has been started.
    2. Acute decompensation of patient situation.
    3. Problem which is not resolving as anticipated.
    4. History, physical, or lab finding inconsistent with the clinical picture.
    5. Upon request of patient, nurse, or supervising physician.
  - D. Medical Records: Medical record entries by the NP shall include, for all problems addressed: the patients' statement of symptoms, the physical findings, results of special studies, the NP's assessment and management plan including further studies ordered,

medication or procedures, information given patient and the names of any physicians consulted.

#### V. Qualifications and Evaluations

- A. Each nurse performing standardized procedure functions must have a current California registered nursing license, be a graduate of an approved Nurse Practitioner program, and have current certification as a Nurse Practitioner by the California Board of Registered Nursing.
- B. Evaluation of NP's competence in performance of standardized procedure functions will be done in the following manner:
  1. Initial: at 3 months, 6 months, and 12 months by the clinic nurse manager, through feedback from the NIH RHC Medical Director, other physicians and colleagues, and review of charting completed during performance period being evaluated.
  2. Routine: annually after the first year by the NIH RHC Nurse Manager through feedback from the physicians, colleagues and charting review.
  3. Follow-up: areas requiring increased proficiency, as determined by the initial or routine evaluation, will be reevaluated by the NIH RHC Nurse Manager and NIH RHC Medical Director at appropriate intervals until acceptable skill level is achieved.

Medical Record Review shall consist of audit by the supervising physician(s) of at least 5% of patients seen by the NP.

- C. Further requirements shall be regular continuing education in primary care, including reading of appropriate journals and new text books, attending conferences in primary care sponsored by hospitals, professional societies, and teaching institutions equaling 15 hours a year, minimum.
  1. A record of continuing education must be submitted to the Clinic Nurse Manager annually at the time of the NP's evaluation.
  2. Continuing education information will remain on file in the NP's personnel folder along with written evaluations.

#### VI. Protocols

- A. The standardized procedure protocols developed for the use by the nurse practitioners are designed to describe the steps of medical care for given patient situations. They are to be used in the following circumstances: health promotion exams, contraception, routine gynecological problems, trauma, infectious disease contacts, management of acute/episodic or chronic conditions, and furnishing of medications.

Approval: This standardized procedure has been approved for use at Northern Inyo Hospital by:

\_\_\_\_\_  
Chairman, Interdisciplinary Practice Committee

Approved at IPC on  
Date

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief of Staff

Approved at Executive Committee  
Date

\_\_\_\_\_  
President, Board of Directors

Approved by Board  
Date

Registered Nurses authorized to perform this standardized procedure and date of authorization:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

**DELEGATION OF SERVICES AGREEMENT BETWEEN SUPERVISING PHYSICIAN  
AND PHYSICIAN ASSISTANT (Title 16, CCR, Section 1399.540)  
Northern Inyo Hospital Rural Health Clinic**

\_\_\_\_\_, Physician assistant, graduated from the  
\_\_\_\_\_  
\_\_\_\_\_. He/she has taken the licensing examination for  
physician assistants recognized by the State of California (e.g., Physician Assistant National  
Certifying Examination or a specialty examination given by the State of California) on  
\_\_\_\_\_. He/she was first granted licensure by the Physician Assistant  
Committee on \_\_\_\_\_, which expires on \_\_\_\_\_, unless renewed.

**SUPERVISION REQUIRED.** The physician assistant named above (hereinafter referred to as PA) will be supervised in accordance with the written supervisor guidelines required by Section 1399.545 of the Physician Assistant Regulations. The written supervisor guidelines are incorporated with the attached document entitled, "Supervising Physician's Responsibility for Supervision of Physician Assistants."

**AUTHORIZED SERVICES.** The PA is authorized by the physician(s) whose name and signature appear below to perform all the tasks set forth in subsections (a), (d), (e), (f), and (g) of Section 1399.541 of the Physician Assistant Regulations, when acting under the supervision of the herein named physician(s) as follows: Those procedures specified in the Standardized Procedure/Protocols or which the supervising physician(s) specifically authorizes.

The PA is authorized to write and sign drug orders for Schedule: III, IV, V  
DEA #: \_\_\_\_\_.

**CONSULTATION REQUIREMENTS.** The PA is required to always and immediately seek consultation on the following types of patients and situations: patient's failure to respond to therapy; physician assistant's uncertainty of diagnosis; patient's desire to see physician; or any conditions which the physician assistant feels exceeds his/her ability to manage.

**MEDICAL DEVICES AND PHYSICIAN'S PRESCRIPTIONS.** The PA may transmit by telephone to a pharmacist, and orally or in writing on a patient's medical record or a written prescription drug order, the supervising physician's prescription in accordance with Section 3502.1 of the Business and Professions Code.

The supervising physician(s) authorizes the delegation and use of prescriptions under the established Standardized Procedure/Protocols.

The PA may also enter a drug order on the medical record of a patient at Northern Inyo Hospital Rural Health Clinic in accordance with the Physician Assistant Regulations and other applicable laws and regulations.

Any medication handed to a patient by the PA shall be authorized by the supervising physician's prescription and be prepackaged and labeled in accordance with Sections 4076 of the Business and Professions Code.



**SUPERVISING PHYSICIAN'S RESPONSIBILITY  
FOR SUPERVISION OF PHYSICIAN ASSISTANT**

**SUPERVISOR** \_\_\_\_\_, M.D./D.O. is licensed to practice in California as a physician and surgeon with medical license number \_\_\_\_\_. Hereinafter, the above named physician shall be referred to as the supervising physician.

**SUPERVISION REQUIRED.** The physician assistant (PA) named in the attached Delegation of Services Agreement will be supervised by the supervising physician in accordance with these guidelines, set forth as required by Section 1399.545 of the Physician Assistant Regulations, which have been read by the physician whose signature appears below.

**REPORTING OF PHYSICIAN ASSISTANT SUPERVISION.** Each time the physician assistant provides care for a patient and enters his or her name, signature, initials, or computer code on a patient's record, chart or written order, the physician assistant shall also enter the name of his or her supervising physician who is responsible for the patient. When the physician assistant transmits an oral order, he or she shall also state the name of the supervising physician responsible for the patient.

**MEDICAL RECORD REVIEW.** The physician shall audit the medical records of at least 5% of patients seen by the PA.

**INTERIM APPROVAL.** For physician assistants operating under interim approval, the supervising physician shall review, sign, and date the medical records of all patients cared for by the physician assistant within seven (7) days. If the physician was not on the premises at that time, he or she shall review, sign, and date such medical records within 48 hours of the time the medical services were provided.

**BACK UP PROCEDURES:** In the event this supervising physician is not available when needed, the following physician(s) has (have) agreed to be a consultant(s) and/or to receive referrals:

\_\_\_\_\_  
(Printed Name and Specialty) Phone: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name and Specialty) Phone: \_\_\_\_\_

Patients may also be sent to the emergency department for urgent care if supervisory physicians are unavailable.

**PROTOCOLS NOTE:** This document **does not** meet the regulation requirement to serve as a protocol. Protocols, if adopted by the supervising physician, must fully comply with the requirements authorized in Section 3502 (c) (1) of the Business and Professions Code.

_____ Physician Assistant Signature	_____ Date
_____ Physician's Signature	_____ Date
_____ Physician's Signature	

**NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE**

Title: <b>Spinal Immobilization</b>	
Scope:	Department: <b>Emergency</b>
Source: Chief of Emergency Medicine	Effective Date:

**Purpose:** To maintain stabilization of potential spine injuries until such time as immobilization devices may be safely removed and to clarify who may order removal of such devices.

**Definitions:**

Spinal Immobilization – a system of physical restraint which maintains a patient’s vertebral column in neutral alignment to prevent exacerbation of spinal injuries. Spinal immobilization may be partial (e.g., just a stiff neck collar) or complete.

Spinal Precautions – refers to the continuous maintenance of neutral vertebral alignment by immobilization and/or by careful patient positioning (e.g., log rolling). Thoracic and lumbar spinal precautions may be maintained on a firm mattress.

Clearing the Spine – the determination by the attending physician that a patient no longer needs spinal precautions.

Log Rolling – rolling the patient onto his/her side while maintaining neutral cervical alignment.

**Policy:** All patients with injuries consistent with possible spine injury will be stabilized in an appropriate manner until such time as the spine can be cleared by the treating physician.

**Stabilization:** All patients that presents to the Emergency Department with a complaint with an index of suspicion for spinal injury will immediately have their spine stabilized manually until appropriate equipment can be implemented.

**A. Indications:**

1. Trauma

- Falls greater than 10 feet
- Motor vehicle accidents
- Projectile injuries
- Hangings
- Diving accidents or near drownings
- Electrical accidents with seizure activity
- Significant blunt force injuries
- Unexplained altered levels of consciousness

2. Signs and Symptoms

- Complete or partial loss of sensory or motor function below the suspected lesion
- Pain in a nerve root distribution
- Spinal shock including hypotension and hypothermia
- Respiratory distress



**NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE**

<b>Title: Spinal Immobilization</b>	
Scope:	Department: <b>Emergency</b>
Source: Chief of Emergency Medicine	Effective Date:

**B. Methods:**

1. Suspected Cervical injuries
  - Maintain neutral spinal alignment with a rigid cervical collar and horizontal positioning on a firm mattress, backboard or X-ray slider board
  - May require restraint straps for altered or uncooperative patients
  - Pediatric stabilization devices
2. Suspected Thoracic or Lumbar injuries
  - Only requires horizontal alignment on a firm mattress or board

**C. Nursing Documentation:**

1. Type of spinal immobilization
2. History of trauma and mechanism of injury
3. Numbness, tingling or weakness by history
4. Physical assessment of extremity sensation and strength upon arrival and after any change in immobilization (e.g., log rolling)
5. Time the spine was cleared by the attending physician

**D. Precautions:**

1. If a patient arrives via EMS in full spinal immobilization, he/she should be transferred to an X-ray slider board as soon as possible to avoid complications such as pressure ulcers. This preferably should occur while the physician is doing the initial exam of the patient's posterior surface.
2. Nursing staff may log roll a patient, maintaining spinal alignment at all times, if needed for clinical indications such as vomiting or placing inflatable back padding (e.g., Backraft).
3. If spinal immobilization needs to be temporarily discontinued to perform a procedure, spinal precautions should be maintained during the procedure. Appropriate immobilization should be re-instituted following the procedure.
4. ED staff will indicate 'spinal precautions' when ordering all imaging studies.
5. Clearing the spine can only be done by a physician who has clinically examined the patient. Negative x-rays alone cannot clear a spine because not all spine injuries are visible on plain radiographs.
6. All patients being transferred to another facility in spinal immobilization should have inflatable back padding placed prior to transfer.
7. Deviations from this policy may only be made at the discretion of the attending physician.

<b>Committee Approval</b>	<b>Date</b>
Emergency Room Service Committee	10/13/11
Medical Executive Committee	11/1/11
Administration	
Board of Directors	

**NORTHERN INYO HOSPITAL MEDICAL STAFF  
POLICY/PROCEDURE**

<b>TITLE: Emergency Ultrasound Privileging</b>	
Scope: Emergency Department	Department: Emergency Department
Source: Chief of Emergency Room Service	Effective Date:

**Purpose:** To ensure that emergency physicians using emergency ultrasound are appropriately trained and meet the standard for privileging in emergency ultrasound as outlined by the American College of Emergency Physicians (ACEP).

**Procedure:** Physician members of the Department of Emergency Medicine will undergo the privileging process for emergency ultrasound as described below. These criteria were developed to meet those outlined by ACEP as outlined in its Clinical Policy. Emergency physicians who have met the criteria stated below should be considered eligible for emergency ultrasound privileges.

1. Be a member in good standing of the Medical Staff at Northern Inyo Hospital.
2. Have completed an approved Emergency Medicine Residency with formal Ultrasound training and provide evidence from the Residency Program of successful completion of the training OR complete a minimum 2-day course with didactic and hands-on experience in emergency ultrasound. Physicians will not be allowed to use the ultrasound machine until this requirement has been satisfied.
3. Physicians who have received their training in residency or who have been granted privileges previously at another institution will undergo proctoring as determined appropriate by the Medical Executive Committee, the Emergency Services Committee and the current Medical Staff Bylaws.
4. Physicians who have received their training via a course outside of residency training will be required to complete a proctoring period prior to applying for full privileges. The proctoring period will require completion of at least 100 examinations in the Emergency Department, including 25 exams from each of the 6 primary indications (as noted on the 'Emergency Department Bedside Ultrasound Evaluations' form) for which privileges are requested. The physician will also need to demonstrate at least 10 US-guided procedures. The physician will make a printed image of each exam and attach it to the completed Evaluation form. Most of the emergency ultrasounds will be followed by a formal ultrasound or CT scan. The Evaluation form for these cases will be submitted for peer review by a radiologist. Some studies, such as a cardiac exam during codes or US-guided procedures, will be reviewed by the Chief of the Emergency Medicine Service \* since a confirmatory study may not be ordered. In these cases, a review of patient clinical outcome may also be considered.
  - a. A physician may complete more than one study on a patient in order to meet the proctoring requirements in a timely manner.

**NORTHERN INYO HOSPITAL MEDICAL STAFF  
POLICY/PROCEDURE**

<b>TITLE: Emergency Ultrasound Privileging</b>	
Scope: Emergency Department	Department: Emergency Department
Source: Chief of Emergency Room Service	Effective Date:

5. In the event that the Chief of the Emergency Medicine Service is not qualified to review the cases, another physician with Ultrasound training and privileges will be requested to complete the reviews.

<b>Approval</b>	<b>Date</b>
Radiology Services Committee	
Credentials Committee	
Emergency Room Service Committee	
Medical Executive Committee	
Hospital Administrator	
NICLHD Board of Directors	

Revised:

Reviewed:

**Northern Inyo Hospital**  
**Emergency Department Bedside**  
**Ultrasound Evaluations**

Patient Label
---------------

1. Type of Limited Diagnostic Ultrasound – circle one
  - a. Limited Abdominal Ultrasound
    - i. Identify free fluid or ascites
    - ii. Identify cholelithiasis or cholecystitis
      1. Gallstones, thickened wall or pericholecystitic fluid
  - b. Limited Abdominal Aortic Ultrasound, to Identify an aortic aneurysm
  - c. Limited Thoracic Ultrasound
    - i. Identify pericardial fluid or tamponade
    - ii. Identify pneumothorax
    - iii. Identify pleural effusion
  - d. Limited Pelvic Ultrasound
    - i. Identify intrauterine pregnancy
    - ii. Identify free fluid in the cul de sac
    - iii. To determine fetal viability
  - e. Limited Extremity Venous Ultrasound, to identify Deep Venous Thrombosis
  - f. Limited Ocular Ultrasound, to identify retinal detachment

2. Findings:

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3. Type of Procedural Ultrasound
  - a. Central Line placement or IV access
  - b. Bladder aspiration
  - c. Thoracentesis
  - d. Paracentesis
  - e. Abscess localization and drainage
  - f. Foreign body identification and removal

4. What study will be ordered for confirmation or follow-up, if needed?

---

5. Attach a copy of the sonogram to this page.

\_\_\_\_\_  
Physician Name

\_\_\_\_\_  
Physician Signature & Date

\_\_\_\_\_  
Proctor Name

\_\_\_\_\_  
Proctor Signature & Date

<i>Proctor's Comments:</i>   
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## **Northern Inyo Hospital Medical Staff Performance Improvement Plan for the Emergency Department**

### **Purpose:**

To provide periodic review of each ED physician's quality of care and to ensure that patient's receive appropriate follow-up of diagnostic testing.

### **Policy:**

Continuous evaluation of the quality of care provided in the ED will be maintained by evaluation of pre-established indicators. These indicators will be reviewed and approved by the Emergency Services Committee as needed.

### **Procedure:**

#### **A) Daily Chart Review**

- 1) Nursing staff will review every patient's chart for completeness prior to submission to medical records.
- 2) Culture results, final X-ray interpretations and EKG over-reads will be placed in a file labeled 'To Be Checked.'
  - a) The ED clerk or nursing staff will attach a copy of the ED record to the results in order to facilitate quick reviews.
  - b) The dayshift physician is responsible for reviewing these results and comparing them to the original chart.
  - c) If a clinically relevant discrepancy is discovered, the physician will contact either the patient, the primary physician or the appropriate department to notify them of the discrepancy and to amend the treatment plan if needed.
    - If necessary, the physician will also enter an amendment into the patient's official medical record to document the plan of action.

#### **B) Focused Chart Review**

- 1) Nursing staff will review every patient's chart to see if they meet the Critical Indicator criteria (see Appendix A).
- 2) If a chart meets criteria, the ED manager will assign the chart randomly to another ED physician for review.
- 3) The chosen ED physician will then review the chart for appropriateness of the following criteria:
  - a) History and physical exam and progress notes
  - b) Diagnostic tests
  - c) Initial plan of treatment
  - d) Surgery of invasive procedures
  - e) Final diagnoses
  - f) Consultations
- 4) Once the chart has been reviewed, the physician will complete the Peer Review Report Form (see Appendix B) and classify the chart in to one of the following categories:
  - a) Care acceptable
  - b) Care acceptable with questions
  - c) Care un-acceptable
  - d) Interesting, worthy of discussion

- 5) Any chart that does not fall into the first category will be referred to the Emergency Services Committee for further review.
  - a) A physician will be notified prior to the committee meeting if his/her chart has been classified as 'Care un-acceptable' in order to give them time to review the chart.
- 6) The Emergency Services Committee will vote on the appropriate category and determine if any further action is necessary.
- 7) All chart reviews will be kept in the physician's personnel file in the Medical Staff Office for tracking purposes.

C) Other issues

1) Confidentiality

The information, data and results of reviews generated by all performance improvement/risk management activities within the hospital will be considered confidential. All activities pertaining to peer review/performance improvement/risk management are conducted pursuant to the authority of Evidence Code sections 1156 and 1157, and are deemed privileged and confidential in accordance with the terms of those statutes.

2) Conflict of Interest

Efforts will be made to ensure that no physician involved in performance improvement/peer review activities will be required to review any case in which they are professionally or personally involved. Given the small number of ED physicians at Northern Inyo Hospital, there may be times when it is impossible to ensure that the reviewing physician was not involved at some level. In such cases, the Department Chair or Chief of Staff will review the case themselves or determine the most appropriate physician.

3) Timing

Charts referred to the Emergency Services Committee for review will be reviewed as soon as possible. If a review is scheduled for two consecutive meetings and the physician being reviewed is not in attendance, the committee may then review the chart and determine conclusions at that second meeting. The physician being reviewed may submit a statement to the Committee prior to the second meeting which will be considered during the review.

Review/Approvals:

Emergency Medicine Service Committee	12/8/11
Medical Executive Committee	
NICLHD Board of Directors	

## Appendix A - Critical Indicator List

1. Nursing concerns
2. All non-5150 transfers
3. Formal patient complaints
4. Patient refusal of treatment, leaving AMA or elopements
5. Unscheduled return or admit of ED patient seen within 48 hours
6. All codes, deaths, and critical patients
7. ED Acquired Infections
8. Death within 48 hours of visit
9. Laceration repair with recheck concern
10. Specific procedures (Central line or arterial line insertion, intubation, chest tube insertion, procedural sedation, IO insertion, cardioversion, pacemaker, defibrillation).
11. All incoming transfers
12. Suicide or attempted suicide in the ED
13. Nosocomial infections (for referral)
14. Concern regarding quality of pre-hospital care (for referral)
15. Unscheduled ED visit of patient discharged within 72 hours (for referral)

Charts should be excluded for secondary screens such as scheduled returns or returns for an unrelated complaint.

**Appendix B – Peer Review Report Form**

Medical Record # \_\_\_\_\_ Admit Date(s) \_\_\_\_\_

Account # \_\_\_\_\_ Discharge Date(s) \_\_\_\_\_

Indicator(s)/Reason(s) for Review \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Review Committee: \_\_\_\_\_ Review Date: \_\_\_\_\_

**CASE REVIEW:**

Do the history and physical exam, progress notes, and diagnostic tests support the final diagnosis? \_\_\_\_\_

Are the diagnostic tests appropriate for the differential diagnosis? \_\_\_\_\_

Is the initial plan of treatment documented? \_\_\_\_\_

Are the reasons for surgery or invasive procedures documented? \_\_\_\_\_

Are all final diagnoses documented? \_\_\_\_\_

Does the chart clearly reflect the physician's thinking? \_\_\_\_\_

Are the reasons for consultation documented? \_\_\_\_\_

**CONCLUSIONS:**

\_\_\_\_\_ Care Acceptable

\_\_\_\_\_ Care Acceptable with Questions

\_\_\_\_\_ Care Un-acceptable

\_\_\_\_\_ Interesting; Worthy of Discussion

Peer Reviewer Signature \_\_\_\_\_ Date \_\_\_\_\_

**COMMITTEE FINDINGS / RECOMMENDATIONS / ACTION:**

\_\_\_\_\_

\_\_\_\_\_

Committee Agrees with Reviewer (Yes / No)? \_\_\_\_\_ CME Topic (Yes / No)? \_\_\_\_\_

Committee Chair Signature \_\_\_\_\_ Date \_\_\_\_\_



**NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE**

Title: <b>Operative Consents</b>	
Scope:	Department: <b>Outpatient, Surgery</b>
Source: Surgery Nurse Manager	Effective Date:

**PURPOSE:**

To personally, legally, and morally protect the rights of patients and those rendering care to them.

**POLICY:**

Patients shall be given the opportunity to provide an informed consent prior to the performance of surgical procedures as stated in the Informed Consent Policy.

The informed consent is the responsibility of the attending physician/surgeon.

The Consent Manual is located in the Surgery Nurse Manager's office, for reference. **The most current CHA Consent Manual is located in The Director of Admission Services Office for clarification of any concerns.**

**SPECIAL CONSIDERATIONS:**

Physician order required  YES

Procedure may be performed by:  RN  WARD CLERK

The consent may be witnessed by a competent adult of legal age.

Special education required to perform procedure:  NO  YES

**PROCEDURE:**

1. All surgical procedures require consent signed by the patient and witnessed.
  - The consent must be witnessed by a competent adult of legal age.
  - If the patient is unable to legibly sign his or her name, an "X" is acceptable if there are two witnesses.
  - Non English speaking patients will be provided with language assistance through the hospital's language service program. See policy on Language Services General Policy.
  - Consent must match the surgeon's order, the scheduled procedure, and the history and physical.
2. Any time two surgical procedures are performed by two surgeons simultaneously, a separate consent for each surgery is required, or both surgeries with designated surgeons must be on the same consent. It must be clear on the consent which surgeon is responsible for which surgical procedure.
3. **ABORTION CONSENT:** No special separate consent is required for a therapeutic abortion. Use regular consent form as for any other surgical procedure. Refer to CHA Consent manual for further clarification of abortions.
4. **MISCARRIAGE OR PARTIAL ABORTION:** Release from responsibility for treatment of miscarriage or partial abortion form is not required, but it may be useful in those situations where the patient arrives at the hospital in a condition of partial abortion and prudence suggests that the circumstances that led to the condition of partial abortion be established. Refer to CHA Consent Manual page 4.14 for further clarification. A general surgical consent is required.

**NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE**

Title: <b>Operative Consents</b>	
Scope:	Department: <b>Outpatient, Surgery</b>
Source: Surgery Nurse Manager	Effective Date:

5. **HYSTERECTOMY**: Consent to Hysterectomy will be completed by physicians in their office and sent to the hospital with the patient prior to the procedure. A general surgical consent is required. The informed consent procedure is not required when the hysterectomy is performed in a life-threatening emergency situation where prior written informed consent is not possible. The surgeon must document this as with any other emergency procedure without consent.
6. **BREAST**: The general surgical consent will be completed. When the surgery or procedure constitutes treatment for breast cancer, the hospital may add a statement that the patient has been given Breast Cancer Treatment Brochure to the consent, but this is not a requirement.
- Mandatory Patient Information:**
- **Page 4.16 CHA Consent Manual** for reference to California Law special requirements with respect to the information to be given to a patient who has been diagnosed with breast cancer.
  - The summary informs the patient of alternative efficacious methods of treatment that may be medically viable, including surgical, radiological, or chemotherapeutic treatments or combinations thereof, and the advantages, disadvantages, risks and descriptions of the alternative methods of treatment.
  - **The physician must note in the patient's medical record** that he or she has given the patient the written summary.
  - The summary may be given prior to the performance of a screening or biopsy for breast cancer upon a patient's request, or at the discretion of the physician in appropriate cases.
  - By Law, the physician may now wait until cancer is actually diagnosed to provide the patient with the brochure.
7. **TRANSFUSION CONSENT**: Transfusion consent is required for elective procedures when a patient has been cross matched for blood or a type and screen has been performed.
- a. **PAUL GANN ACT**: Imposes specific obligations upon physicians and podiatrists to provide information concerning transfusions of "autologous blood" to a patient when there is a reasonable possibility that a blood transfusion may be necessary as a result of a medical or surgical procedure.
    - The physician or podiatrist must use the standardized written summary "**A Patient's Guide to Blood Transfusion**" developed by the California Department of Public Health to inform patients.
  - b. Any patient that has been cross matched or had a type and screen done needs to be banded with a blood band prior to going to surgery.
8. **STERILIZATION CONSENT**: The regulations apply to elective sterilizations only; that is sterilization for the primary purpose of rendering a person permanently incapable of reproducing.
- The regulations do not apply to secondary sterilizations; that is, sterilization that is a side effect of an otherwise necessary medical procedure.
  - Will be completed by patient and physician in his office. Check that dates for sterilization are valid with payment source being considered.

**NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE**

Title: <b>Operative Consents</b>	
Scope:	Department: <b>Outpatient, Surgery</b>
Source: Surgery Nurse Manager	Effective Date:

- Medical patients must have been completed at least 30 days prior to surgery, but not more than 180 days, unless a documented emergency arises.
- Premature delivery, unexpected date of delivery and emergency abdominal surgery, BUT the consent must have been signed at least 72 hours prior to emergency.
- If private patient, the patient can waive 30 day requirement, but **CANNOT** waive the 72 hour minimum waiting period. This needs to be voluntarily requested in writing.
- Refer to **CHA Consent Manual Chapter 4** and **Title 22 Regulations 70707.4; 70707.5; 70707.6** for further clarification.

9. **RELEASE OF BODY TO MORTUARY:** Will be completed before release of body and will be a part of the permanent record.
10. **ALLOGRAFT CONSENT:** No special consent is necessary for bone grafting with allograft, it must be a part of the regular consent for procedure. Example of this would be "Right Total Hip Arthroplasty with Allograft". This procedure as with any other is the responsibility of the surgeon to assure the patient has had informed consent. If the patient has any questions about this procedure refer him to his physician for clarification.
11. **PHOTOGRAPHY :** The "Consent to Photograph and Authorization for Use or Disclosure" form should be completed whenever the hospital, an authorized member of the medical staff, or any person not requested to do so by the patient, desires to take a photograph of a patient or any part of the patient's body for purposes **not directly related to the medical treatment of the patient.** Consent should be obtained from the Administrator prior to allowing any of this type of photography. Refer to the CHA Consent Manual Chapter 24.
12. **OBSERVATION:** The observation consent is to be signed when a manufacturer representative is to be in the operating room and does not have a signed contract with the hospital. Medical students who are participating from a school that has a contract with the hospital do not need to sign an observation consent. Refer to Observation in the Operating Room.

**PROPERLY SIGNED:**

1. A mentally competent individual, 18 years of age or older may consent to surgery. A person is considered mentally competent if he or she is neither mentally retarded nor adjudged legally incompetent and is able to understand fully the information regarding the procedure, its risks, possible complications and alternatives, and make a deliberate choice.
2. An emancipated minor may give consent legally without parental involvement. A minor is emancipated if he or she is:

**NORTHERN INYO HOSPITAL  
POLICY AND PROCEDURE**

Title: <b>Operative Consents</b>	
Scope:	Department: <b>Outpatient, Surgery</b>
Source: Surgery Nurse Manager	Effective Date:

- Married, widowed, or divorced.
  - The parent of a child, in which case he or she may also consent for medical care of the child.
  - A member of the armed forces.
  - Is pregnant or believes herself to be pregnant, in which case she may consent for diagnosis and treatment of her pregnancy.
  - Living separate and apart from his or her parents or legal guardians, and is managing his or her own financial affairs.
  - Believes him or herself to be suffering from, or to have been in contact with, any disease defined as dangerous to the public health, including venereal disease, in which case her or she may consent for diagnosis and treatment of such disease.
  - A minor 12 years of age or older who is alleged to have been raped may consent to the furnishing of hospitals, medical, and surgical care related to the diagnosis or treatment of such condition and the collection of evidence with regard to the alleged rape.
3. Anyone under the age of 18 and not an emancipated minor must have the consent form signed by his or her parents or legal guardian.
4. Next-of-kin may give consent when the patient is not capable of comprehending due to his or her medical condition and therefore is deemed incompetent as documented by the physician in the history of the patient's record. When relying upon next-of-kin for consent, permission should be obtained in the following order: (1) spouse, (2) children of legal age, (3) parents, (4) siblings of legal age, and (5) grandparents.

**EMERGENCY SURGERY:**

In the event that surgery is deemed necessary immediately as a life-saving measure and it is not possible to obtain consent from the patient or authorized next-of-kin, treatment may be provided without the patient's consent. The physician will document necessity of procedure in the patient's medical record.

Reference: California Hospital Association Consent Manual  
Operating Room Management:  
Current and Relevant JCAHO and Title 22 Standards

Committee approval needed: NO \_\_\_\_\_ YES  Surgery Tissue Committee Meeting \_\_\_\_\_

Responsibility for review and maintenance: Surgery Nurse Manager

Index listings: Consents / Operative Consents / Informed Consents

Revised: 01/01 BS; 8/2011 BS

**NORTHERN INYO HOSPITAL MEDICAL STAFF  
PROTOCOL FOR  
PHYSICIAN ASSISTANT IN THE OPERATING ROOM**

I. POLICY:

- A. The Physician Assistant (PA) assists the attending surgeon during a surgical procedure by providing aid in exposure, hemostasis, and other technical functions which will help the surgeon carry out a safe operation with optimal results for the patient.
- B. Only a PA currently licensed in California, who meets all the criteria specified in Appendix A may perform this procedure. Knowledgeable regarding PA limitations and practices within these.

The PA will be evaluated for continued competency 90 days after assuming this position and yearly thereafter. The evaluation will be done by a physician and will contain input from the appropriate attending surgeons based on the protocol section of this standardized protocol, chart review and their observations.

- C. The PA may function under this standardized procedure when the following conditions are met:
  - 1. The attending surgeon has determined that the PA can provide the type of assistance needed during the specific surgery.
  - 2. The PA functions **under the direct supervision** of the Attending Surgeon. (**physical presence of attending surgeon in operating room**).

II. PROTOCOL

The PA will:

- 1. Assist with the positioning, prepping and draping of the patient, or perform these actions independently, if so directed by the surgeon.
- 2. Provide retraction by:
  - a. Closely observing the operative field at all times.
  - b. Demonstrating stamina for sustained retraction.
  - c. Retaining manually controlled retractors in the position set by the surgeon with regard to surrounding tissue.
  - d. Managing all instruments in the operative field to prevent obstruction of the surgeon's view.
  - e. Anticipating retraction needs with knowledge of the surgeon's preferences and anatomical structures.
- 3. Provide hemostasis by:
  - a. Applying the electrocautery tip to clamps or vessels in a safe and knowledgeable manner, as directed by the surgeon.
  - b. Sponging and utilizing pressure, as necessary.
  - c. Utilizing suctioning techniques.

- d. Applying clamps on superficial vessels and the tying or electrocoagulation of them, as directed by the surgeon.
  - e. Placing suture ligatures in the muscle, subcutaneous and skin layer.
  - f. Placing hemoclips on bleeders, as directed by the surgeon.
4. Perform knot tying by:
    - a. Having knowledge of the basic techniques of knot tying to include, two-handed tie; one-handed tie; instrument tie.
    - b. Tying knots firmly to avoid slipping.
    - c. Avoiding undue friction to prevent fraying of suture.
    - d. "Walking" the knot down to the tissue with the tip of the index finger and laying the strands flat.
    - e. Approximating tissue rather than pulling tightly to prevent tissue necrosis.
  5. Perform dissection as directed by the surgeon by:
    - a. Having knowledge of the anatomy.
    - b. Demonstrating the ability to use the appropriate instrumentation.
    - c. For abdominal surgery: dissection includes all layers to, but not, the peritoneum.
  6. Provide closure of layers of tissue as directed by the surgeon; sutures fascia., subcutaneous tissue and skin by:
    - a. Correctly approximating the layers, under direction of the surgeon.
    - b. Demonstrating knowledge of the different types of closures, to include but not be limited to: interrupted vs. continuous; skin sutures vs. staples; subcuticular closure; horizontal mattress.
    - c. Correctly approximating skin edges when utilizing skin staples or suture.
  7. Assist the surgeon at the completion of the surgical procedure by:
    - a. Affixing and stabilizing all drains.
    - b. Cleaning the wound and applying the dressing.
    - c. Assisting with applying casts; splints, bulky dressings, abduction devices.

The PA practices within the appropriate limitations and may choose not to perform those functions for which he has not been prepared or for which he does not feel capable of performing.

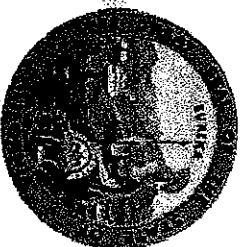
The activities outlined are determined based on the experience and education of the PA. The performance of other activities in the role of PA is dependent on the ability of the PA to safely perform the activities under the direction of the surgeon in a competent manner.

**APPENDIX A**

- I. A Physician Assistant who is approved as a PA at NIH may function as first assistant if all of the following conditions exist.
  1. Currently licensed as a PA in California.
  2. Successful completion of a course in Physician Assistant program through an accredited program. (A copy of the certificate of completion will be placed in the PA's personnel file.)
  3. Demonstrated knowledge and skill in applying principles of asepsis and infection control and demonstrated skill in behaviors that is unique to functioning as a PA.
  4. Demonstrated knowledge of surgical anatomy, physiology and operative procedures for which the PA assists.
  5. Demonstrated ability to function effectively and harmoniously as a team member.
  6. Able to perform CPR; ACLS completion preferred.
  7. Able to perform effectively in stressful and emergency situations.



**California Department of Public Health  
Center for Health Care Quality  
Licensing & Certification Program**



**Medication Error Reduction Plan Survey Facility Questionnaire**

**Directions: Please provide all information as requested. Supporting documentation may also be provided.**

Facility name: Northern Inyo Hospital (Northern Inyo County Local Hospital District)

Address: 150 Pioneer Lane

City and Zip Code: Bishop CA 93514

Form completed by/title/phone number: Leon Freis, R.Ph. Director Ancillary Services 760-873-2846

Date completed: 10-1-2011

**Question A.) Is there a method to address each of the "procedures and systems" listed under subdivision (d) of H&SC 1339.63 so as to identify weaknesses or deficiencies that could contribute to errors in the administration of medication?**

**Yes, please describe below.**       **No, proceed to question B.**

H&SC 1339.63(e)(1): Each facility's plan shall... Evaluate, assess, and include a method to address each of the procedures and systems listed under subdivision (d) to identify weaknesses or deficiencies that could contribute to errors in the administration of medication (including, but not limited to, prescribing, prescription order communications, product labeling, packaging and nomenclature, compounding, dispensing, distribution, administration, education, monitoring, and use).

**Question A facility guidance:**

- What methodology is utilized for evaluating each of the procedures and systems to identify weaknesses or deficiencies which could contribute to medication errors? "Method" is defined, in part, as a procedure or process. The methodology by which this is done might include, but is not limited to, evaluation of external alerts (e.g. ISMP Quarterly Alerts, CDPH AFLs, FDA Alerts, etc.); medication pass observations; QAPI studies; FEMA studies; MUEs, analysis of medication error reports to identify system vulnerabilities, etc.



**Question A (continued):**

Question A facility guidance (continued):

- Each of the 11 procedures or systems must be evaluated and assessed to identify weaknesses or deficiencies.
- How often are you evaluating and assessing each of the procedures and systems to identify weaknesses or deficiencies that could contribute to medication errors? When was this last done?
- Have any weaknesses or deficiencies been identified that could contribute to medication errors? If so, what were they and when were they identified?

Procedure or System:	Methodology:	Evaluation frequency:	Date last completed:	Weaknesses or deficiencies identified:	Date identified:
<b>Prescribing:</b>	Pharmacist interventions are analyzed for prescribing weaknesses and deficiency	Monthly	06 / 09 / 2011	Medication Reconciliation incorrect dosing was carried to the patient orders and accounted for 61% of error prevention interventions by pharmacists	06 / 09 / 2011
<b>Prescription order communications:</b>	Evaluation of medication error reports	Monthly	09 / 06 / 2011	None identified	___ / ___ / ___
<b>Product labeling:</b>	Evaluation of medication error reports	Monthly	09 / 06 / 2011	None identified	___ / ___ / ___
<b>Packaging and nomenclature:</b>	Evaluation of medication error reports	Monthly	09 / 06 / 2011	Identified weakness in Omnicell nomenclature of SoluMedrol vs Solu Cortef in the emergency department	09 / 07 / 2010
<b>Compounding:</b>	Direct observation of compounding methodology by each pharmacist done by direct observation	Yearly	08 / 30 / 2011	None identified	___ / ___ / ___
<b>Dispensing:</b>	Evaluation of medication error reports	Monthly	09 / 06 / 2011	None identified	___ / ___ / ___

**Question A (continued):**

<b>Procedure or System:</b>	<b>Methodology:</b>	<b>Evaluation frequency:</b>	<b>Date last completed:</b>	<b>Weaknesses or deficiencies identified:</b>	<b>Date identified:</b>
<b>Distribution:</b>	Physical check of accuracy of ADC inventory	Monthly	08 / 20 / 2011	None identified	___ / ___ / ___
<b>Administration:</b>	Evaluation of medication error reports	Monthly	09 / 06 / 2011	Medication administration omissions Include late administrations. Weakness in Hand off between units identified.	___ / ___ / ___
<b>Education:</b>	Evaluation of medication error reports	Monthly	09 / 06 / 2011	None Identified	___ / ___ / ___
<b>Monitoring:</b>	Evaluation of medication error reports	Monthly	09 / 06 / 2011	None Identified	___ / ___ / ___
<b>Use:</b>	Pharmacist Intervention reports	Quarterly	06 / 05 / 2011	None Identified	___ / ___ / ___

**Question B.) Since January 1, 2005 has the plan been modified when weakness or deficiencies are noted to achieve the reduction of medication errors?  Yes, please describe below.  No, proceed to question C.**

H&SC 1339.63(e)(3): Each facility's plan shall... Be modified as warranted when weaknesses or deficiencies are noted to achieve the reduction of medication errors.

**Question B facility guidance:**

- Were weakness or deficiencies identified for any of the 11 procedures and systems? If yes, please indicate the date. (NOTE: In answering this question please consider only the last 36 months.)
- If weaknesses or deficiencies were noted was the plan modified? If yes, please indicate the date and provide a brief summary of how the plan was modified.
- Was there follow-up done to assess effectiveness of the plan modification? If yes, please indicate the date.

Question B (continued):

Procedure or system:	Date identified:	Weakness identified:	Plan modification:	Date initiated:	Follow-up assessment done:
Prescribing:	10 / 19 / 2008	Empiric Antibiotic prescribing not always changed with C&S	Study judicious use of antibiotics and prescribing	05 / 06 / 2009	06/10/2010
	06 / 24 / 2009	Acetaminophen prescribed via multiple drugs led to one overdose	Study Acetaminophen prescribing and intervene when 4gm/day	01 / 06 / 2010	12/09/2010
	06 / 10 / 2010	Appropriateness of empiric antibiotic therapy	Will study appropriateness of antibiotic therapy after education	12 / 10 / 2010	03/29/2011
Prescription order communication:	12 / 16 / 2008	Transcription of orders by ward clerks on hard copy MAR led to errors	Implement Electronic MAR	02 / 25 / 2009	04/21/2010
	02 / 26 / 2009	Verbal Orders not authenticated	Study the use of Verbal orders, reduce the use, improve authentication	01 / 06 / 2010	12/08/2010
	/ /	None identified 2010		/ /	

Question B (continued):

Procedure or system:	Date identified:	Weakness identified:	Plan modification:	Date initiated:	Follow-up assessment done:
Product labeling:	___ / ___ / 2009	None Identified		___ / ___ / ___	
	___ / ___ / 2010	None Identified		___ / ___ / ___	
	___ / ___ / 2011	None Identified		___ / ___ / ___	
Packaging and nomenclature:	___ / ___ / 2009	None Identified		___ / ___ / ___	
	01 / ___ / 2010	Oxytocin concentrations different in OB and in PACU potential for error	Make standardized Oxytocin solution for all areas	06 / 24 / 2010	
	___ / ___ / 2011	None Identified		___ / ___ / ___	

Question B (continued):

Procedure or system:	Date identified:	Weakness identified:	Plan modification:	Date initiated:	Follow-up assessment done:
<b>Compounding:</b>	____ / ____ / 2009	None identified		____ / ____ / ____	
	____ / ____ / 2010	None identified		____ / ____ / ____	
	05 / 18 / 2011	Compounding of PCA and Epidural solutions potential for error	Identify and procure pre-mixed commercially available solutions	07 / 05 / 2011	
<b>Dispensing:</b>	11 / 14 / 2007	Lack of pharmacist review of orders after pharmacy hours	Find and engage an after-hours pharmacy service using our computer.	08 / 05 / 2008	04/01/2009
	09 / 01 / 2009	Order entry errors by UCD pharmacists	Provide after hours service using NIH pharmacists	10 / 01 / 2009	06/01/2010
	12 / 10 / 2010	Overrides errors in Emergency Department	Turn off overrides for non emergent medications require RPh entry for ED	01 / 01 / 2011	03/29/2011

Question B (continued):

Procedure or system:	Date identified:	Weakness identified:	Plan modification:	Date initiated:	Follow-up assessment done:
Distribution:	___ / ___ / 2009	None Identified		___ / ___ / ___	
	___ / ___ / 2010	None Identified		___ / ___ / ___	
	___ / ___ / 2011	None Identified		___ / ___ / ___	
<b>Administration:</b>					
	03 / 03 / 2009	Respiratory medication not tracked by nursing and RT charting on own document with missed doses	Determine if RT can chart on M&R and implement if possible	03 / 26 / 2009	01/05/2010
	02 / 02 / 2010	Moderate sedation does not restrict nurse administration of sedatives leading to error	Revise moderate sedation policy to include dose limits and repeat dose timing	05 / 04 / 2010	08/02/2011
	02 / 01 / 2011	Administration errors due to avoidance of pharmacist check via override identified in ER cases.	Revise override reasons Restrict overrides by nursing supervisors by requiring pharmacist permission	02 / 08 / 2011	03/29/2011

**Question B (continued):**

<b>Procedure or system:</b>	<b>Date identified:</b>	<b>Weakness identified:</b>	<b>Plan modification:</b>	<b>Date initiated:</b>	<b>Follow-up assessment done:</b>
<b>Use:</b>	03 / 26 / 2009	Monitoring of Judicious use of Antibiotics required by law	Monitoring formalized and documented	04 / 01 / 2009	01/05/2010
	01 / 05 / 2010	Use of Anticoagulants weak as identified in ADR reports	Monitor and Intervene in anticoagulant use	01 / 05 / 2010	01/10/2011
	___ / ___ / 2011	None Identified		___ / ___ / ___	

**Question C.) Has an annual review been done to assess the effectiveness of the implementation of the plan for each of the procedures and systems listed under subdivision (d) of H&SC 1339.63 beginning on or about January 1, 2006?  Yes, please describe below.  No, the questionnaire is completed.**

H&SC 1339.63(e)(2): Each facility's plan shall... Include an annual review to assess the effectiveness of the implementation of each of the procedures and systems listed under subdivision (d).

H&SC 1339.63(d): ...procedures, and systems, including but not limited to, prescribing, prescription order communications, product labeling, packaging and nomenclature, compounding, dispensing, distribution, administration, education, monitoring, and use.

**Question C facility guidance:**

- The annual review of the organization's MERP plan should have started on, or about, January 1, 2006, and approximately every 12 months thereafter.
- The methodology used to assess effectiveness should provide objective and relevant evidence that informs policy decision makers in the evaluation and development of corrective actions to effectively reduce medication errors.

Question B (continued):

Procedure or system:	Date identified:	Weakness identified:	Plan modification:	Date initiated:	Follow-up assessment done:
<b>Education:</b>	09 / 01 / 2009	Oxycontin ordered and given PRN.	Create warnings in eMAR and in Omnicell. Send Letter to Medical Staff re Long-acting Opiates and PRN orders	10 / 05 / 2009	10/05/2010
	12 / 07 / 2010	Off label use and pediatric dosing do not use one standard compendium	Poll medical staff and nursing staff re use of Up-To-Date to select a compendium	12 / 15 / 2010	01/04/2011
	___ / ___ / 2011	None Identified		___ / ___ / ___	
<b>Monitoring:</b>	03 / 26 / 2009	Monitoring of judicious use of Antibiotics required by law	Monitoring formalized and documented	04 / 01 / 2009	01/05/2010
	01 / 05 / 2010	Monitoring of High risk medications including acetaminophen and anti-coagulants not formalized	Formal monitoring and reporting of safe use of acetaminophen and anti-coagulants undertaken	01 / 05 / 2010	01/10/2011
	10 / 01 / 2011	Monitoring of PCA adverse events and use of nurse activated bolus is not separately monitored	Formal monitoring of PCA adverse events and nurse activated bolus to be monitored	10 / 01 / 2011	2012



Question C (continued):

Procedure or system:	Annual review date (required):	Interval review date(s) (optional):	Does the annual review demonstrate assessment for effectiveness?	Comment:
Prescribing:	01 / 15 / 2007	/ / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008	/ / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2009	/ / / 2008	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 10 / 2009	/ / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 2010	/ / / 2010	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Prescription order communications:	01 / 15 / 2007	/ / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008	/ / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2009	/ / / 2008	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 10 / 2009	/ / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 2010	/ / / 2010	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Question C (continued):

Procedure or system:	Annual review date (required):	Interval review date(s) (optional):	Does the annual review demonstrate assessment for effectiveness?	Comment:
Product labeling:	01 / 15 / 20067	/ / / 2006 / / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 20088	/ / / 2007 / / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 20089	/ / / 2008 / / / 2008	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
	01 / 10 / 200810	/ / / 2009 / / / 2009	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
	03 / 08 / 20101	/ / / 2010 / / / 2010	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
<b>Packaging and nomenclature:</b>	01 / 15 / 20067	/ / / 2006 / / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 20088	/ / / 2007 / / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 20089	/ / / 2008 / / / 2008	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
	01 / 10 / 200910	/ / / 2009 / / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 20101	/ / / 2010 / / / 2010	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	

Question C (continued):

Procedure or system:	Annual review date (required):	Interval review date(s) (optional):	Does the annual review demonstrate assessment for effectiveness?	Comment:
Compounding:	01 / 15 / 2008	1 / 2006 / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008	1 / 2007 / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2008	1 / 2008 / / 2008	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
	01 / 10 / 2008	1 / 2009 / / 2009	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
	03 / 08 / 2010	1 / 2010 / / 2010	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 15 / 2007	1 / 2006 / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008	1 / 2007 / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2008	1 / 2008 / / 2008	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 10 / 2008	1 / 2009 / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 2010	1 / 2010 / / 2010	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Dispensing:				

Question C (continued):

Procedure or system:	Annual review date (required):	Interval review date(s) (optional):	Does the annual review demonstrate assessment for effectiveness?	Comment:
Distribution:	01 / 15 / 2008 <del>7</del>	/ / / 2006 / / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008 <del>8</del>	/ / / 2007 / / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2008 <del>9</del>	/ / / 2008 / / / 2008	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
	01 / 10 / 2008 <del>10</del>	/ / / 2009 / / / 2009	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
	03 / 08 / 2010 <del>1</del>	/ / / 2010 / / / 2010	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
<b>Administration:</b>	01 / 15 / 2008 <del>7</del>	/ / / 2006 / / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008 <del>8</del>	/ / / 2007 / / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2008 <del>9</del>	/ / / 2008 / / / 2008	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 10 / 2008 <del>10</del>	/ / / 2009 / / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 2010 <del>1</del>	/ / / 2010 / / / 2010	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Question C (continued):

Procedure or system:	Annual review date (required):	Interval review date(s) (optional):	Does the annual review demonstrate assessment for effectiveness?	Comment:
Education:	01 / 15 / 2007	/ / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008	/ / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2008	/ / / 2008	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 10 / 2009	/ / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 2010	/ / / 2010	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
<b>Monitoring:</b>	01 / 15 / 2007	/ / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008	/ / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2008	/ / / 2008	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 10 / 2009	/ / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 2010	/ / / 2010	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Question C (continued):

Procedure or system:	Annual review date (required):	Interval review date(s) (optional):	Does the annual review demonstrate assessment for effectiveness?	Comment:
Use:	01 / 15 / 2007	/ / / 2006	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 22 / 2008	/ / / 2007	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 20 / 2009	/ / / 2008	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	01 / 10 / 2010	/ / / 2009	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
	03 / 08 / 2011	/ / / 2010	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	

**End of questionnaire.**

**MIKE AND KATHY MUCKLEY**  
18353 LOCKSLEY ST. SAN DIEGO, CA 92128 858-354-6133

October 27<sup>th</sup>, 2011

Dr. Michael Dillon, M. D.  
Valley Emergency Physicians  
150 Pioneer Lane  
Bishop, CA 93514

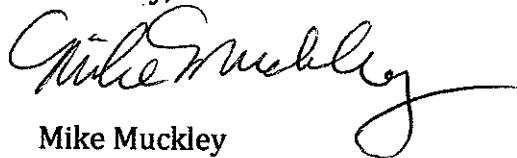
Dear Dr. Dillon:

Thank you for your caring for our father Ralph Muckley, the 91 year old retired physician that you cared for Sunday evening Oct 23, 2011. He was successfully treated at Intercommunity Hospital in Covina, CA after the fixed wing transfer from Bishop Sunday night. It was confirmed he had suffered cardiac arrest Sunday afternoon, resulting in a defibrillator being put in on Tuesday. He is home now in San Diego and seems to be doing fine, It looks like he will not suffer any long term affects from the cardiac episode.

Our family wants to thank you for caring for him and for being his advocate in trying to get him transferred to a hospital in the San Diego area. Your diligence in fighting for him and dealing with all the "red tape" that was being thrown at you by his medical group in San Diego (Palomar Pomerado Health Group) was impressive. We have already fired the cardiologist who would not accept his transfer to one of their hospitals despite all your efforts to convince him to do so.

In just a few hours our family was witness to both the "best" and the "worst" in medicine. You are a shining example of "the best". Thanks again for helping make it possible for our whole family to enjoy some more time with our father.

Sincerely,



Mike Muckley

~~DR DILLON WAS  
AMAZING! WHAT  
A GREAT DOCTOR  
TO HAVE ON YOUR  
STAFF! THANK YOU!  
HE IS A CREDIT TO  
YOUR HOSPITAL!~~

**Tammy Daughtry**

Patient  
280 S. Hay St.  
Lone Pine, Ca  
93545  
760-876-4515

August 12, 2011

Mr. John Halfan  
150 Pioneer Lane  
Bishop, Ca  
93514

Dear Mr. Halfan,

My name is Tammy Daughtry. I'm writing you this letter to let you know about the recent care I received from Dr. Souders and the entire radiology staff. Recently I was diagnosed with breast cancer. From the first step Dr. Souders put my mind at ease, and along with the staff, went out of his way to meet my wants and needs.

During my initial appointment with Dr. Souders, when he observed a suspicious mass, he and the staff stayed late that day in order to accommodate me with an immediate biopsy. After my diagnosis the staff worked quickly with my insurance so that I could have an MRI the very same week. And if that was not enough, Dr. Souders brought my MRI report directly to my home so that I would have it in time for my next appointment.

Their kindness and professional care was very comforting to me during this difficult time. I would like to thank Dr. Souders and the entire radiology department for their warm touch and professionalism. They went above and beyond for me.

Sincerely,

Tammy Daughtry

KH  
DK  
PK  
KJG

RECEIVED  
AUG 16 2011  
ADMINISTRATION OFFICE



**THIS SHEET  
INTENTIONALLY  
LEFT BLANK**

**NORTHERN INYO HOSPITAL  
PRIVATE PRACTICE PHYSICIAN  
INCOME GUARANTEE AND PRACTICE MANAGEMENT AGREEMENT  
Medical Director of Orthopedic Services**

This Agreement is made and entered into on this 22nd day of December, 2011 by and between Northern Inyo County Local Hospital District ("District") and Peter Godleski, M.D. ("Physician"). This agreement shall be effective the first day that the Physician is available to see patients or take call, as provided herein.

**RECITALS**

- A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a critical access hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.
- B. The District Board of Directors has found, by Resolution No. 09-01, that it will be in the best interest of the public health of the aforesaid communities to obtain a licensed physician and surgeon who is a board-certified/eligible specialist in the practice of Orthopedics, to practice in said communities, on the terms and conditions set forth below.
- C. Physician is a physician and surgeon, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American Academy of Orthopedic Surgeons. Physician desires to relocate his practice ("Practice") to Bishop, California, and practice Orthopedics in the aforesaid communities.

**IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:**

**I.  
COVENANTS OF PHYSICIAN**

Physician shall locate his Practice to medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

- 1.01. Services.** Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of Orthopedics Services. The scope of services to be performed by Physician is described in Exhibits A and B attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.

**1.02. Limitation on Use of Space.** No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician for anything other than the private practice of Orthopedic medicine unless specifically agreed to, in writing, by the parties.

**1.03. Medical Staff Membership and Service:** Physician shall:

- a) Maintain uninterrupted, continuous Provisional or Active Medical Staff ("Medical Staff") membership with surgical privileges sufficient to provide all services reasonably and normally required by patients of Northern Inyo Hospital and/or residents of the District, including without limitation: clinic staffing, emergency room call, surgery, consulting, diagnostic interpretation of radiologic images, physical therapy diagnosis and prescriptions, and referrals for rehabilitation.
- b) Provide or provide for on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to him by Hospital and as required by this agreement 365 days a year, 24 hours a day, seven days a week, for the term of this Agreement.
- c) Secure, provide and arrange the services of at least one other physician, credentialed by the Medical Staff with sufficient skills to provide relief coverage for Physician. Compensation to this physician will be the sole responsibility of Physician.
- d) 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, services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. 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 District, 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 sub-contract he may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.
- e) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.
- f) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

**II.**  
**COVENANTS OF THE DISTRICT**

**2.01. Hospital Services.**

- a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at no cost to the physician or through an arrangement with a landlord, also at no cost to the physician, other than the fees retained by the hospital (3.05).
- b) Equipment. In consultation with Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's practice. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

**2.02. General Services.** District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.

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

**2.04. Personnel.** District shall determine the initial number and types of employees and place them in the Practice initially. Physician and Hospital will mutually agree to subsequent staffing requirements. Physician shall not be required to maintain any personnel that he does not feel are appropriate for the practice. All personnel shall be employees or contractors of the Hospital.

**2.05. Business Operations.** District shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes, which will be used unless changed by mutual consent of the Physician and Hospital. Hospital will incur and pay all operating expenses of the Practice.

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

**2.07. Practice Hours.** The District desires, and Physician agrees, that Physician's Practice shall operate on a full-time basis, maintaining hours of operation in keeping with the full time practice of one Orthopedic surgeon while permitting a surgery schedule sufficient to service the patients of the Practice. Specific shifts will be scheduled according to normal operating procedures of the Practice and will be mutually agreed upon with Physician.

**2.08. Time Off.** Physician may take up to 15 weeks per year off provided he is able to secure the services of another physician to assume his responsibilities. Physician must take 4 weeks off the first year on this agreement and 6 weeks every year after that and provide the coverage required by this agreement at his own expense.

- 2.09 **Emergency Absences.** Physician may take up to 20 days per year off for unforeseen emergencies, for reasons such as illness and family emergencies. These emergencies will not be considered "liquidated damages", (see 4.05) unless extended for more than 48 hours after which physician must provide coverage.

### **III.** **COMPENSATION**

- 3.01. **Compensation.** During the term of this agreement, District shall guarantee Physician an annual income of \$1,000,000 payable to Physician at the higher of 50% of fees collected for services rendered in Section II adjusted annually to reflect 50% of fees collected or the interim rate of \$38,461.54 every two (2) weeks. 50% of the professional fees collected in excess of the guarantee shall inure to the physician and will be made by adjusting the interim rate. All payments shall be made on the same date as the District normally pays its employees. This guarantee will not be amended in any way because of the number of orthopedic physicians practicing in the service area or supporting Physicians practice on the part of the hospital.
- 3.02. **Malpractice Insurance.** Physician will secure and maintain his own malpractice insurance with limits of no less than \$1 million per occurrence and \$3 million per year. District will reimburse Physician eighty percent (80%) of the premiums for said insurance paid for by Physician. Payment by Physician shall be limited to \$10,000.00 annually.
- 3.03. **Billing for Professional Services.** Subject to section 2.05 above, Physician assigns to District all claims, demands and rights of Physician to bill and collect for all professional services rendered to Practice patients, for all billings for orthopedic services, and for all billings for consulting performed or provided by the Physician. Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Physician to Practice patients and for all orthopedic services performed at the Hospital, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of Practice. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Practice. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Hospital.
- 3.04. **Retention.** Hospital will retain 50% of all fees collected from the activities of physician/practice in exchange for the services rendered in II above.

**IV.**  
**TERM AND TERMINATION**

- 4.01. Term.** The term of this Agreement shall be for three (3) years beginning on the effective date and ending 36 months thereafter. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.
- 4.02. Termination.** Notwithstanding the provisions of section 4.01, this Agreement may be terminated:
- a) Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;
  - b) Immediately upon closure of the Hospital or Practice;
  - c) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or
  - d) By either party in the event of a material breach by the other party. In such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party explaining the breach, unless such breach is cured within thirty (30) days.
  - e) Without cause upon 150 days written notice.
  - f) Immediately by Physician if the victim of an accident, disability, illness, or act of God.
- 4.03. Rights Upon Termination.** Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination.
- 4.04. Accounts Receivable.** Physician shall have no claim to the accounts receivable if this contract is discontinued for any reason within ten years after the date of this agreement. After such time, physician will continue to receive collections from accounts receivable attributable to Physician on the date of termination.
- 4.05 Liquidated Damages.** The Parties agree that, if Physician breaches any, or all, of his covenants as set forth (in Article I) of this Agreement, then determining the resulting damages would be impracticable and extremely difficult because neither Party has sufficient information at the date of this Agreement, or will have such information at the date of breach, to determine the

cost, to District, providing the services to patients of the Hospital and District which Physician is agreeing to provide. Therefore, the Parties agree that, in the event of such a breach, unless it is caused by circumstances described in Paragraph 2.09 or 4.02.f above, Physician shall pay the sum of Four Thousand Dollars (\$4,000) per day to District as liquidated damages.

- 4.06 **Services Outside the boundaries of the District.** Physician may not provide professional services outside of the boundaries of the District unless expressly approved in writing, including email writings, by the Hospital Administrator.

**V.**  
**PROFESSIONAL STANDARDS**

- 5.01. **Medical Staff Membership.** It is a condition of this Agreement that Physician maintain Provisional or Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintain such membership and privileges throughout the term of this Agreement.
- 5.02. **Licensure and Standards.** Physician shall:
- a) At all times be licensed to practice medicine in the State of California;
  - b) Comply with all policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;
  - c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;
  - d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of Hospital;
  - e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and
  - f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission.
  - g) At all times conduct himself, professionally and publicly, in accordance with the standards of the medical profession, the American Academy of Orthopedic Surgeons, the Hospital Medical Staff, and the District. He shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts which constitute any of the above offenses shall be a material breach of this Agreement.

**VI.**  
**RELATIONSHIP BETWEEN THE PARTIES**

**6.01. Professional Relations.**

- a) **Independent Contractor.** No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.
- b) **Benefits.** Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

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

**VII.**  
**GENERAL PROVISIONS**

- 7.01. No Solicitation.** Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Practice.
- 7.02. Access to Records.** To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.



Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of \$10,000.00 or more over a twelve (12) month period and if that subcontractor is organizationally related to Physician.

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

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

- 7.03. Amendment.** This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.
- 7.04. No Referral Fees.** No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.
- 7.05. Repayment of Inducement.** The parties stipulate and agree that the income guaranteed to Physician under this Agreement, and the covenants of the District to provide office space, personnel, equipment, and certain other benefits, are the minimum required to enable Physician to relocate himself to Bishop, California; that he is not able to repay such inducement, and no such repayment shall be required.
- 7.06. Assignment.** Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.
- 7.07. Attorneys' Fees.** If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.
- 7.08. Choice of Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

- 7.09. **Exhibits**. All Exhibits attached and referred to herein are fully incorporated by this reference.
- 7.10. **Notices**. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

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

**Physician:** Peter Godleski, M.D.  
152 Pioneer Lane, Suite A  
Bishop, CA 93514

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

- 7.11. **Records**. All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of Physician. Physician agrees to maintain medical records according to Practice policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access, during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.
- 7.12. **Prior Agreements**. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or his/its lawful agent.
- 7.13. **Referrals**. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.
- 7.14. **Severability**. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.
- 7.15. **Waiver**. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.
- 7.16. **Gender and Number**. Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.


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

7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

PHYSICIAN

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

By   
Peter Godleski, M.D.

APPROVED AS TO FORM:

\_\_\_\_\_  
Douglas Buchanan  
NICLHD Legal Counsel

**EXHIBIT A**  
**SCOPE OF DUTIES OF THE PHYSICIAN**

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff with privileges commensurate with a private practice in orthopedic medicine. Physician will be available to provide direct orthopedic diagnosis and treatment to Practice and Hospital patients. The Physician will provide orthopedic services commensurate with the needs of Practice and Hospital patients, which it is agreed require the services of approximately 1.6 full time equivalent orthopedic physicians. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality orthopedic medical care services.
2. Be solely responsible to provide 100% of the clinical, surgical, and ER orthopedic coverage for the district and/or to provide other physician(s) to do the same.
3. Direct the need for on-going educational programs that serve the patient and the NIH Medical Staff.
4. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each orthopedic patient.
5. Work with all Practice personnel to meet the healthcare needs of all orthopedic patients.
6. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
7. Manage all medical and surgical orthopedic emergencies.
8. Participate in professional development activities and maintain professional affiliations.
9. Participate with Hospital to meet all federal and state regulations.
10. Accept emergency call as provided herein.
11. Actively participate in Medical Staff governance by serving on committees as required by Medical Staff Bylaws, Rules and Policies, and accepting the appointments to chairs, chiefs of service and other designation as requested by the Medical Staff.
12. Abide by any behavioral agreement currently in force by the Medical Staff.
13. Perform the surgical procedures in Exhibit B.
14. Perform "return to work" or other physical assessments on employees requested by the hospital and are within the scope of the physicians' practice.
15. Physician will coordinate the relationship(s) of other orthopedic related sub-specialties.

## **EXHIBIT B**

Physician agrees to, is privileged and is capable of performing the following procedures:

1. Joint repair, including but not limited to total hip and knee replacement
2. Sports medicine management
3. Arthroscopy
4. Fracture reduction and fixation

**THIS SHEET  
INTENTIONALLY  
LEFT BLANK**

**December Board COR'S**

COR		Requested
121	IB 176, 327, 301, 321, 193	\$0
206.2	MAU 1-1 Platform	\$7,824
227.1	IB 281 RFI 1088/1088.1/1079 MEP Anchorage	\$7,019
234	Deletion of Tile at Stair and CO24	(\$1,766)
240	IB 284 RFI 1109, 1110 wall mounted pipes and water heaters	\$2,583
241	IB 268 RFI 1041: Relocation of tankless heater	\$11,162
251.1	IB 286 RFI 1092: Boiler HWP-VFD relocation	\$9,006
256.1	IB 290 Temp Fire Alarm	\$0
257.1	IB 298 Fire Sprinkler at Hard Connection	\$4,000
259	IB 319 Add fiber abd copper runs from H1048 to existing data center	\$3,858
260	IB 318 Steam Boiler Flue Support	\$1,295
262	Deletion of Paint at Stucco and Flashing	(\$23,624)
264	IB 280 Revised Flatwork at Northwest Corner of Building	\$2,879
265	IB 317 Handrails at Walkways and Radiology	\$7,243
266	Painting of the Existing Central Plant and Hospital at Courtyard	\$3,443
267	IB 222 Anchorage of Radio Antenna (Credit - Double Buy)	(\$1,609)
268	IB 307 Added rack support for switchgear	\$2,486
269	IB 322 Additional WAP locations	\$7,473
271	IB 305 Added bracing to support the shaftwall system OSHPD	\$2,872
272	IB 299 Fire Smoke Dampers at Shafts	\$44,238
273	Credit for Server and PC's for Infant Security - now provided by NIH	(\$8,080)
274	IB 329 Gas Regulator	\$5,709
276	IB 310 Access Control changed to Wall Mount	\$3,849
277	IB 334 Additional Drops requested by NIH	\$11,987
	TOTALS	\$103,846

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 09, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 121**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO	Description	Amount
363	IB 176 (ZERO DOLLAR) Misc RFIs and Gridline Discrepancy 1.3-1.6	\$0.00
575	IB 327 (ZERO DOLLAR) Additional drawings for canopy roof sign	\$0.00
544	IB 301 (ZERO DOLLAR) RFIs 1173, 1173.1, 1182, 1191	\$0.00
569	IB 321 (ZERO DOLLAR) Revise Med Equipment Anchorage	\$0.00
327	IB 193 (ZERO DOLLAR) Add Metal-Lite to allowable tracks for HW-D-259 (RFI-678.1)	\$0.00

**Total Amount            \$0.00**

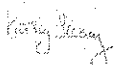
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Zero and 00/100 dollars (\$0.00)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

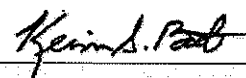


Kathy Sherry  
Project Manager

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

John Halfen  
CEO - Northern Inyo Hospital

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

 11/18/11

cc: File

*CPB*

**RBB NOTE:**

COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.



# Memo

**To:** Tom Stoddard, TCCM  
**From:** Morris Davoudpour, RBB ARCHITECTS INC  
**CC:** File  
**Date:** October 20, 2010  
**Re:** RBB# 0913700 OSHPD File #HS-060053-14      **RBB Bulletin No. 176**

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Description of work to be performed for RBB Bulletin 176

**Drawing A-2.1.1**

Per Response to RFI 690: Revised location of Gridline 1.6, adjusted dimensions accordingly  
Per Response to RFI 718 and 718.1: Moved Door H1014B 36" north to avoid conflict with duct above; moved fire extinguisher cabinet to the south side of the door  
Per Response to RFI 761: Added 6" stud to east wall of Dish Wash Room H1074.1

**Drawing A-2.1.3**

Per Response to RFI 690: Revised location of Gridline 1.6, adjusted dimensions accordingly

**Drawing A-2.2.1**

Per Response to RFI 703: Revised width of pilaster at Gridline 8.8 matching pilaster width at Gridline 9.3; revised to 3 equal modules at window W17

**Drawing A-3.1.1**

Per Response to RFI 718 and 718.1: Moved Door H1014B 36" north to avoid conflict with duct above; moved fire extinguisher cabinet to the south side of the door

**Drawing A-3.1.2**

Per Response to RFI 690: Revised location of Gridline 1.6, adjusted dimensions accordingly

**Drawing A-3.1.3**

Per Response to RFI 761: Added 6" stud to east wall of Dish Wash Room H1074.1

**Drawing A-3.3**

Per Response to RFI 703: Revised width of pilaster at Gridline 8.8 matching pilaster width at Gridline 9.3; revised to 3 equal modules at window W17

**Drawing A-4.1.1**

Per Response to RFI 718 and 718.1: Revised ceiling layout at north end of Corridor H1049  
Per Response to RFI 761: Revised ceiling layout at Dish Wash H1074.1  
Per Response to RFI 764: Revised soffit height to be at 8'-0" west end of Corridor H1011 (exterior side)

**Drawing A-4.1.2**

Per Response to RFI 742: Aligned soffit with pilaster at Gridline D.4

**Drawing A-6.1.2**

Per Response to RFI 703: Revised West Elevation 2 showing changes to pilaster width along Gridline 8.8 and window modules adjacent to pilaster

Per Response to RFI 763: North elevation – revised top of upper louver (along gridline D) to be at 10'-11 ¼" from top of the lower louver

**Drawing A-6.3.4**

Per Response to RFI 757: Revised detail reference to 11/A-9.4.1 at Wall Section 2

**Drawing A-6.3.5**

Per Response to RFI 760: Revised top of steel to be at +26'-1" which lowers bottom of soffit at 24'-6" (face of finish)

**Drawing A-7.1.4**

Per Response to RFI 703: Revised Exterior Window W17 width and divided into 3 equal modules

**Drawing A-9.1.2**

Per Response to RFI 755: Revised Stone Veneer @ Grade detail 6

**Drawing A-9.2.5**

Per Response to RFI 730: Moved soffit framing to clear diagonal brace

End of RBB Bulletin No. 176 Narrative

# Memo

**To:** Tom Stoddard  
**From:** Steve Jackson, RBB ARCHITECTS INC  
**CC:** File  
**Date:** September 27, 2010  
**Re:** RBB# 0913700 OSHPD File #HS-060053-14      **RBB Bulletin No. 193/ CO 124**

---

RBB Instruction Bulletin No. 193/ CO 124  
RFI 678.1 Add Metal-Lite to allowable tracks for HW-D-259 based on Engineering Judgements Hilti 130439b.

**Drawings:**

**Drawing G-0.5**

Revise HW-D-259 to add Metal-Lite as an alternate ceiling runner based no Engineering Judgment.

End of RBB Bulletin No. 193 Narrative.

**MEMO**

**Date:** September 6, 2011  
**To:** Kevin Boots - RBB  
**From:** Kerwin Tsui - TT  
**Subject:** Bulletin No. 301/C.O. No. 207  
**TT Project #:** 05B307.10

**Description of work for Bulletin No. 301/C.O. No. 207**

**S-9.3:**

Detail 1: Add shims and welds at AHU clips that do not fit with unit per Submittal 15725-5-2.

**S-9.6:**

Detail 12: Revise detail per as-built condition with additional anchors at base per RFI 1182 and add option to through bolt in lieu of expansion anchors to CMU wall per RFI 1191.

# Thornton Tomasetti

## MEMO



**Date:** October 10, 2011  
**To:** Kevin Boots - RBB  
**From:** Kerwin Tsui - TT  
**Subject:** Bulletin No. 321/CO ---  
**TT Project #:** 05B307.10

### Description of work for Bulletin No. 321/CO ---

#### S-9.10:

Revise Equipment Schedule to allow use of OPA's for Steris, Skytron and Omnicell Equipment at Owner's request.

# Memo

**To:** Loren DeArmond OSHPD/SAC  
**From:** Steve Jackson, RBB ARCHITECTS INC  
**CC:** Kathy Sherry, TCCO  
**Date:** October 18, 2011  
**Re:** RBB# 0913700 OSHPD File #HS-060053-14 **RBB Bulletin No. 327 NON-OSHPD**

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Description of work to be performed for RBB Bulletin 327:

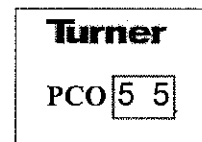
**Drawing GS-1.1**

Added Sign on Canopy Roof Plan

**Drawing GS-3.12**

Added notes for Sign Type #14

End of RBB Bulletin No. 317 Narrative



**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 14, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 206 R2**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
287	MAU 1-1 Platform. In the original bid drawings MAU 1-1 was not shown. When MAU-1-1 was added to the 8-17-09 permit drawings there was not a platform shown. The bid for the concrete and reinforcing was accepted (9-2-08) prior to the addition of the platform. The platform was installed per the approved submittal 15050-04-0 and using detail 10/S-7.11 per the SEOR	\$7,823.86

Please see TCCO response below on page 3

**Total Amount \$7,823.86**

Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Seven thousand eight hundred twenty three and 86/100 dollars (\$7,823.86)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

Date: \_\_\_\_\_ *Kevin S. Pab* 11/02/11

cc: File

**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

July 27, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
Change Order Request Number COR - 227R

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
493	IB 281 RFI 1088/1088.1/1079 MEP Anchorage	\$7,018.51
<b>Total Amount</b>		<b>\$7,018.51</b>

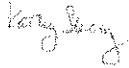
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Seven thousand eighteen and 51/100 dollars (\$7,018.51)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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

cc: File



 10/13/11

**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.



Northern Inyo Hospital Construction  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 14, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 234**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
495	IB 9042 Deletion of Ceramic Tile at Stair #1 and add aluminum oxide finish at both stairs per RFI 857.1. Deletion of miscellaneous tile per CO24.	(\$1,766.11)

**Total Amount (\$1,766.11)**

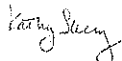
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which decreases our Contract by **One thousand seven hundred sixty six and 11/100 dollars ((\$1,766.11))**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

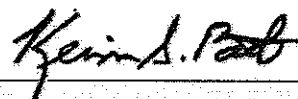
Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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

 11/02/11

cc: File

*CPB*

*CMS*

**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

August 16, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 240**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
505	IB 284 RFI 1109, 1110 wall mounted pipes and water heaters	\$2,582.91

**Total Amount \$2,582.91**

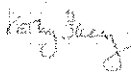
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Two thousand five hundred eighty two and 91/100 dollars (\$2,582.91)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

**RBB NOTE:**  
10/13/11 COR Deferred to NIH for FINAL approval as it contains RHP BIM related costs.

Approved By: \_\_\_\_\_  
J John Halfen  
CEO - Northern Inyo Hospital

Date: \_\_\_\_\_  
*Kevin A. Pab* 10/13/11

cc: File



**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

August 16, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 241**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work. Please note that this COR does not contain money for the flashing penetrations for the added water heaters. Once RFI 1153 is resolved and design complete we will price this separately.

<b>PCO No</b>	<b>Description</b>	<b>Amount</b>
474	IB 268 RFI 1041: Relocation of tankless heater	\$11,162.04

**Total Amount**           **\$11,162.04**

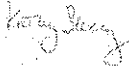
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Eleven thousand one hundred sixty two and 04/100 dollars (\$11,162.04)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

Date: \_\_\_\_\_  
 10/13/11

cc: File



**RBB NOTE:**  
This COR contains Electrical Cost. Because we cannot ask Rex Moore who's cost these are to evaluate them, we don't have the ability to review the scope or cost associated with this change. We only reviewed it from the basic position of entitlement and a quick comparison to the scope included in the IB. We defer to Turner Construction as the Construction Manager for Cost and Quantities.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

September 07, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 251 R1**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
530	IB 286 RFI 1092: Boiler HWP-VFD relocation	\$9,005.79

**Total Amount \$9,005.79**

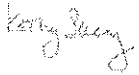
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Nine thousand five and 79/100 dollars (\$9,005.79)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



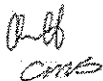
Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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

 11/02/11

cc: File



**RBB NOTE:**  
This COR contains Electrical Cost. Because we cannot ask Rex Moore who's cost these are to evaluate them, we don't have the ability to review the scope or cost associated with this change. We only reviewed it from the basic position of entitlement and a quick comparison to the scope included in the IB. We defer to Turner Construction as the Construction Manager for Cost and Quantities.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 09, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 256R**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
529	IB 290 (ZERO DOLLAR) Temporary Fire Alarm Panel at Central Plant	\$0.00

**Total Amount            \$0.00**

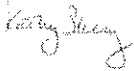
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Zero and 00/100 dollars (\$0.00)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

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

John Halfen  
CEO - Northern Inyo Hospital

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



11/09/11

cc: File



<p><b>RBB NOTE:</b> COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.</p>
---

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 09, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 257R**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
467	IB 298 Fire Sprinkler Hard Connection	\$3,999.56

**Total Amount            \$3,999.56**

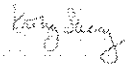
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Three thousand nine hundred ninety-nine and 56/100 dollars (\$3,999.56)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

*Kevin A. Paul* 11/09/11

cc: File



**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

Northern Inyo Hospital Construction  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 12, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 259**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. The cost below is the Electrical Engineering cost to update the drawings to reflect what was actually part of the electrical contract but was never updated on the CM drawings. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
557	IB 319 Add fiber and copper runs from H1048 to existing data center	\$3,857.69

**Total Amount \$3,857.69**

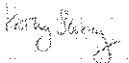
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Three thousand eight hundred fifty seven and 69/100 dollars (\$3,857.69)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

Date: \_\_\_\_\_ *Kevin S. Pab* 10/24/11

cc: File



**RBB NOTE:**

This COR contains Electrical Cost. Because we cannot ask Re: Moore who's cost these are to evaluate them, we don't have the ability to review the scope or cost associated with this change. We only reviewed it from the basic position of entitlement and a quick comparison to the scope included in the IB. We defer to Turner Construction as the Constructor Manager for Cost and Quantities.

**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 19, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 260**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
568	IB 318 Steam Boiler Flue Support	\$1,294.59

**Total Amount \$1,294.59**

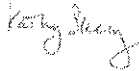
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **One thousand two hundred ninety four and 59/100 dollars (\$1,294.59)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

**RBB NOTE:**

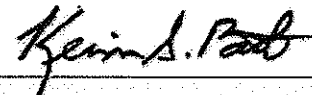
11/02/11 COR Deferred to NIH for FINAL approval as it contains RHP BIM related costs.

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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

cc: File



 11/02/11

**RBB NOTE:**

COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.



**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 27, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 262**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
422	IB 236: Delete paint at exterior flashing and plaster with integral color.	(\$23,623.88)

**Total Amount (\$23,623.88)**

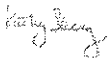
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which decreases our Contract by **Twenty three thousand six hundred twenty four and 12/100 dollars ((\$23,623.88))**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

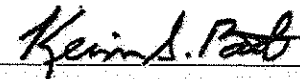
Sincerely,




Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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

 11/02/11

cc: File  


**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

Northern Inyo Hospital Construction  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 27, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 264**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
489	IB 280 RFI 1090: Revised flatwork at northwest corner of building	\$2,879.19

**Total Amount            \$2,879.19**

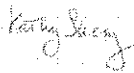
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Two thousand eight hundred seventy nine and 19/100 dollars (\$2,879.19)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.


If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

Date: \_\_\_\_\_  
 11/03/11

cc: File



**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 31, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
Change Order Request Number COR - 265

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
570	IB 317 Handrails at Walkways and Radiology	\$7,242.80

**Total Amount**            **\$7,242.80**

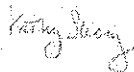
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Seven thousand two hundred forty two and 80/100 dollars (\$7,242.80)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

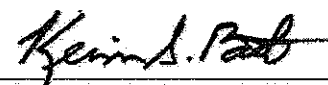
Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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



11/03/11

cc: File



<p><b>RBB NOTE:</b> COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.</p>
---

**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

October 31, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
Change Order Request Number COR - 266

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
573	Paint Existing Central Plant and Hospital at Courtyard	\$3,442.50

**Total Amount \$3,442.50**

Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Three thousand four hundred forty two and 50/100 dollars (\$3,442.50)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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

 11/02/11

cc: File

*CPB*

**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
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phone: 760-582-9020  
fax: 760-873-7246

October 31, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 267**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

<b>PCO No</b>	<b>Description</b>	<b>Amount</b>
376A	IB 222 Anchorage of Radio Antenna (Credit - Double Buy)	(\$1,608.58)

**Total Amount (\$1,608.58)**

Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **One thousand six hundred eight and 58/100 dollars ((\$1,608.58))**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

Date: \_\_\_\_\_  
 11/02/11

cc: File



**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

**Turner Construction**  
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150 Pioneer Lane  
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fax: 760-873-7246

November 01, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 268**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
566	IB 307 Added rack support for switchgear	\$2,485.89

**Total Amount            \$2,485.89**

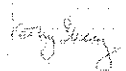
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Two thousand four hundred eighty five and 89/100 dollars (\$2,485.89)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

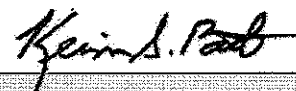


Kathy Sherry  
Project Manager

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

John Halfen  
CEO - Northern Inyo Hospital

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

 11/03/11

cc: File



**RBB NOTE:**

This COR contains Electrical Cost. Because we cannot ask Rex Moore who's cost these are to evaluate them, we don't have the ability to review the scope or cost associated with this change. We only reviewed it from the basic position of entitlement and a quick comparison to the scope included in the IB. We defer to Turner Construction as the Construction Manager for Cost and Quantities.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 02, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 269**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. The cost consists of relocating and adding new WAP location as shown on the drawings. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
576	IB 322 Additional WAP locations	\$7,473.35

**Total Amount \$7,473.35**

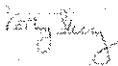
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Seven thousand four hundred seventy three and 35/100 dollars (\$7,473.35)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

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

John Halfen  
CEO - Northern Inyo Hospital

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

 11/03/11

cc: File



**RBB NOTE:**  
This COR contains Electrical Cost. Because we cannot ask Rex Moore who's cast these are to evaluate them, we don't have the ability to review the scope or cost associated with this change. We only reviewed it from the basic position of entitlement and a quick comparison to the scope included in the IB. We defer to Turner Construction as the Construction Manager for Cost and Quantities.

**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 14, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 271**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
548	IB 305 Add bracing to support the shaftwall system where SmokeGuard door attaches.	\$2,871.89

**Total Amount \$2,871.89**

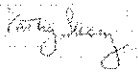
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Two thousand eight hundred seventy one and 89/100 dollars (\$2,871.89)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



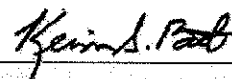
Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

John Halfen  
CEO - Northern Inyo Hospital

cc: File



 11/18/11

**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.



**Turner Construction**  
Northern Inyo Hospital Construction  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 17, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 272**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
535	IB 299 - Fire Smoke Dampers at shafts	\$44,238.20

**Total Amount \$44,238.20**

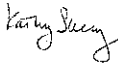
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Forty four thousand two hundred thirty eight and 20/100 dollars (\$44,238.20)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

John Halfen  
CEO - Northern Inyo Hospital

cc: File



# Turner Healthcare

Turner Construction  
Northern Inyo Hospital Construction  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 17, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
Change Order Request Number COR - 273

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
600	Credit for a Server and PCs for the Infant Security System	(\$8,080.48)

**Total Amount (\$8,080.48)**

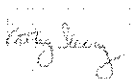
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which decreases our Contract by **Eight thousand eighty and 48/100 dollars ((\$8,080.48))**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

Date: \_\_\_\_\_  
 07/26/11

cc: File



**RBB NOTE:**

This COR contains Electrical Cost. Because we cannot ask Rex Moore who's cost these are to evaluate them, we don't have the ability to review the scope or cost associated with this change. We only reviewed it from the basic position of entitlement and a quick comparison to the scope included in the IB. We defer to Turner Construction as the Construction Manager for Cost and Quantities.

**Turner Construction**  
Northern Inyo Hospital Construction  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 29, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
Change Order Request Number COR - 274

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
594	IB 329 Gas Regulator	\$5,709.33

**Total Amount \$5,709.33**

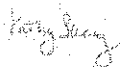
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Five thousand seven hundred nine and 33/100 dollars (\$5,709.33)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

cc: File



*Kevin S. Pab* 12/05/11

**RBB NOTE:**  
COR approved contingent on no project time impact inclusive of any extended General Requirements or General Conditions. No additional claims related to this bulletin will be considered at a later date. All costs associated with this bulletin were believed to be included.

**Turner Construction**  
Northern Inyo Hospital Construction  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

November 30, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
**Change Order Request Number COR - 276**

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
602	IB 310 Access Control to Wall Mount	\$3,849.34

**Total Amount            \$3,849.34**

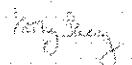
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Three thousand eight hundred forty nine and 34/100 dollars (\$3,849.34)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_  
John Halfen  
CEO - Northern Inyo Hospital

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

cc: File



*Kevin A. Pugh* 12/05/11

**RBB NOTE:**  
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**Turner Construction**  
**Northern Inyo Hospital Construction**  
150 Pioneer Lane  
Bishop, CA 93514  
P.O. Box 1532  
Bishop, CA 93515  
phone: 760-582-9020  
fax: 760-873-7246

December 01, 2011

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

RE: Northern Inyo Hospital Construction  
Project # 1495401  
Change Order Request Number COR - 277 RBB IB 334

Dear Mr. Halfen,

We have finalized the required quotations for the additional work outlined below. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
610	Additional Drops as Requested by NIH IT	\$11,987.19

**Total Amount \$11,987.19**

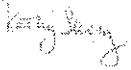
Funding Source: Owner Contingency

This change will also result in a possible schedule impact of 0 days to the project.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Eleven thousand nine hundred eighty seven and 19/100 dollars (\$11,987.19)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry  
Project Manager

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

John Halfen  
CEO - Northern Inyo Hospital

 12/05/11

cc: File



**RBB NOTE:**  
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**Change Request**

**To:** Charlie Her  
Turner Construction Company  
1211 H Street  
Sacramento, CA 95814  
Ph: (916) 444-4421 Fax: (916) 444-9412

**Number:** 270B  
**Date:** 11/4/2011  
**Job Number:** 3180208  
**Phone:**

**Description: IT BACKBONE**

Scope of Work: IT BACKBONE

The total amount to provide this work is..... \$29,884

- Notes: 1) This work has been performed as directed.  
2) A time extension of 0.0 day(s) is required for the performance of this work.  
3) See our attached "Additional Work Authorization"  
4) Please process this Change Order Request as soon as possible to prevent any delays in job progress

If you have any questions in regard to this proposal, or if we may be of any further service to your firm, please do not hesitate to contact our office.

Very Truly yours,  
Rex Moore Electrical Contractors & Engineers

Tristan Hankla  
Project Manager  
(559) 294-1300 x3003

Approved By: \_\_\_\_\_  
Date: \_\_\_\_\_

cc: C/O file, Site, JWA



October 20, 2011

RE: Northern Inyo Hospital  
**Added backbone Proposal**

Base Bid

<b>Copper portion</b>	<b>\$8,021.00</b>
<b>Fiber portion</b>	<b>\$21,863.00</b>
<b>TOTAL</b>	<b>\$29,884.00</b>

Please review our attached scope of work completely and notify us if you require any additions, deletions or modifications. This scope of work has been generated from the CM drawing CM.05.1 and the scope of work clarifications provided by PlanNet. If we do not receive a response from you we will assume that our proposal meets or exceeds your expectations and that it is understood completely.

If selected to perform this work, we will need a Notice to Proceed and an authorization to place orders not later than thirty (30) days from today.

**Inclusions:**

1. Installed with Tax included.
2. Standard Rex Moore wage rates are used.
3. Payment to Rex Moore Electrical Contractors & Engineers is the express obligation of the contractor and not dependant upon "the condition precedent" of contractor receiving funds from other sources.
4. This bid proposal is based upon the incorporation of this qualification letter in its entirety into the Subcontract Agreement.

**Exclusions:**

1. Access panels in ceiling, if applicable.
2. Painting, other than standard factory finishes (including touchup).
3. Warranty for equipment or materials furnished by others.
4. Cost for premium time, overtime or shift work is not included unless our own forces create the cause of delay.
5. Estimate is based upon construction proceeding on a normal schedule (five days per week – eight hours per day), not an accelerated schedule.
6. Premium for performance or payment bond.
7. Dumpsters for debris (It is assumed all dumpsters will be provided by the General Contractor or owner for subcontractor use)

Should you have any questions or need additional assistance, please call (916) 231-4223.

Very truly yours,

Dennis Moebus - RCDD  
Systems Designer/Estimator





### **Scope of Work**

- Furnish, install, terminate and test (1) 50 pr. outdoor cable from the new MDF the Future B Building Communications room. This cable will be terminated on fuse protection modules at both ends and then splice to a new 25 pair plenum cable to the MPOE. Both ends of the cables will then be terminated on 110 type rack mount frames at the MDF/MPOE.
- Furnish, install, terminate and test (1) 24 strand 50/125 multimode outdoor fiber cable from the new MDF to Rural Health Clinic IDF closet. This cable will be terminated in a rack mount LIU enclosure with LC connectors at the IDF/MDF.
- Label cables, panels and racks per EIA/TIA standards.

State of Nevada Contractors License #585309

WWW.REXMOORE.COM

State of California Contractors License #806778 & Professional Electrical Engineer #E15384

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# **Bylaws of the Northern Inyo Hospital Auxiliary**

## **ARTICLE I NAME**

The name of this organization shall be the NORTHERN INYO HOSPITAL AUXILIARY. This organization is formed in the County of Inyo, State of California.

## **ARTICLE II PURPOSE**

This organization is formed exclusively for charitable, religious, educational, and/or scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

## **ARTICLE III EARNINGS RESTRICTED**

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.

## **ARTICLE IV ACTIVITIES RESTRICTED**

No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by a organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

## **ARTICLE V DISSOLUTION**

more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE VI OFFICERS**

**Section 1.** The elected officers of the Auxiliary shall be a President, a Vice-President, a Recording Secretary, a Corresponding Secretary and a Treasurer.

**Section 2.** Officers of the Auxiliary shall be elected for terms of one year. No officer shall be eligible for more than three consecutive terms in the same office.

## **ARTICLE VII TYPES OF MEMBERSHIP**

**Section 1.** Membership in the Auxiliary shall be open to persons who are interested in Northern Inyo Hospital. All Auxiliary memberships shall be renewed annually. Prior to Active Membership, a Counselor will educate and inform the prospective member as to the function, purpose, and history of the Auxiliary.

**Section 2.** There shall be the following types of memberships:

- a. **ACTIVE** - shall pay annual dues and participate in service programs of the Auxiliary to the extent of 50 hours minimum per year. Any Active Member in good standing shall have the right to vote, participate in meetings, and to hold office in the Auxiliary.
- b. **ASSOCIATE** - shall be interested in the purpose of the Auxiliary, pay annual dues, but have no active membership responsibilities. Any Associate Member in good standing shall have the right to vote, may participate in meetings and chair Standing Committees of the Auxiliary.

- c. LIFE - A Life Membership may be purchased at a one time price of \$100.00. Any Life Member in good standing shall have the right to vote, participate in meetings and to hold office in the Auxiliary.
- d. HONORARY LIFE -The highest honor awarded by the Auxiliary is an Honorary Life Membership. It is awarded rarely and only to those individuals who have served over and above the normal membership requirements. These members have served in leadership roles as officers and committee chairmen. In addition, they have given countless hours participating in ALL functions of the Auxiliary. These individuals are chosen in recognition of outstanding service to the Auxiliary or the Hospital, and shall pay no dues. Any Honorary Life Member in good standing shall have the right to vote, participate in meetings, and to hold office in the Auxiliary. Those who receive this honor truly earn it, and the dedication to the Auxiliary inspires us all.

## **ARTICLE VIII**

### **DUTIES OF OFFICERS**

**Section 1.** The President shall be the chief executive officer of the Auxiliary and the Executive Board, and shall have the supervision of general management of the Auxiliary. The President shall appoint the Parliamentarian, chairmen of the standing committees, special committees as occasion may demand, and chairmen caused by vacancies. The President shall be a member ex officio of all standing committees of the Auxiliary, except the Nomination Committee. The President shall work closely with the Hospital Administrator and perform all duties pertaining to the office.

**Section 2.** The Vice - President shall be in charge of membership, and shall be Chairman of the Membership Committee. In the absence, disability or resignation of the President, the Vice-President shall have the executive powers and perform duties of the President.

**Section 3.** The Recording Secretary shall be responsible for keeping an accurate record of meetings of the Northern Inyo Hospital Auxiliary and of the Executive Board, in books belonging to the Auxiliary. These minutes shall be open to the inspection of any member at any reasonable time.

**Section 4.** The Corresponding Secretary shall be responsible for the Auxiliary's general correspondence.

**Section 5.** The Treasurer shall be responsible for keeping an accurate record of all financial affairs of the Auxiliary, and shall present a financial report at each General Meeting. All expenses, other than routine operating, must be approved by the members at a General Meeting, except for emergencies. The Treasurer's book shall be audited at the end of each fiscal year by three members appointed by the President.

**Section 6.** The Parliamentarian shall be the Chairman of the Bylaws Committee, keep a current list of the Standing Rules, and shall advise the Auxiliary Board on the validity of any question of Parliamentary Law.

## **ARTICLE IX THE EXECUTIVE BOARD**

**Section 1.** The Executive Board shall consist on the officers of the Auxiliary, the immediate past President and the chairmen of the standing committees. The Administrator of the Hospital shall be an ex officio member of the Executive Board.

**Section 2.** All actions of the Executive Board are subject to the approval of the Northern Inyo Hospital Board of Directors or its representative, the Hospital Administrator. With this limitation, management and control of property and funds, the affairs of the Auxiliary shall be administered by the Executive Board. The Executive Board shall adopt its own rules of procedure not inconsistent with the Bylaws of the Auxiliary.

**Section 3.** Regular meetings of the Executive Board shall be held once a month, except as determined by the Board, at such time and place as the Board and/or the President may determine. Meetings are ordinarily scheduled the second Wednesday of each month. Special meetings of the Board may be held at any time and place determined by the President, and in addition, shall be called when requested in writing by not fewer than five members of the board.

**Section 4.** Five members shall constitute a quorum at any meeting of the Board. In the absence of a quorum, the meeting shall be adjourned.

## **ARTICLE X GENERAL MEETINGS**

**Section 1.** There shall be regular meetings of the Auxiliary membership, the number to be determined by the Executive Board.

**Section 2.** The time and place of the General Meetings may be determined by the President and/or the Executive Board. Meetings are ordinarily scheduled the third Wednesday of each month. Meetings are to be held at Northern Inyo Hospital, unless otherwise designated.

**Section 3.** The Annual Meetings shall be held in May of each year for the Installation of Officers and Presentations of Awards.

**Section 4.** Ten voting members present shall constitute a quorum of any General Meeting of the Auxiliary.

## **ARTICLE XI** **COMMITTEES**

**Section 1.** Standing Committees – There shall be Standing Committees necessary to conduct the business and program of the Auxiliary. The personnel of such committees shall consist of members designated by the Chairman of the Committee with the approval of the President. The duties of each committee will be outlined in detail in the Chairman's Procedure Book. These Chairman become members of the Executive Board of the northern Inyo Hospital Auxiliary.

**Section 2.** Nominating Committee – shall be put into being, and act as prescribed in Article IX.

**Section 3.** Special Committees – may be created when necessary by the President, with the approval of the Executive Board.

## **ARTICLE XII** **ELECTION PROCEDURES**

**Section 1.** The Nominating Committee – shall consist of three members appointed by the Board.

- a. Suggested nominations for officers of the Auxiliary shall be received by the Nominating Committee from the membership. From these suggestions, and as a result of its own deliberations, the Nominating Committee shall submit to the April General Meeting a slate of candidates for officers during the ensuing year. Nominations may also be accepted from the floor.
- b. Members of the Nominating Committee may be candidates for office.

**Section 2.** The Election of officers shall be held at the April Meeting. The new officers shall be installed at the May Meeting, and take office on June 1.

### **ARTICLE XIII FUNDS**

**Section 1.** All fund-raising activities, other than regular membership dues, shall be subject to the approval of the Hospital Administration, and the funds shall be expended only for those purposes approved by the Auxiliary.

**Section 2.** All dues or contributions paid or made to the Auxiliary become the property of the Auxiliary, and the members or contributors shall have no further claim or rights thereto.

**Section 3.** All documents made, accepted or executed by the Auxiliary shall be signed by the President and/or representative.

**Section 4.** All checks drawn against the General Funds of the Auxiliary shall be signed by two authorized signatures on file at the banking institution.

### **ARTICLE XIV FISCAL YEAR**

The fiscal year of the Auxiliary shall commence on June 1, and shall end on May 31.


### **ARTICLE XV AMENDMENTS**

The Bylaws of the Auxiliary may be altered, repealed, or amended by the affirmative vote of two-thirds of the members present and voting, at any regular or special meeting of the Auxiliary, provided that notice of the proposed alteration, repeal or amendment be contained in a written notice of the meeting two weeks in advance.

### **XVI APPROVAL AND ADOPTION**

These Bylaws, after approval of the Northern Inyo Hospital Board of Directors, shall be effective immediately.



Approved:  4-27-11, 2011  
John Halfer, Administrator, Northern Inyo Hospital

ADOPTED BY THE NORTHERN INYO HOSPITAL AUXILIARY:

Judy Fratella, President

Judy Fratella 4/27/11 Date

Rose Billa, Vice President

Rose Billa 4/27/11 Date

Harriet Davis, Recording Secretary

Harriet Davis 4-27-11 Date

Betty Jean Dickey, Corresponding Secretary

Betty Jean Dickey 4-27-11 Date

Sharon Moore, Treasurer

Sharon Moore 4-27-11 Date

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

PATHOLOGIST  
Kenneth L. Saeger, M.D.  
4800 Indianola Way  
La Canada, California 91011

Notice shall be effective on the third day after mailing.

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

4.13. **Gender and Number.** In the construction of this Agreement the gender shall include the feminine and neuter, and the singular the plural, and *vice versa*, as the context may indicate.

4.14. **Mutual Preparation.** Preparation of this Agreement shall be deemed to have been by both parties.

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

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By

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

\_\_\_\_\_  
Kenneth L. Saeger, M.D.  
4800 Indianola Way  
La Canada, CA 91011

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## PAID TIME OFF (PTO)

PTO combines all vacation time, holiday time and sick leave benefits. Full-time and regular part-time employees earn and accrue a maximum number of hours per pay period to be used for days off with pay including vacations, holidays, and all sick days.

All benefited employees earn PTO according to the following schedule:

Lifetime Benefit Hours (LBH)	Maximum Pay Period Accrual Amount	Number of Pay Periods Per Year	Total PTO Hours Per Year
0.00 to 8,319.99	7.7	26	200.00
8,320.00 to 18,719.99	9.21	26	240.00
18,720.00 or more	10.77	26	280.00

The above hours of PTO are earned only when the full-time employee is paid at least eighty (80) hours during the pay period. Hours above or below 80 will be prorated with a maximum of 1.2. Whenever paid hours (consisting of any combination of time worked, PTO, paid absence, or hours paid by State Disability Insurance, Workers Compensation or Long Term Disability Insurance) are less than fifty-six (56) hours during the pay period, the employee will earn no PTO for that pay period.

Whenever a benefited employee is off work for one consecutive year due to illness or injury, starting with the beginning of the second year of disability that employee must be paid at least fifty-six (56) hours per pay period directly by the hospital in order to earn additional Paid Time Off.

On two designated pay periods in December of each year, benefited employees may elect to receive pay for all or any portion of accrued (earned but not used) PTO to their credit.



# Summary of Comments on Microsoft Word - PAID TIME OFF.doc

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Page: 1

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Number: 1 Author: carriepetersen Subject: Sticky Note Date: 12/12/2011 12:46:47 PM

change to read: On two designated pay periods in December of each year, benefited employees may elect to receive pay for a portion of accrued (earned but not use) PTO to their credit. Employees must leave a minimum of 40 hours in their PTO balance after cash-out.

Memorandum

To: Full-time and Regular Part-time Employees  
From: John Halfen, Administrator  
Date: ~~December 12, 2011~~ December  
Subject: "Cashing in" of accrued leave time

On two designated pay periods each year, non-introductory full-time and non-introductory regular part-time employees may elect to receive pay for ~~all or any~~ portion of accrued (earned but not used) paid leave or paid time-off to their credit. Employees must leave a minimum of 40 yours in their PTO balance. Please note that if you were hired prior to January 2004, and you have available Paid Leave the requested hours will be paid from that balance first.

Please use the form below to indicate the number of paid leave or paid time-off hours you wish to cash in for the pay periods ending November ~~19, 2011~~ 17, 2012, and/or December ~~3, 2011~~ 1, 2012.

In order to have this pay included in your paychecks to be distributed on Friday, November ~~25, 2011~~ 23, 2012, and/or Friday, December ~~9, 2011~~ 7, 2012, the form must be turned in to **Accounting** no later than Friday, **November ~~18, 2011~~ 16, 2012**.

**YOU DO NOT NEED TO TURN IN A PAYROLL EDIT ONLY THE FORM BELOW.**

**Remember** - ~~You may request as many hours as you would like but we strongly recommend that you leave a balance of 40 hours so that if you are sick or injured you have the leave to use before SDI begins.~~ You will be taxed as one large check. Any amount over 80 hours per pay period may cause you to move to a higher tax bracket and have more withheld than you expected.

Please call Reuben Morgenstein or Cheryl Perea if you have any questions.

=====

I elect to cash in the following number of leave hours for the designated pay periods:

<u>Pay Period Ending</u>	<u>Number of Leave Hours</u>
November <del>19, 2011</del> <u>17, 2012</u>	_____
December <del>9, 2011</del> <u>7, 2012</u>	_____

I understand that:

1. My leave account will be reduced by these hours in the pay periods that I have indicated.
2. I will be taxed based upon the latest W-4 in my file according to the IRS annual tax schedules.

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

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People you know,  
caring for people you love

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

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

**Board of Directors**

- ◆ Peter J. Watcrott  
President
- ◆ John A. Ungersma,  
M.D.  
Vice President
- ◆ M.C. Hubbard  
Secretary
- ◆ Denise Hayden  
Treasurer
- ◆ D. Scott Clark,  
M.D.  
Director

12-1-2011

Dr. Vasuki Sittampalam Daram  
686 West Line Street  
Bishop, CA 93514

**HAND DELIVERED**

Dear Vasuki:

We discussed with you and your financial advisor last August the milestones required for Northern Inyo's continued involvement and support of the Family Health Center. The first such milestone was that FHC had to cash flow positively by the end of the year. It is clear that milestone continues to be difficult to achieve and will not happen by 12-31-2011.

**Mission**

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

Consequently I must tender notice that Northern Inyo Hospital is terminating its Income Guarantee and Practice Management Agreement, and its Cash and Cash Accounts and Accounts Receivable agreement, dated 3-16-11 effective 1-1-2012. It is our desire to meet with you and your advisors a few days prior to that to achieve a reasonable hand off of the accounts that we manage.

You have my best wishes for success in the future.

Sincerely,

John Halfen, Administrator  
Northern Inyo Hospital  
(760) 873-2828

**Web Site**  
[www.nih.org](http://www.nih.org)



People you know,  
caring for people you love

# NORTHERN INYO HOSPITAL

Northern Inyo County Local Hospital District

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

## Board of Directors

- ◆ Peter J. Watercott  
President
- ◆ John A. Ungersma,  
M.D.  
Vice President
- ◆ M.C. Hubbard  
Secretary
- ◆ Denise Hayden  
Treasurer
- ◆ D. Scott Clark,  
M.D.  
Director

## Mission

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

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

November 30, 2011

Gary Boyd  
Mammoth Hospital  
P.O. Box 660  
Mammoth Lakes, CA 93546

Dear Gary,

You may recall that the lease on 152 A in the Pioneer Medical building was with Dr. Jack Perry, since only active Medical Staff members could hold leases in that building. When Dr. Perry left, so went the formal arrangement. Since then Drs. Will and Robinson have been working out of that office rent free, with our thanks. I hope we all knew that that arrangement could not continue indefinitely.

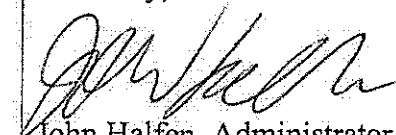
Northern Inyo Hospital expects to have a full time fellowship trained orthopedic surgeon working out of that space in early to mid January so a different arrangement will have to be made. While Drs. Will and Robinson will continue to be welcome, we expect to fully manage that office. We expect to change the name of the clinic/practice as well as the staff at the office.

We are willing to pursue a cooperative arrangement that will allow the Drs. to continue to utilize that space but we do not anticipate Mammoth having office staff on site, although arrangements could be made to that effect.

Please have your practice manager contact Lisa Harmon at (760) 872-1606 at your convenience to arrange for a practical transition.

I trust all goes well for you and yours.

Sincerely,

  
John Halfen, Administrator  
Northern Inyo Hospital

Cc: M. Robinson; A. Will; L. Harmon; R. Cromer-Tyler

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## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made this [REDACTED] Day of [REDACTED], 2011, at the City of Bishop, County of Inyo, State of California, by and between, Nickoline Hathaway, MD ("SELLER") and Northern Inyo County Local Hospital District ("BUYER").

### Recitals

- A. BUYER is a Local Health Care District duly organized and existing under the laws of the State of California and more specifically under the Local Health Care District Law, Health and Safety Code §§32000, et seq. BUYER owns and operates Northern Inyo Hospital to provide acute care, full service medical services to the community in which it serves.
- B. SELLER is the owner of a [REDACTED]% general partnership interest in a general partnership named Pioneer Medical Associates (the "Partnership").
- C. The primary asset of the Partnership is a parcel of real property, including improvements located thereon, commonly known as the Pioneer Medical Building, located at 152 Pioneer Lane, Bishop, California 93514. This real property is legally described as Parcel 1 of Parcel Map 209 recorded in Book 3, Pages 25-26 of Parcel Maps in the office of the Inyo County Recorder; APN 11-240-14A (the "Real Property").
- D. SELLER occupies a medical suite on the Real Property identified as Suite C in the Pioneer Medical Building (the "Leasehold"). With respect to the Leasehold, SELLER is tenant, and the Partnership is landlord.
- E. SELLER desires to sell to BUYER, and BUYER desires to purchase and acquire from SELLER: (1) all of Seller's right, title, and interest in and to the Partnership, specifically including all of SELLER's direct and indirect (through SELLER's Partnership interest) right, title, and interest in and to the Real Property; and (2) the Leasehold. All of the foregoing is hereinafter collectively referred to as the "Property."

### AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, CONDITIONS, AND PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Purchase and Sale. BUYER agrees to purchase and SELLER agrees to sell the Property.

December 1, 2011

DRAFT

## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made this [REDACTED] Day of [REDACTED], 2011, at the City of Bishop, County of Inyo, State of California, by and between, Asao Kamei, MD ("SELLER") and Northern Inyo County Local Hospital District ("BUYER").

### Recitals

- A. BUYER is a Local Health Care District duly organized and existing under the laws of the State of California and more specifically under the Local Health Care District Law, Health and Safety Code §§32000, et seq. BUYER owns and operates Northern Inyo Hospital to provide acute care, full service medical services to the community in which it serves.
- B. SELLER is the owner of a [REDACTED] % general partnership interest in a general partnership named Pioneer Medical Associates (the "Partnership").
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- D. SELLER occupies a medical suite on the Real Property identified as Suite C in the Pioneer Medical Building (the "Leasehold"). With respect to the Leasehold, SELLER is tenant, and the Partnership is landlord.
- E. SELLER desires to sell to BUYER, and BUYER desires to purchase and acquire from SELLER: (1) all of Seller's right, title, and interest in and to the Partnership, specifically including all of SELLER's direct and indirect (through SELLER's Partnership interest) right, title, and interest in and to the Real Property; and (2) the Leasehold. All of the foregoing is hereinafter collectively referred to as the "Property."

### AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, CONDITIONS, AND PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Purchase and Sale. BUYER agrees to purchase and SELLER agrees to sell the Property.

2. Purchase Price and Terms. The total purchase price to be paid is [REDACTED] Dollars (\$ [REDACTED].00). The purchase price shall be paid as follows:

2.1. BUYER shall deposit into escrow upon opening the sum of Twenty Thousand Dollars (\$20,000.00), which shall be applied to the purchase price upon the Close of Escrow.

2.2. BUYER shall deposit into escrow by closing the balance of the purchase price in the sum of [REDACTED] Dollars (\$ [REDACTED].00), in cash, together with sufficient funds to cover BUYER'S share of closing costs.

2.3. The purchase price shall be allocated and reported by the parties as follows:

<u>Item</u>	<u>Amount</u>
Partnership interest	\$ [REDACTED] 0
Leasehold	\$ 000,000
Total	\$ 000,000

Each of the parties hereto acknowledges and agrees that the foregoing allocation of the purchase price consideration will be used for income tax and/or property tax reporting purposes by both BUYER and SELLER. The parties hereby declare that the allocations stated hereinabove were determined in good faith, through arms length negotiation. Each party agrees to report the transaction for income tax and/or property tax purposes in accordance with the allocations stated hereinabove and not to take a position inconsistent with those allocations, except (1) with the written consent of the other party hereto; or (2) if the Internal Revenue Service, Franchise Tax Board, County tax assessor, or other taxing authority has taken a position with respect to the other party hereto contrary to the allocations recited hereinabove, in which case a party may take a protective position by adopting the taxing agency's contention until the controversy between the taxing agency and the other party is resolved.

2.4 Immediately following the Close of Escrow The Buyer agrees to Lease the property to Seller and the Seller agrees to Lease from Buyer for a term on not less than 5 years at lease rate of not less than \$1.25/sq foot, the subject property. Said Lease will be subject to addition terms and conditions to be agreed upon prior to the close of escrow.

3. Escrow. Immediately upon execution of this agreement, the parties shall cause an escrow to be opened with Inyo-Mono Title Company, Bishop branch. The parties shall jointly retain Inyo-Mono Title Company to act as escrowholder herein. The parties shall instruct escrowholder to insert the following material terms in said escrowholder's standard form Real Property Escrow Instructions:

3.1 Title. As of the date of this Agreement, it appears that title to the Real Property is vested in the Partnership. With respect to the interest of SELLER in and to the Real Property either directly or indirectly by virtue of SELLER's interest in the Partnership, title to SELLER's interest in the Real Property is to be delivered to BUYER free of liens, encumbrances, easements, restrictions, rights and conditions of record or known to SELLER. SELLER shall furnish to BUYER at SELLER's expense, if available from escrowholder, a standard California Land Title Association (CLTA) policy issued by Inyo-Mono Title Company, insuring the [REDACTED] % interest in the Real Property of BUYER (either directly or indirectly through the [REDACTED] % interest in the Partnership), subject only to the above. Except as otherwise provided for herein, BUYER shall have until [REDACTED], 20[REDACTED] at 4:30pm to disapprove any title exceptions disclosed in the current preliminary title report furnished as of this date at the expense of SELLER, by giving written notice of such disapproval to SELLER. If SELLER is unwilling or unable to eliminate any title matter disapproved by BUYER as set forth above, BUYER may elect to terminate this Agreement. BUYER may elect to obtain an American Land Title Association (ALTA) policy, provided that the closing date is not delayed as a result. In such event, BUYER shall pay the premium amount in excess of the premium (including all costs associated therewith such as engineering fees, survey fees) for the CLTA policy referenced above.

3.2 Prorations. Property taxes, assessments of record, and any other related items or expenses shall be prorated as of the close of escrow. Any bond or assessment which is a lien, against the Property shall be paid current by SELLER and the outstanding principal balance shall be assumed by BUYER. As to the Real Property, SELLER's obligation to pay current shall be limited to [REDACTED] % of such obligation. Transfer taxes, if any, shall be paid by SELLER.

3.3 Possession. Possession and occupancy of the Leasehold shall be delivered to BUYER upon close of escrow.

3.4 Vesting. BUYER shall provide escrowholder with vesting prior to closing.

3.5 All escrow fees and costs, other than those expressly set forth herein, shall be borne equally by the parties.

3.6 Escrow shall be deemed opened by the parties after the parties have signed and delivered escrow instructions to escrowholder.

3.7 Escrow shall close on a mutually agreed upon date, (the "Closing Date").

3.8 Except as otherwise expressly set forth herein, as to the Real Property, Seller shall pay [REDACTED] % of any amount due under any liens, encumbrances, or other liabilities pertaining to the Real Property, except as otherwise expressly set forth herein.

3.9 BUYER shall have the absolute right to cancel this Agreement at any time during the escrow period based upon: (1) any dissatisfaction or objection to the physical

condition of the Property, (2) any failure of a condition, or (3) any other basis expressly provided for in this Agreement; it being the express intent of the parties that BUYER's decision to accept the condition of the Property or raise an objection shall be within the sole and absolute discretion of BUYER. In the event BUYER elects to cancel this transaction as provided for herein, all deposits of BUYER shall immediately be returned to BUYER and that any instructions to the escrowholder that requires the return of any deposit to BUYER shall cause the refund to be made immediately without any requirement for SELLER's concurrence or acceptance. Escrowholder shall be instructed to return the deposit to BUYER based on an instruction signed by BUYER only. Escrowholder shall hold such instruction from BUYER for a period of ten (10) days from the date of such instruction in order to provide SELLER with the 10-day period to express any objection thereto and claim of default on the part of the BUYER. In the event SELLER timely gives such notice of objection and default, escrowholder to interplead such funds pursuant to the standard form preprinted provisions of escrowholder's escrow instructions, or any order of a court of competent jurisdiction.

4. Partnership and Leasehold. Upon the close of escrow, SELLER shall have: (1) executed all documents necessary to transfer and assign to BUYER a [REDACTED] % general partnership interest in Pioneer Medical Associates, and (2) transferred, conveyed, and assigned to BUYER the Leasehold with the consent and approval of the landlord.

4.1. The Partnership Interest. As a condition precedent to the obligations of BUYER hereunder, the parties shall have obtained the approval and consent of the remaining general partners of the Partnership to admit BUYER as a general partner, and BUYER shall in its sole and absolute discretion have approved the form of the governing documents of the Partnership.

4.2. Lease for the Leasehold. As a condition precedent to the obligations of BUYER hereinunder, the partnership as landlord and BUYER as tenant of the Leasehold shall have agreed to the form and material terms and provisions of a lease for the Leasehold to take effect upon the close of escrow.

5. Conditions Precedent to the Obligations of BUYER. Each of the following shall be conditions precedent to the obligations of BUYER:

5.1. Due Diligence. BUYER shall have until one (1) day after the opening of escrow (the "Due Diligence Date") to complete its due diligence of the Property and approve or disapprove the Property including without limitation the following matters:

(1) the physical condition of the Real Property and the Leasehold, including without limitation soils conditions, the size, dimensions and boundaries of the Real Property, the building foundation, structure, exterior and roof, and all plumbing, electrical, mechanical, heating, ventilation, air conditioning and other systems;

(2) the cost and availability of utilities and other governmental and quasi-governmental services;



(3) the feasibility of any improvements planned by BUYER, including without limitation the cost and availability of building permits and other approvals necessary to construct such improvements and the cost of such improvements;

(4) title matters, including without limitation the Permitted Exceptions;

(5) compliance with applicable laws, including without limitation zoning and use restrictions, building codes and health and safety laws;

(6) the cost and availability of financing;

(7) whether the Real Property is within or affected by any geologic, seismic, flood or other special zone;

(8) environmental matters, including without limitation the potential existence of hazardous materials on, in or near the Real Property and Improvements.

5.2 If BUYER fails to terminate this Agreement on or before the Due Diligence Date, by giving written notice to SELLER, BUYER shall be deemed to have completed its due diligence and approved the Property.

5.3 BUYER shall have satisfied the conditions pertaining to the Partnership and Leasehold set forth in section 4 and this section 5 of the Agreement.

5.4 The performance by SELLER of all of its obligations under this Agreement.

5.5 The title insurer shall be prepared to issue the title policy upon the Close of Escrow, subject only to approved exceptions.

5.6 BUYER and its authorized agents, employees and representatives shall be given the continuing right to inspect the books and records relating to the Partnership and to make extracts from these books and records, and further including BUYER's review, inspection, and approval copies of (1) books and records, not less than the prior 3 years of tax returns and filings, financial, credit and other information relating to the Partnership, and (2) any and all contracts, licenses, leases, and other such information relating to the Partnership. SELLER shall otherwise cooperate with BUYER through the close of escrow to the end that BUYER and its agents and employees shall be afforded the opportunity to obtain all necessary information and knowledge of the Partnership. BUYER shall assure that its conduct, and that of its employees, agents, and representatives, during such process is at all times unobtrusive and does not interfere with the operation of the Partnership in the ordinary course of business operations. BUYER shall indemnify, defend, and hold SELLER financially free and harmless from any and all claims, demands, liabilities, obligations, and causes of action related to the activities of SELLER or its agent pursuant to this section 6.5. SELLER represents to BUYER

hereby that SELLER does not have custody, control, or current access to the foregoing books and records but will use its best efforts to assist BUYER as provided for herein.

6. Closing Obligations of SELLER. SELLER shall deposit into escrow for delivery to BUYER upon closing each of the following:

6.1 A duly executed and acknowledged grant deed or other requisite document of conveyance of SELLER's interest in the Real Property, including without limitation what may be required by escrowholder, in a form satisfactory to BUYER.

6.2 Although SELLER is not in possession of any of the following items, SELLER shall reasonably assist BUYER in obtaining each of the following: keys and security codes to all units, rooms, storage areas, and other facilities of the Leasehold and the Real Property, and excluding keys and security codes for areas under the exclusive control of others.

7. Closing Obligations of BUYER. BUYER shall deposit into escrow for delivery to SELLER upon closing each of the following:

7.1 Any remaining cash requirements.

7.2 Written assumption of obligations under the Partnership.

8. Representations by SELLER.

8.1 To SELLER's knowledge, there exists no pending or threatened litigation involving the Property, which have not been rectified by SELLER and which would materially or adversely affect the value or operation of the Property, and to the best of SELLER's knowledge, no governmental authority has commenced or is contemplating any investigation regarding any possible violations.

8.2 Other than the parties to this Agreement, there exists no other individuals or entities who claim any right, title, or interest in and to the Property

8.3 SELLER has received no written notice of any violations of any law, rule, or regulation affecting the Property, which have not been rectified by SELLER and which would materially or adversely affect the value or operation of the Property, and to the best of SELLER's knowledge no governmental authority has commenced or is contemplating any investigation regarding any possible violation.

8.4 Except as disclosed to BUYER in writing by SELLER prior to the close of escrow, and except as may be incidental to the conduct of the business presently conducted at the Property, SELLER has no actual knowledge of (i) the presence, now or at any prior time, or any "Hazardous Substances" located on the Property; (ii) spills of any Hazardous Substances on the Property or from any adjacent property onto the Property, (iii) the use of asbestos or other Hazardous Substances in the construction of any improvements

located on the Property, or (iv) any notice of any violation or claimed violation of any law, rule, or regulation relating to Hazardous Substances. "Hazardous Substances" as used herein shall mean petroleum base products, pesticides, paints and solvents. Polychlorinated biphenyl, lead, cyanide, DDT, acids, ammonium compounds, PCB's, asbestos, and other chemical products and any substance or material defined or designated as a hazardous or toxic substance, or other similar term, by any federal, state, or local environmental statute, regulation, or ordinance. SELLER expressly agrees to indemnify, defend, and hold BUYER financially free and harmless from any and all claims, demands, liabilities, actions, and causes of action which may be asserted against BUYER and SELLER by any person, entity, or governmental entity relating to any hazardous waste, hazardous material, or any other matter subject to regulation under any local, state, or federal law, acts, ordinances, or regulations, except for any matter proven to have occurred subsequent to the date of Close of Escrow. Any liability of SELLER for the foregoing shall be severally limited to SELLER's [REDACTED] % interest in the partnership.

8.5 All representations and warranties of SELLER set forth above and in this Agreement shall survive the closing of escrow.

9. Brokers, Agents, Finders. Each party hereby represents and warrants to the other that, in connection with this transaction and the consummation hereof, each such party has dealt with no broker, agent, finder, or other person acting in such capacity. In the event of a breach of the representations and warranties herein, the breaching party shall indemnify, defend, and hold the other party financially free and harmless from any claims, demands, commissions, liabilities, and actions, including attorney's fees and costs, which may be incurred by the non-breaching party.

10. Indemnification and Hold Harmless. Except as otherwise provided for in this Agreement, SELLER shall indemnify, defend, and hold BUYER financially free and harmless from any and all claims, demands, liabilities, tax assessments, obligations, and causes of action accruing up to the close of escrow and which may arise out of the ownership, occupancy, or possession of the Property by SELLER, including attorney's fees and costs.

11. Notices. Any notices to be given by either party to the other shall be in writing and shall be transmitted either by (1) personal delivery, (2) mail, registered or certified, postage prepaid with return receipt requested, (3) by an overnight delivery service (e.g., Federal Express), or (4) by facsimile transmission with a confirmation copy by regular mail, first class postage prepaid. Overnight delivery or mailed notices shall be addressed to the parties at the addresses listed below. Facsimile notices shall be transmitted to the telephone numbers listed below. Each party may change that address and facsimile telephone number by giving written notice in accordance with this paragraph. In the event of any mailing, notice shall be deemed given on the 3<sup>rd</sup> day after deposit. The addresses and facsimile telephone numbers of the parties are as follows:

TO BUYER: Northern Inyo County Local Hospital District  
150 Pioneer Lane  
Bishop, CA 93514

with a copy to: Douglas Buchanan  
363 Academy Street  
Bishop, CA 93514

TO SELLER: Nickoline Hathaway, M.D.  
152 Pioneer Lane, Suite C  
Bishop, CA 93514

12. Attorney's Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled.

13. Integration. It is intended by the parties that this Agreement be the final expression of the intentions and agreements of the parties. This Agreement supersedes any and all prior or contemporaneous agreements, either oral or in writing, between the parties hereto and contains all of the covenants and agreements between the parties. No other agreements, representations, inducements, or promises, not contained in this Agreement shall be valid or binding. Any modification of this Agreement shall be effective only if it is in writing and signed by the party to be charged.

14. Effect of Waiver. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power, at any one time or times, be deemed a waiver or relinquishment of that right or power for all or any other times.

15. Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

16. Governing Law, Venue. This Agreement shall be interpreted under the laws of the State of California. Exclusive venue for any legal action shall be Inyo County, California.

17. Remedies. Enforcement of any provision of this Agreement shall be by proceedings at law or in equity against any persons or entities violating or attempting to violate any promise, covenant, or condition contained herein, either to restrain violation, compel action and/or to recover damages.

TO BUYER: Northern Inyo County Local Hospital District  
150 Pioneer Lane  
Bishop, CA 93514

with a copy to: Douglas Buchanan  
363 Academy Street  
Bishop, CA 93514

TO SELLER: Asao Kamei, M.D.  
152 Pioneer Lane, Suite C  
Bishop, CA 93514

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18. Remedies Cumulative. Any and all remedies provided by this Agreement, operation of law, or otherwise, shall be deemed to be cumulative, and the choice or implementation of any particular remedy shall not be deemed to be an election of remedies to the mutual exclusion of any other remedy provided for herein, by operation of law, or otherwise.

19. Attorney Representation. BUYER has retained the Law Offices of Douglass Buchanan to advise it in connection with the negotiation and execution of this Agreement. Seller has not retained counsel.

20. Joint Preparation. This Agreement shall be deemed to be jointly prepared by all parties hereto. In connection therewith, the provisions of Civil Code Section 1654 shall not be deemed applicable in the event of any interpretation of this Agreement.

21. Execution of Documents. Each party shall execute all documents reasonably necessary to carry out the terms and provisions of this Agreement, including any items, which might arise or occur subsequent to closing.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and may be executed by the affixing of the signatures of each of the parties to any one of such counterpart signature pages; all of such counterpart signature pages shall read as though one and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the day and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By: \_\_\_\_\_  
Peter Watercott, President

By: \_\_\_\_\_  
Nickoline Hathaway, MD

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the day and year first above written.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By: \_\_\_\_\_  
Peter Watercott, President

By: \_\_\_\_\_  
Asao Kamei, MD



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# **OFFICE LEASE**

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# OFFICE LEASE

## Preamble

This lease is entered into on [REDACTED] 20[REDACTED], by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, a California Health Care District (hereinafter referred to as "Landlord"), and Asao Kamei, M.D. and Nickoline Hathaway, M.D. (hereinafter referred to as "Tenants").

Subject to the terms and conditions set forth in this Lease, landlords hereby lease to Tenant that certain office space, including fixtures, furnishings and equipment, located in the Pioneer Medical Building ("the Building") at 152 Pioneer Lane, Suite C, Bishop, California, more particularly described as "Suite C", and hereinafter referred to as "the Premises".

## Term

1. The term of this lease shall be eighteen (18) months commencing at 12:01 a.m. on [REDACTED], 2012, and ending at 12:01 a.m. on [REDACTED], 20[REDACTED], unless terminated earlier as provided in this lease. If Tenants hold over and constitutes in possession of the Premises after termination of the term of the lease, Tenant's continued occupancy of the Premises shall be deemed merely a tenancy from month-to-month at a minimum rental of \$[REDACTED] per month subject to all the terms and conditions contained in this lease.

## Basic Rent

2. Tenant agrees to pay to Landlord as basic rent for the use and occupancy of the Premises, at a rate of \$[REDACTED] per month payable on the first day of each and every month commencing [REDACTED], 2012, and continuing through the term of this lease. All rent shall be paid by tenant at the office of the Landlord, 150 Pioneer Lane, Bishop, California, 93514, or any other place or places that Landlord may from time to time designate by written notice given to Tenants.

## Utilities

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

## Use of Premises

4. The Premises shall be used for medical office purposes by Tenants and for no other uses or uses without the prior express written consent of Landlord. Tenants, in this regard, acknowledge that Tenants have received, read, and understood the following recorded documents, which control and restrict the use of the Premises and the Building:

(a) Declaration of Restrictions recorded December 23, 1983 as Instrument 83-6168 in the Official Records of the County Of Inyo, State of California;

(b) First Amendment to Declaration of Restrictions by the Northern Inyo County Local Hospital District recorded February 11, 1991 as Instrument 91-0733 in the Official Records of the County of Inyo, State of California.

#### **Prohibited Uses**

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

(a) Increases the existing rates for or causes cancellation of any fire, casualty, liability, or other insurance policy insuring the Building or its contents;

(b) Violates or conflicts with any law, statute, ordinance, or governmental rule or regulation, whether now in force or hereinafter enacted, governing the Leased Space or the Building;

(c) Obstructs or interferes with the rights of other tenants or occupants of the Building or injures or annoys them; or

(d) Constitutes the commission of waste on the Leased Space or the commission or maintenance of a nuisance as defined by the laws of California.

#### **Alterations by Tenants**

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

### **Mechanics' Liens**

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

### **Maintenance & Repairs**

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

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

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

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

### **Inspection by landlord**

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

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

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

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

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

#### **Indemnification**

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

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

#### **Destruction of Premises**

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

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

### **Condemnation**

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

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

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

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

### **Assignment & Subletting**

15. Tenants shall not encumber, assign, sublet, or otherwise transfer this lease, any right or interest in this lease, or any right or interest in the Premises without first obtaining the express written consent of Landlord. Furthermore, Tenants shall not sublet the Premises or any part of it or allow any other persons, other than Tenant's employees and agents, to occupy or use the Premises or any part of it without the prior written consent of Landlord. A consent by Landlord to one assignment, subletting, or occupation and use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, or occupation and use by another person. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Landlord, terminate this lease. The consent of Landlord to any assignment of Tenant's interest in this lease or the subletting by Tenants of the Leased Space shall not be unreasonably withheld.

### **Acts Constituting Breach by Tenants**

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

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

The notices provided for in subsections (a) and (b) of this Paragraph 20 are not intended to replace, but rather are in addition to, any required statutory notices for unlawful detainer proceedings under *Code of Civil Procedure 116, et seq.*

### **Landlord's Remedies**

17. If Tenants breach or are in default under this lease, Landlord, in addition to any other remedies given Landlord by law, or equity, may:

- (a) Continue this lease in effect by not terminating Tenant's right to possession of the Premises and thereby be entitled to enforce all Landlord's rights and remedies under this lease including the right to recover the rent specified in this lease as it becomes due under this lease; or
- (b) Terminate this lease and all rights of Tenants under the lease and recover from Tenants:
  - 1. The worth at the time of award of the unpaid rent that had been earned at the time of termination of the lease;
  - 2. The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Tenants prove could have been reasonably avoided;
  - 3. The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Tenants prove could be reasonably avoided; and
  - 4. Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this lease; or



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

### **Termination Notice**

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

Tenants may terminate this lease at any time by providing thirty (30) days advance notice in writing to the Landlord.

### **Waiver of Breach**

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

### **Notices**

20. Except as otherwise provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to either party to this lease by the other party shall be in writing, and shall be deemed duly served and given when personally delivered to the party to whom it is directed or any managing employee of that party or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Landlord at 152-C Pioneer Lane, Bishop, California 93514, or to Tenant at 152 Pioneer Lane, Suite C, Bishop, California 93514. Either party may change its address for purposes of this paragraph by giving written notice of the change to the other party in the manner provided in this paragraph.

### **Attorney's Fees**

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

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

22. This lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties, but nothing in this paragraph shall be

construed as consent by landlord to any assignment of this lease or any interest therein by Tenants except as provided in Paragraph 15 of this lease.

#### **Time of Essence**

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

#### **Sole & Only Agreement**

24. This instrument constitutes the sole and only full, final, and complete agreement between landlord and Tenants respecting the Premises or the leasing of the Premises to Tenants, and correctly sets forth the obligation of landlord and Tenants to each other as of its date. Any agreements or representations respecting the Premises or its leasing by Landlord to Tenants not expressly set forth in this Agreement are null and void. All prior negotiations between the parties are substituted into this lease to the extent they have been agreed to, and if not agreed to by the parties such negotiations are not set forth in the terms and conditions of this lease. This lease may not be extended, amended, modified, altered, or changed, except in a writing signed by landlord and Tenants.

**EXECUTED** at the City of Bishop, County of Inyo, and State of California.

#### **LANDLORD:**

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**Peter Watercott, District Board President**  
**Northern Inyo County Local Hospital District**

#### **TENANTS:**

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**Asao Kamei, M.D.**

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**Nickoline Hathaway, M.D.**

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## ACQUISITION FUND AND ACCOUNT CONTROL AGREEMENT

This Acquisition Fund and Account Control Agreement (this "Agreement"), dated as of \_\_\_\_\_, by and among Bank of the West (hereinafter referred to as "Lessor"), \_\_\_\_\_, a political subdivision of the state of \_\_\_\_\_ (hereinafter referred to as "Lessee") and Deutsche Bank National Trust Company, a national trust company (hereinafter referred to as "Acquisition Fund Custodian").

Reference is made to that certain Municipal Lease Purchase Agreement dated as of \_\_\_\_\_, 20\_\_ between Lessor and Lessee (hereinafter referred to as the "Lease"), covering the acquisition and lease of certain Equipment described therein (the "Equipment"). It is contemplated in connection with the Lease that the Cost of the Equipment (an amount not to exceed \$ \_\_\_\_\_) be deposited into an escrow under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment

The parties agree as follows:

1. Creation of Acquisition Fund.

(a) There is hereby created a special trust fund to be known as the "[\_\_\_\_\_] Acquisition Fund" (the "Acquisition Fund") to be held in trust by the Acquisition Fund Custodian for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) The Acquisition Fund Custodian shall invest and reinvest moneys on deposit in the Acquisition Fund in Qualified Investments in accordance with written instructions received from Lessee. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Acquisition Fund Custodian for the reinvestment of any maturing investment. Accordingly, neither the Acquisition Fund Custodian nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Acquisition Fund, and Lessee agrees to and does hereby release the Acquisition Fund Custodian and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Acquisition Fund shall become part of the Acquisition Fund, and gains and losses on the investment of the moneys on deposit in the Acquisition Fund shall be borne by the Acquisition Fund. For purposes of this agreement, "Qualified Investments" means any investments which meet the requirements of [state law citation]. IN THE ABSENCE OF WRITTEN INSTRUCTIONS, THE ACQUISITION FUND CUSTODIAN IS HEREBY AUTHORIZED AND DIRECTED TO INVEST AND RE-INVEST ALL FUNDS ON HAND IN THE GOLDMAN SACHS FINANCIAL SQUARE (FSQ) MONEY MARKET FUNDS, FEDERAL FUND #522 (AAAm/ Aaa).

(c) Unless the Acquisition Fund is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Acquisition Fund shall be disbursed by the

Acquisition Fund Custodian in payment of amounts described in Section 2 hereof upon receipt of written authorization(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Acquisition Fund are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Acquisition Fund after \_\_\_\_\_ (the "Acquisition Period") shall be applied as provided in Section 4 hereof.

(d) The Acquisition Fund shall be terminated at the earliest of (i) the final distribution of amounts in the Acquisition Fund or (ii) written notice given by Lessor of the occurrence of a default, termination of the Lease due to non-appropriation, or termination of the Lease commitment period.

(e) The Acquisition Fund Custodian may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Acquisition Fund Custodian shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Acquisition Fund Custodian, and for the disposition of the same in accordance herewith.

(f) Unless the Acquisition Fund Custodian is guilty of gross negligence or willful misconduct with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Acquisition Fund Custodian and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Acquisition Fund Custodian under this agreement; and in connection therewith, does to the extent permitted by law indemnify the Acquisition Fund Custodian against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(g) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Acquisition Fund Custodian hereunder, the Acquisition Fund Custodian may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Acquisition Fund Custodian shall be reimbursed by Lessee for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

(h) The Acquisition Fund Custodian may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Acquisition Fund Custodian shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct.

(i) Lessee shall reimburse the Acquisition Fund Custodian for all reasonable costs and expenses, including those of the Acquisition Fund Custodian's attorneys, agents and

employees incurred for extra-ordinary administration of the Acquisition Fund and the performance of the Acquisition Fund Custodian's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Acquisition Fund.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Acquisition Fund. Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof.

(b) Authorized Acquisition Fund Disbursements. Disbursements from the Acquisition Fund shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment.

(c) Requisition Procedure. No disbursement from the Acquisition Fund shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Acquisition Fund there shall be filed with the Acquisition Fund Custodian a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due. Each such requisition shall be signed by an authorized representative of Lessee (an "Authorized Representative") and by Lessor, if approved, and shall be subject to the following:

1. Delivery to Lessor of a certificate of Lessee to the effect that:
  - (i) an obligation in the stated amount has been incurred by Lessee, and that the same is a proper charge against the Acquisition Fund for costs relating to the Equipment identified in the Lease, and has not been paid; (ii) the Authorized Representative has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made; (iii) such requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date of such certificate, entitled to retain; and (iv) the Equipment is insured in accordance with the Lease.
2. Delivery to Lessor of an acceptance certificate executed by Lessee, where appropriate;
3. The disbursement shall occur during the commitment period contemplated in the Lease;

4. There shall exist no event of default under the Lease (nor any event which, with notice or lapse of time or both, would become an event of default); and
5. No material adverse change in Lessee's or any guarantor's financial condition shall have occurred since the date of the Lease.

3. Deposit to Acquisition Fund. Upon Lessor's receipt of all documents required before Lessor is obligated to fund the Equipment Cost other than an acceptance certificate, Lessor will cause the Equipment Cost specified in the Lease to be deposited in the Acquisition Fund. Lessee agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Acquisition Fund.

4. Excessive Acquisition Fund. Following the final disbursement from the Acquisition Fund at the end of the Acquisition Period, or termination of the Acquisition Fund as otherwise provided herein, the Acquisition Fund Custodian shall transfer any remainder from the Acquisition Fund to Lessor on Lessor's direction as follows: first to then due amounts and then to future amounts in order until exhausted.

5. Security Interest. The Acquisition Fund Custodian and Lessee acknowledge and agree that the Acquisition Fund and all proceeds thereof are being held by Acquisition Fund Custodian for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Acquisition Fund, and all proceeds thereof, and all investments made with any amounts in the Acquisition Fund. If the Acquisition Fund, or any part thereof, is converted to investments as set forth in this agreement, such investments shall be made in the name of Acquisition Fund Custodian and the Acquisition Fund Custodian hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have control of such investments for the purpose of perfecting its security interest.

6. Control of Acquisition Account. In order to perfect Lessor's security interest by means of control in (i) the Acquisition Fund established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Acquisition Fund, (iii) all of Lessee's rights in respect of the Acquisition Fund, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Acquisition Fund Custodian further agree as follows:

(a) All terms used in this Section 6 which are defined in the Commercial Code of the state of \_\_\_\_\_ ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Acquisition Fund Custodian will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Acquisition Fund Custodian hereby represents and warrants (a) that the records of Acquisition Fund Custodian show that Lessee is the sole owner of the Collateral,

(b) that Acquisition Fund Custodian has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Acquisition Fund Custodian is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Acquisition Fund Custodian is obligated to accept from Lessor under this Agreement and entitlement orders that Acquisition Fund Custodian, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Acquisition Fund Custodian will not enter into any agreement by which Acquisition Fund Custodian agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Acquisition Fund Custodian shall promptly notify Lessor if any person requests Acquisition Fund Custodian to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Acquisition Fund Custodian may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Acquisition Fund, but will not, without the prior written consent of Lessor, allow Lessee to withdraw any Collateral from the Acquisition Fund. Acquisition Fund Custodian acknowledges that Lessor reserves the right, by delivery of written notice to Acquisition Fund Custodian, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Acquisition Fund. Further, Acquisition Fund Custodian hereby agrees to comply with any and all written instructions delivered by Lessor to Acquisition Fund Custodian (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Acquisition Fund Custodian to comply with all instructions and entitlement orders delivered by Lessor to Acquisition Fund Custodian.

(g) Acquisition Fund Custodian will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Acquisition Fund Custodian will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Acquisition Fund Custodian and Lessee hereby agree that any property held in the Acquisition Fund shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Acquisition Fund Custodian may be a party.

(i) Acquisition Fund Custodian is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 7 below, concurrently with the



sending thereof to Lessee, duplicate copies of any and all monthly Acquisition Fund statements or reports issued or sent to Lessee with respect to the Acquisition Fund.

7. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This agreement may not be amended except in writing signed by all parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to Lessor:                      Bank of the West  
    201 N. Civic Drive #360B  
    Walnut Creek, CA 94596  
  
    Attn: Documentation Department  
    Fax: (800) 473-9878

If to Lessee:                      \_\_\_\_\_  
    \_\_\_\_\_  
    \_\_\_\_\_  
    Attn: \_\_\_\_\_  
    Fax: \_\_\_\_\_

If to Acquisition  
Fund Custodian:                      Deutsche Bank National Trust Company  
    101 California Street, 46<sup>th</sup> Floor  
    San Francisco, CA 94111  
    Attn: Raafat Albert Sarkis  
    Phone: 415-617-2801  
    Fax: 415-617-4280

In Witness Whereof, the parties have executed this Acquisition Fund and Account Control Agreement as of the date first above written.

BANK OF THE WEST  
as Lessor

\_\_\_\_\_,  
as Lessee

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

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

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

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

Deutsche Bank National Trust Company  
As Acquisition Fund Custodian

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

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

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

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

**SCHEDULE 1**

**DISBURSEMENT REQUEST**

Re: Master Equipment Lease/Purchase Agreement dated as of \_\_\_\_\_ by and between \_\_\_\_\_, as Lessor and \_\_\_\_\_, as Lessee (the "Lease")

In accordance with the terms of the Acquisition Fund and Account Control Agreement, dated as of \_\_\_\_\_ (the "Acquisition Fund and Account Control Agreement") by and among \_\_\_\_\_ ("Lessor"), \_\_\_\_\_ ("Lessee") and Deutsche Bank National Trust Company (the "Acquisition Fund Custodian"), the undersigned hereby requests the Acquisition Fund Custodian pay the following persons the following amounts from the Acquisition Fund created under the Acquisition Fund and Account Control Agreement (the "Acquisition Fund") for the following purposes.

Payee's Name and Address	Invoice Number	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by Lessee, and the same is a proper charge against the Acquisition Fund for costs relating to the Equipment identified in the Lease, and has not been paid. Attached hereto is the original invoice with respect to such obligation.

(ii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain.

(iv) The Equipment is insured in accordance with the Lease.

(v) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vi) The disbursement shall occur during the Acquisition Period set forth in the Schedule applicable to such Equipment.

(vii) No material adverse change in Lessee's or any guarantor's financial condition shall have occurred since the date of the Lease.

Date \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Representative

Disbursement of funds from the Acquisition Fund in accordance with the foregoing Disbursement Request hereby is authorized

\_\_\_\_\_  
as Lessor under the Lease  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

**PARTIAL ACCEPTANCE CERTIFICATE**

In accordance with the terms of the Lease mentioned above, Lessee hereby represents to, and agrees with Lessor as follows:

1. The Equipment defined below, as such term is defined in the Lease, has been delivered and installed and accepted on the date indicated below.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. No Event of Default, as such term is defined in the Lease, and no event which with notice of lapse of time, or both would become an Event of Default, has occurred at the date hereof.

ACCEPTED EQUIPMENT: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_  
Lessee: \_\_\_\_\_  
By: \_\_\_\_\_

**CERTIFICATE OF COMPLIANCE WITH  
INTERNAL REVENUE CODE SECTION 103**

The undersigned does hereby represent to Bank of the West that the financing contemplated in connection with equipment lease number \_\_\_\_\_:

- 1) Does not and will not constitute a private activity bond which is not a qualified bond within the meaning of Internal Revenue Code Section 141 ;
- 2) Does not and will not constitute an arbitrage bond within the meaning of Internal Revenue Code Section 148; and
- 3) Meets the applicable requirements of Internal Revenue Code Section 149 for tax free interest treatment under Internal Revenue Code Section 103.

LESSEE:

\_\_\_\_\_

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

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

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

**THIS SHEET  
INTENTIONALLY  
LEFT BLANK**



CELTIC LEASING

November 29, 2011

Mr. John Halfen  
CEO/CFO  
**Northern Inyo Hospital**  
150 Pioneer Lane  
Bishop, CA 93514

RE: Proposed Lease Schedule No. 3043A01 to Celtic Master Lease No. CML-3043A.

Dear Mr. Halfen:

Enclosed please find the following documentation relating to the above referenced transaction as follows:

- 1) Master Lease Agreement No. CML-3043A;
- 2) Corporate Certificate to be signed by Peter Watcrott and attested to by another Corporate Officer;
- 3) Lease Schedule No. 3043A01;
- 4) Invoice for deposit of one month's rent.

In addition to having the above listed items duly completed and returned, please also note the following:

- A) Sign and include in your return package the last page of this letter (keep a copy for your records);
- B) The Monthly Rent reflected in the enclosed documents reflects a total financed Equipment cost to Lessor not to exceed \$2,000,000.00. However, the terms and conditions of the enclosed documentation assume a minimum Equipment cost of \$400,000.00. The terms and conditions of the enclosed documentation may allow Lessee to increase the financed Equipment Cost up to \$3,500,000.00 subject to final review and approval by Lessor. In the event that this minimum financed Equipment Cost is not achieved, please be advised that Lessor reserves the right to make economic adjustments to the proposed transaction.
- C) Include in your return package a good faith deposit check in the amount of \$59,000.00 to be applied to the last months rent;
- D) If you have already made any deposits, progress disbursements, or other payments to the subject vendor(s) relating to the subject equipment, then provide us with copies of the related checks.

**Northern Inyo Hospital**

November 29, 2011

Page 2



CELTIC LEASING

Please note that the transaction and related funding contemplated herein is subject to final review and approval by Celtic Leasing Corp. Further, the related funding(s) may, at Lessor's sole discretion, be subject to: no adverse material changes in the financial condition of Lessee or Guarantor(s), if any; satisfactory physical inspection of the subject equipment; approval of vendors, vendor invoices, equipment and equipment locations; a UCC Search and obtainment of any UCC Releases or Subordinations required as a result thereof; obtainment of acceptable Certificates of Insurance; execution of a notice and acknowledgement of assignment (if not enclosed, may follow in the near future); verification of satisfactory rating on bank and trade references; confirmation of corporate name and status; current account status/verification of satisfactory pay history of any existing debt with us or our assignee; rent adjustment to reflect any increase in market rates from November 17, 2011 through the day of final funding by Lessor or our assignee; and legal review and approval by our assignee of the subject documentation and funding package. It is our understanding that all items of equipment have already been delivered to and accepted by Lessee, or are expected to be delivered to and accepted by Lessee within ninety days of the date of this letter.

Thank you for your business and please don't hesitate to call the undersigned or your account representative(s), Kenneth P. Fleming, if you have any questions or comments.

Sincerely,  
CELTIC LEASING CORP.

Michael J. Purcell  
Vice President

MJP/abc  
enclosures

READ, ACKNOWLEDGED, AND AGREED:  
**Northern Inyo Hospital**

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

Name: Peter Watercott

Title: Chairperson Date: \_\_\_\_\_





CELTIC LEASING®

MASTER LEASE Number CML- 3043A

CELTIC LEASING CORP. - Lessor

4 Park Plaza, Suite 300 • Irvine, CA 92614

866.323.5842 • 949.263.3880 • Fax: 949.263.1331

Lessee: Northern Inyo Hospital

Address: 150 Pioneer Lane, Bishop, CA 93514

This is a **MASTER LEASE AGREEMENT** (herein called "Lease"). Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the items of tangible and/or intangible property (collectively called "Equipment" and individually called "Item") described on any Lease Schedule(s) ("Schedule") now or in the future annexed hereto and made a part hereof, subject to the terms and conditions set forth herein. Each Schedule annexed hereto incorporates the terms of this Lease and is independent and enforceable as a separate transaction.

- 1. QUIET ENJOYMENT:** So long as Lessee is not in default hereunder, Lessor shall not disturb Lessee's quiet enjoyment of the Equipment, subject to the terms and conditions of this Lease.
- 2. NO WARRANTIES AND UNIFORM COMMERCIAL CODE ACKNOWLEDGMENT:** Lessee acknowledges that Lessor is not the manufacturer, vendor, developer, distributor, publisher or licensor (for purposes of this Lease, all of which are called "Manufacturer", both collectively and individually) of the Equipment. Lessee further acknowledges and agrees that **LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR ANY PURPOSE, CONDITION, DESIGN, CAPACITY, SUITABILITY OR PERFORMANCE OF ANY OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT THERETO, IT BEING AGREED THAT THE EQUIPMENT IS LEASED "AS IS".** LESSEE FURTHER REPRESENTS THAT ALL ITEMS OF EQUIPMENT ARE OF A SIZE, DESIGN AND CAPACITY SELECTED BY IT, AND THAT IT IS SATISFIED THE SAME IS SUITABLE FOR LESSEE'S PURPOSES. Lessor assigns to Lessee any and all Manufacturer warranties, to the extent assignable, for the term of the Lease. Lessor shall have no liability to Lessee or anyone claiming through Lessee for the breach of any such warranty or for any claim, loss, damage or expense of any kind or nature resulting, directly or indirectly, from the delivery, installation, use, operation, performance, or lack or inadequacy thereof, of any Items of Equipment. This Lease is a "Finance Lease" as defined in, and for the purpose only of Division 10 of the California Commercial Code and not necessarily for any accounting purpose or otherwise. Lessee acknowledges that Lessor has informed or advised Lessee, either previously or by this Lease, of the following: (i) the identity of the "Supplier", (ii) that Lessee may have rights under the "Supply Contract", and (iii) that Lessee may contact the Supplier for a description of any such rights. (The terms "Finance Lease", "Supplier" and "Supply Contract" as used herein have the meanings ascribed to them under Division 10 of the California Commercial Code.)
- 3. TERM:** The "Commencement Date" for each Item shall be the day that the Item has been delivered to and is usable by Lessee as evidenced by an Acceptance Certificate duly executed by Lessee or, in the absence thereof, the Manufacturer's delivery certification. The "Base Term" as indicated on any Schedule shall be the period beginning on the first day of the calendar quarter (January 1, April 1, July 1 or October 1) following the final Commencement Date ("Final Commencement Date") of the Schedule or, if the Final Commencement Date falls on the first day of a calendar quarter, then that day, and continuing for the number of months specified on the Schedule. This Lease with respect to any Schedule may be terminated as of the last day of the Base Term by either party giving the other party at least six months but not more than twelve months prior written notice of such termination. Otherwise, the "Term" (as defined below) with respect to any Schedule shall automatically be extended in successive one year intervals ["Extension Term(s)"] at the rental amount in effect as of the last billing cycle of the Base Term. Any such Schedule may be terminated as of the last day of any Extension Term by either party giving the other party at least six months, but not more than twelve months, prior written notice of such termination. Any termination notice given by Lessee shall stipulate whether Lessee chooses to purchase the Equipment or renew the Lease as provided in Section 6. Fair Market Value Purchase Option / Renewal Option, or return the Equipment as provided in Section 7. Return of Equipment. The "Term" of each individual Schedule is hereby defined as the period beginning on the first Commencement Date that occurs with respect to all Items subject to the Schedule and continuing through the Base Term and all Extension Terms, if any. Each Schedule now or in the future annexed hereto shall be deemed to incorporate therein these specific terms and conditions and shall have an independent Term.
- 4. RENT:** The monthly rent as shown on each Schedule shall be due and payable by Lessee in the amount of the monthly rent multiplied by the number of months in the billing cycle indicated on the respective Schedule (one month in a monthly billing cycle, three in a quarterly cycle, six in a biannual cycle, etc.) on the first day of the Base Term and on the first day of each billing cycle thereafter, for the remainder of the Term. For Items having a Commencement Date prior to the first day of the Base Term, rent shall be due on a pro rata basis only in the amount of one-thirtieth of the Item's proportional monthly rent for each day from the Item's Commencement Date until, but not including, the first day of the Base Term and shall be payable by Lessee five days after receipt of invoice from Lessor. If any rental or other amounts payable hereunder are not paid within five days of their due date then Lessee shall pay to Lessor upon demand "Delinquency Charges" which shall equal interest compounded monthly at the rate of eighteen percent per annum (or the highest rate allowable by law whichever is less) on the delinquent balance from the date due until the date paid, plus a monthly administrative fee of five percent of the cumulative delinquent balance to offset Lessor's collection and accounting costs. Any deposit paid by Lessee to Lessor shall be refundable if the Schedule is not accepted by Lessor. **THIS IS A NET LEASE AND LESSEE'S OBLIGATION TO PAY ALL RENTAL CHARGES AND OTHER AMOUNTS DUE HEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL UNDER ALL CIRCUMSTANCES AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, DEFENSE, COUNTERCLAIM, SETOFF, RECOUPMENT OR REDUCTION FOR ANY REASON WHATSOEVER EXCEPT AS OTHERWISE PROVIDED HEREIN, IT BEING THE EXPRESS INTENT OF LESSOR AND LESSEE THAT ALL RENTAL AND OTHER AMOUNTS PAYABLE BY LESSEE HEREUNDER SHALL BE AND CONTINUE TO BE PAYABLE IN ALL EVENTS. LESSEE HEREBY WAIVES ALL RIGHTS IT MAY HAVE TO REJECT OR CANCEL THIS LEASE, TO REVOKE ACCEPTANCE OF ANY OF THE EQUIPMENT, AND/OR TO GRANT A SECURITY INTEREST IN ANY OF THE EQUIPMENT FOR ANY REASON EXCEPT AS REQUIRED HEREIN.**
- 5. USE, MAINTENANCE AND LOCATION:** Lessee at its own expense shall properly use the Equipment, keep the Equipment in good working order, repair and condition, comply with all Manufacturer's instructions as to use and operation, and comply with all applicable laws, rules, regulations or orders of any governmental agency with respect to the use, operation, maintenance, care, storage, or location of the Equipment. During the Term, Lessee shall keep in force the best standard maintenance agreement with the Manufacturer, or such other qualified party including qualified self-maintenance by Lessee, as is reasonably acceptable to Lessor, that will ensure: the Equipment is maintained to all current engineering specifications; all repairs, adjustments and replacements are properly made; and all upgrades, enhancements and changes that are available from time to time from the Manufacturer are made to the Equipment. Lessee shall not relocate the Equipment

without Lessor's prior written consent. Lessee shall pay all costs associated with the delivery, installation, use, relocation, and Lessor's inspection of the Equipment. If Lessor requests, Lessee shall affix in a prominent place labels or tags to the Equipment stating that the Equipment is owned by Lessor. Lessee shall permit Lessor to inspect the Equipment from time to time as reasonably determined by Lessor.

**6. FAIR MARKET VALUE PURCHASE OPTION / RENEWAL OPTION:** Lessee may purchase, or renew this Lease for, all but not less than all of the Equipment subject to any Schedule, provided Lessee is not in default and upon proper written notification to Lessor, as of the expiration of the Term of said Schedule. In the event Lessee notifies Lessor it elects to purchase the Equipment, the purchase price shall be the "Fair Market Value" of the Equipment. For the purpose of this Lease, "Fair Market Value" is defined as the total cost(s) it would take to replace the Equipment on an in-place, installed basis, including all current cost(s) and expense(s) for the purchase, assembly, installation, delivery, freight, consulting, training, site preparation and any other services that would be required to render such Equipment fully installed, ready and acceptable for use by an end user as of the termination of the Term. If Lessor and Lessee can not agree on a purchase price then the purchase price shall be determined by the average of two Senior Appraisers accredited by the American Society of Appraisers, one chosen by Lessor and one by Lessee, both using the definition of Fair Market Value hereunder in determining their purchase price, the cost of which shall be borne by Lessee. In the event Lessee notifies Lessor it elects to renew, the renewal shall be based upon the Fair Market Value of the Equipment, the then prevailing market conditions, Lessee's credit worthiness and such other terms and conditions to be mutually agreed upon by Lessee and Lessor. If Lessee has properly elected to purchase or renew any given Schedule, but neither a Fair Market Value purchase price nor the terms and conditions of a renewal have been determined at least thirty days prior to the expiration of the Term, then the Term of the Schedule shall continue on a month to month basis at the rental that was in effect at the end of the Base Term, until such time that either a Fair Market Value purchase price or the terms and conditions of a renewal have been determined.

**7. RETURN OF EQUIPMENT:** If the Equipment is to be returned upon termination of the Term with respect to any Schedule or if for any other reason, Lessee shall immediately discontinue all use of the Equipment and at its own cost, de-install, pack and ship the Equipment to a location(s) within the United States, all in accordance with instructions provided by Lessor. In the case of Equipment which is software, Lessee will also certify in a written form acceptable to Lessor that: (i) all tangible software has been delivered to Lessor; (ii) all tangible records and intangible software have been destroyed; (iii) Lessee has not retained the software in any form; (iv) Lessee will not use the software after termination; and (v) Lessee has not received from Manufacturer anything of value relating to or in exchange for Lessee's use, rental, or possession of the software during the duration of the Lease (including a trade-in, substitution or upgrade allowance). Upon return of the Equipment, Lessee shall take all actions necessary to ensure that the Equipment will be eligible for the best standard Manufacturer Maintenance Contract and shall pay all fees, charges and expenses for maintenance certification or recertification by the Manufacturer and for all costs for repair or replacement of damaged Equipment. Until Lessee has complied with all of the requirements of this Section, rent payment obligations will continue on a month to month basis at the monthly rent delineated on the Schedule. Lessee shall allow Lessor to inspect, at Lessee's cost, all of Lessee's locations to ensure compliance hereunder.

**8. TITLE; PERSONAL PROPERTY:** Except as otherwise provided in this Lease or any Schedule, title to the Equipment shall remain in Lessor. Lessee shall at all times keep the Equipment free and clear of all liens, claims, levies, and legal processes, and shall at its expense protect and defend Lessor's title and/or license rights in the Equipment. In the event any of the Equipment is software governed by a software license, Lessee shall keep said license current for the entire Term and, to the extent the license allows title to the software to pass to licensee, such title shall vest and remain in Lessor. Lessee acknowledges that the license to use the software is being provided by the Manufacturer solely because of payments made by Lessor and in consideration therefor Lessor has obtained Lessee's interest in the License. Lessee forgoes any future claim to the software, including any right to purchase and/or use the software beyond the Term, except as otherwise provided in this Lease. Lessee hereby agrees and does hereby appoint Lessor or its assigns its true and lawful attorney-in-fact to prepare UCC's or other instruments necessary, and authorizes Lessor to cause this Lease or other instruments in Lessor's determination, to be filed or recorded at Lessee's expense in order to protect Lessor's interest in the Equipment, and grants Lessor the right to execute and deliver such instruments for and on behalf of Lessee. If requested by Lessor, then Lessee agrees to execute and deliver any such instruments and agrees to pay or reimburse Lessor for any searches, filings, recordings, inspections, fees, taxes or any other costs incurred as necessary to protect Lessor's interest in the Equipment. Lessee also authorizes Lessor to insert on any Schedule and on related supplemental lease documentation information commonly determined after execution by Lessee such as: serial numbers and other Equipment identification data, Equipment locations, Commencement Dates, and Final Commencement Date. Lessee shall take all steps necessary to ensure that the Equipment is and remains personal property.

**9. ALTERATIONS:** Lessee shall make no alterations, modifications, attachments, improvements, enhancements, revisions or additions to any of the Equipment (collectively called "Alterations"), without Lessor's prior written consent. All Alterations that are made shall become part of the Equipment and shall be the property of Lessor. Equipment which is software shall include all updates, revisions, upgrades, new versions, enhancements, modifications, derivative works, maintenance fixes, translations, adaptations, and copies of the foregoing or of the original version of the software whether obtained from the Manufacturer or from any source whatsoever, and references in this Lease to software will be interpreted as references to any and all of the foregoing.

**10. TAXES:** Lessee shall pay all fees, assessments and taxes (except for income taxes based solely on Lessor's net income assessed by the U.S. Internal Revenue Service and/or any member State of the United States of America), including but not limited to, sales, use, property, excise, intangibles, single business, stamp, documentary and any other costs imposed by any authority, with respect to the use, delivery, rental/lease, possession, purchase, ownership or sale of the Equipment and shall at its own cost and expense keep the Equipment free and clear of all levies, liens or encumbrances arising therefrom. Lessee shall file all required personal property tax returns relating to the Equipment. In the event Lessor files appropriate property tax returns or other reports, Lessee shall upon demand immediately reimburse Lessor for all amounts paid by Lessor, plus processing costs.

**11. LOSS OR DAMAGE:** Lessee shall bear the entire risk of loss, damage, theft, destruction, confiscation, requisition, inoperability, erasure, or incapacity, for or from any cause whatsoever, of any or all Items during the period the Equipment is in transit to or from, or in the possession of, Lessee ("Event of Loss") and shall hold Lessor harmless against same. Immediately upon its discovery, Lessee shall fully inform Lessor of an Event of Loss. Except as provided herein, no Event of Loss shall relieve Lessee of any obligation hereunder, and all Schedules shall remain in full force and effect without any abatement or interruption of rent. In an Event of Loss, Lessee at its option provided no event of default has occurred hereunder, shall: (a) continue to timely make all rental payments and pay all other amounts due under the Lease and, within a commercially expedient time frame, place the Equipment in good working order, repair and condition, or replace the affected Equipment with identical equipment with documentation creating clear title thereto in Lessor; or (b) terminate the Lease with respect to the affected Schedule by paying to Lessor within thirty days the "Casualty Value" which is defined as the sum of: (i) the present value of the unpaid balance of the aggregate rent reserved under the related Schedule calculated using a discount rate of three percent per annum, plus (ii) all accrued but unpaid rentals, taxes, Delinquency Charges, penalties, interest and all or any other sums then due and owing under the related Schedule, plus (iii) the amount of any applicable end of Term purchase option or other end of Term payment or, in the absence thereof, the Fair Market Value of the Equipment, plus (iv) an amount reasonably determined by Lessor to make Lessor whole on an after tax basis for any loss, recapture, or unavailability of any tax credit and/or deduction.

**12. INSURANCE:** Lessee, at its expense, shall provide and maintain in full force and effect at all times that this Lease is in force such casualty, property damage, comprehensive public liability and other insurance in such form and amounts as is and with such companies as shall be satisfactory to Lessor. All such insurance shall provide that it may not be canceled or materially altered without at least thirty days prior written notice to Lessor, shall name Lessor as additional insured and loss payee, and shall not be rescinded, impaired or invalidated by any act or neglect of Lessee.

**13. INDEMNITY:** Lessee shall indemnify, defend, protect, save and hold harmless Lessor, its employees, officers, directors, agents, assigns and successors from and against any and all claims, actions, costs, expenses (including reasonable attorneys' fees), damages (including any interruption of service, loss of business or other consequential damages), liabilities, penalties, losses, obligations, injuries, demands and liens (including any of the foregoing arising or imposed under the doctrines of "strict liability" or "product liability") of any kind or nature arising out of, connected with, relating to or resulting from the manufacture, purchase, sale, lease, ownership, installation, location, maintenance, operation, condition (including latent and other defects, whether or not discoverable), selection, delivery, return, or any accident in connection therewith, of any Item or Items of Equipment, or by operation of law (including any claim for patent, trademark or copyright infringement), regardless of where, how or by whom operated. The provisions of this paragraph shall survive termination or expiration of this Lease.

**14. AUTHORITY OF LESSEE TO ENTER LEASE:** With respect to this Lease and each Schedule now or in the future annexed hereto, Lessee hereby represents, warrants and covenants that: (i) the execution, delivery and performance thereof have been duly authorized by Lessee; (ii) the individuals executing such have been duly authorized to do so; (iii) the execution and/or performance thereof will not result in any default under, or breach of, any judgment, order, law or regulation applicable to Lessee, or of any provision of Lessee's articles of incorporation, bylaws, or any agreement to which Lessee is a party; and (iv) all financial statements and other information submitted by Lessee herewith or at any other time is true and correct without any misleading omissions.

**15. ASSIGNMENT:** Lessee hereby agrees and acknowledges that Lessor may without notice to Lessee, assign all or any part of Lessor's rights, title and interest in and to this Lease, any Schedule, the Equipment, and any of the rentals or other sums payable hereunder, to any assignee ("Assignee") provided any such assignment shall be made subject to the rights of Lessee herein. Lessee hereby acknowledges that any such assignment does not change the duties of, nor the burden of risk imposed on the Lessee and that Lessee shall not look to Assignee to perform any of Lessor's obligations hereunder and shall not assert against Assignee any defense, counterclaim or setoff it may have against Lessor. Lessee agrees that after receipt of written notice from Lessor of any such assignment Lessee shall pay, if directed by Lessor, any assigned rental and other sums payable hereunder directly to Assignee and will execute and deliver to Assignee such documents as Assignee may reasonably request in order to confirm the interest of Assignee in this Lease. **WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE SHALL NOT ASSIGN, TRANSFER, ENCUMBER, SUBLET OR SELL THIS LEASE, ANY SCHEDULE, ANY OF THE EQUIPMENT, OR ANY OF ITS INTEREST THEREIN, IN ANY FORM OR MANNER.**

**16. FURTHER ASSURANCES:** Upon Lessor's request, Lessee, promptly and at its expense, shall execute and/or deliver such documents, instruments and/or assurances, and shall take such further action, as Lessor deems prudent in order to establish and/or protect the rights, interests and remedies of Lessor, and for the confirmation, assignment and/or perfection of this Lease and any Schedule hereto, and for the assurance of performance of Lessee's obligations hereunder, such as (but not limited to): a secretary's certificate certifying the authority of the person(s) signing, and/or the resolutions authorizing, this Lease and/or any Schedule; delivery and/or acceptance certificates; insurance certificates; an opinion of Lessee's counsel; financial statements and other credit information as reasonably requested by Lessor; intercreditor agreements; subordinations; and a landlord/mortgagee waiver of rights and interests in the Equipment. If Lessee fails to complete when due any such requested item, Lessor, at its sole discretion and notwithstanding the provisions of Section 3. Term herein, may elect to delay the Final Commencement Date of the affected Schedule until any or all such requested items are completed. Until duly executed by an authorized officer of Lessor, Lessee agrees that this Lease and any Schedule executed by Lessee shall constitute an offer by Lessee to enter into the Lease with Lessor.

**17. DEFAULT:** The occurrence of any of the following shall constitute an event of default hereunder ("Event of Default"): (a) Lessee fails to pay when due any installment of rent or any other amount due hereunder and such failure continues for a period of ten days after receipt of written notice thereof; (b) any financial or other information or any other representation or warranty given to Lessor herein or in connection herewith (including information provided by or on behalf of any Guarantor), proves to be false or misleading; (c) Lessee assigns, transfers, encumbers, sublets or sells this Lease, any Schedule, any of the Equipment, or any of its interest therein, in any form or manner, without Lessor's prior written consent; (d) Lessee fails to observe or perform any other covenant, condition or obligation to be observed or performed by it under this Lease and such failure continues for a period of fifteen days after receipt of written notice thereof; (e) any transaction or series of transactions that results in an ownership change of fifty percent or more of the equity interests of Lessee or any Guarantor of this Lease; (f) Lessee or any Guarantor of this Lease consolidates with or merges into, or sells or leases fifty percent or more of its assets to any individual, corporation, or other entity; (g) Lessee, or any Guarantor of this Lease, ceases doing business as a going concern, dies, makes an assignment for the benefit of creditors, admits in writing its insolvency, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files a petition seeking for itself any reorganization, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation, or files an answer admitting the material allegations of a petition filed against it in any such proceedings, consents to or acquiesces in the appointment of a trustee, receiver, or liquidator of it or of any substantial part of its assets, or if its shareholders take any action looking to its dissolution or liquidation; or (h) within sixty days after the commencement of any proceeding against Lessee or any Guarantor of this Lease, seeking reorganization, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceedings shall not have been dismissed, or if within sixty days after the appointment without Lessee's consent or acquiescence of any trustee, receiver or liquidator of it or of any substantial part of its assets, such appointment shall not be vacated.

**18. REMEDIES:** If an Event of Default shall occur, Lessor may, in addition to all available remedies it may have at law or in equity, do any or all of the following: (a) proceed, by appropriate court action, to enforce performance by Lessee of the applicable covenants of this Lease and to recover damages for the breach thereof; (b) by written notice to Lessee, terminate this Lease and/or all or any Schedules hereto and Lessee's rights hereunder and/or thereunder; (c) personally or by its agents enter the premises where any of the Equipment is located and take immediate possession of the Equipment without court order or other process of law and free from all claims by Lessee; (d) nullify any end of Term purchase or renewal option; and/or (e) recover all unpaid amounts then due and owing including applicable late charges, plus, as liquidated damages for loss of a bargain and not as a penalty, accelerate and declare to be immediately due and payable the unpaid balance of the aggregate rent and other sums reserved hereunder plus the Fair Market Value of the Equipment, without any presentment, demand, protest or further notice (all of which are expressly waived by Lessee). In the event Lessor repossesses any of the Equipment, Lessor may sell, lease or otherwise dispose of said Equipment in such manner, at such times, and upon such terms as Lessor may reasonably determine. If Lessor does repossess and sell the Equipment, the proceeds thereof shall be applied to: (i) all costs and expenses (including attorney's fees) of such disposition; (ii) the unpaid accrued rentals, taxes, fees, delinquency charges, interest and all or any other sums due and owing; (iii) the unpaid accelerated rentals; and (iv) the Fair Market Value of the Equipment. Any excess proceeds shall be remitted to Lessee. If Lessor re-leases the Equipment, the re-lease rentals received for the period through the end of the

original Base Term of the Lease shall be first applied as described in (i), (ii), (iii), and (iv), above, with any excess to be remitted to the Lessee. The exercise of any of the foregoing remedies by Lessor shall not constitute a termination of the Lease or of any Schedule unless Lessor so notifies Lessee in writing. All remedies of Lessor shall be deemed cumulative and may be exercised concurrently or separately. The waiver by Lessor of any breach of any obligation of Lessee shall not be deemed a waiver of a breach of any other obligation or of any future breach of the same obligation. The subsequent acceptance of rental payments hereunder by Lessor shall not be deemed a waiver of any prior or existing breach by Lessee regardless of Lessor's knowledge of such breach. If any Schedule is deemed at any time to be a lease intended as security, Lessee grants Lessor a security interest in the Equipment to secure its obligations under this Lease and all other indebtedness at any time owing by Lessee to Lessor. Lessee agrees that upon the occurrence of an Event of Default, in addition to all of the other rights and remedies available to Lessor hereunder, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

**19. PERFORMANCE OF LESSEE'S OBLIGATIONS BY LESSOR:** If Lessee fails to perform any of its obligations hereunder, Lessor shall have the right, but shall not be obligated, to perform the same for the account of Lessee without thereby waiving Lessee's default. Any amount paid and any expense, penalty or other liability incurred by Lessor in such performance shall become due and payable by Lessee to Lessor upon demand.

**20. PURCHASE AGREEMENTS:** In the event any of the Equipment is subject to any acquisition or purchase agreement ("Acquisition Agreement") between Lessee and the Manufacturer, then Lessee, as part of this Lease when approved by Lessor, transfers and assigns to Lessor any and all of Lessee's rights, title and interest (excepting that which is inherent to or granted by this Lease), but none of its obligations (except Lessee's obligation to pay for the Equipment, which Lessor shall do after Lessee's acceptance of the Equipment, provided all documentation required by Lessor has been completed and that Lessor's approval remains valid), in and to the Acquisition Agreement(s) and the subject Equipment. **IN THE EVENT LESSEE ISSUES A PURCHASE ORDER TO LESSOR WITH RESPECT TO THIS LEASE, ANY SCHEDULE, OR ANY OF THE EQUIPMENT, IT IS AGREED THAT ANY SUCH PURCHASE ORDER IS FOR LESSEE'S INTERNAL PURPOSES ONLY AND THAT NONE OF ITS TERMS AND CONDITIONS SHALL MODIFY THIS LEASE OR ANY RELATED DOCUMENTATION, OR AFFECT EITHER PARTIES' RESPONSIBILITIES AS SET FORTH IN THIS LEASE.**

**21. NOTICES:** All notices hereunder shall be in writing and shall be given by personal delivery or sent by certified mail, return receipt requested, or reputable overnight courier service, postage/expense prepaid, to the address of the other party as set forth herein or to any later address last known to the sender. All notices to Lessor shall be addressed to the attention of Vice President, Contracts, and must be executed by an authorized officer of Lessee to be effective. Notice shall be effective upon signed receipt or other evidence of delivery.

**22. APPLICABLE LAW / ARBITRATION:** The parties agree that any action brought to enforce any of the terms, or to recover for any breach, whether based in tort, contract or otherwise, relating to or arising out of this Lease (collectively, "Lease Disputes") will be submitted to the Orange County, California, office of JAMS/Endispute LLC ("JAMS"), for a trial of all issues of law and fact conducted by a retired judge or justice from the panel of JAMS, appointed pursuant to a general reference under California Code of Civil Procedure, Section 638(1) (or any amendment, addition or successor section thereto) unless Lessor or its Assignee selects an alternative forum. If the parties are unable to agree on a member of the JAMS panel, then one shall be appointed by the presiding Judge of the California Superior Court for the County of Orange. In the event that JAMS in the County of Orange ceases to exist, then the parties agree that all Lease Disputes will be filed and conducted in the appropriate court having jurisdiction in the County of Orange, unless Lessor or its Assignee selects an alternative forum. Lessee agrees to submit to the personal jurisdiction of the appropriate California Court for all Lease Disputes. Lessee waives its rights to a jury trial in any action arising out of or relating to this Lease. The prevailing party in any Lease Disputes is entitled to recover from the other party reasonable attorney's fees and costs, including all JAMS related costs and costs of collection (including judgment enforcement and collection costs). This Lease has been entered into and shall be performed in California and, therefore, this Lease shall be construed in accordance with and shall be governed by, the internal substantive laws of the State of California (exclusive of principles of conflict of laws). **TIME IS OF THE ESSENCE.**

**23. GENERAL:** Neither this Lease nor any Schedule shall bind Lessor in any manner, and no obligation of Lessor shall arise, until the respective instrument is duly executed by an authorized officer of Lessor. If more than one Lessee is named in this Lease or there is a Guarantor of this Lease, the liability of each shall be joint and several. This Lease and each Schedule shall inure to the benefit of and be binding upon Lessor, Lessee and their respective successors except as expressly provided for herein. All representations, warranties, indemnities and covenants contained herein, or in any document now or at any other time delivered in connection herewith, which by their nature would continue beyond the termination or expiration of this Lease, shall continue in full force and effect and shall survive the termination or expiration of this Lease.

**24. ENTIRE AGREEMENT:** THIS LEASE, TOGETHER WITH ALL DULY EXECUTED SCHEDULES, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN LESSEE AND LESSOR WITH RESPECT TO THE EQUIPMENT AND SHALL SUPERSEDE ANY AND ALL PRIOR PROPOSALS, NEGOTIATIONS AND/OR OTHER COMMUNICATIONS, ORAL OR WRITTEN. NO MODIFICATION TO THIS AGREEMENT SHALL BE EFFECTIVE UNLESS MADE IN WRITING AND DULY EXECUTED BY LESSEE AND AN AUTHORIZED OFFICER OF LESSOR. NO ORAL OR WRITTEN GUARANTY, PROMISE, CONDITION, REPRESENTATION OR WARRANTY SHALL BE BINDING UNLESS MADE A PART OF THIS LEASE BY DULY EXECUTED ADDENDUM. UNLESS SPECIFIED OTHERWISE, IN THE EVENT ANY SUCH DULY EXECUTED MODIFICATION IS ATTACHED TO AND MADE A PART OF ANY SPECIFIC SCHEDULE, THE TERMS AND CONDITIONS OF SUCH MODIFICATION SHALL APPLY ONLY TO THAT SPECIFIC SCHEDULE AND SHALL NOT APPLY TO ANY OTHER SCHEDULE.

**PLEASE INITIAL BELOW TO CERTIFY YOUR ACKNOWLEDGMENT AND AGREEMENT THAT NO MODIFICATION TO THIS LEASE SHALL BE EFFECTIVE UNLESS IN WRITING AND SIGNED BY LESSEE AND AN AUTHORIZED OFFICER OF LESSOR.**

Lessee Initials: \_\_\_\_\_

Lessor Initials: \_\_\_\_\_

Lessee: Northern Inyo Hospital

Lessor: CELTIC LEASING CORP.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: Peter Watercott

Name: Michael J. Purcell

Title: Chairperson

Title: Vice President

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

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

## CORPORATE CERTIFICATE

THE UNDERSIGNED DOES HEREBY CERTIFY that: (a) I am an officer of Northern Inyo Hospital, a corporation duly organized and validly existing under the laws of the state of California; and (b) that the persons whose names and signatures appear below are, and have been at all times, duly qualified and authorized to execute, on behalf of this Corporation, any and all documents and instruments in connection with the lease, purchase, sale or other disposition of personal property from or to CELTIC LEASING CORP. including, but not limited to, Master Leases, Lease Schedules, Purchase and Sale Agreements, and other documents relating thereto.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
<u>Peter Watercott</u>	<u>Chairperson</u>	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, the undersigned officer has executed this Certificate on the date set forth below.

(AFFIX CORP. SEAL HERE)

Signature: \_\_\_\_\_  
(OF CERTIFYING OFFICER)

Name: \_\_\_\_\_  
(PRINT OR TYPE)

Title: \_\_\_\_\_  
(OFFICER TITLE--PREFERABLY SECRETARY OR ASST. SEC.)

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

# CELTIC

LEASE SCHEDULE No. 3043A01  
CELTIC LEASING CORP. — Lessor

ANNEXED TO AND MADE A PART OF MASTER  
LEASE NO. CML-3043A DATED \_\_\_\_\_

4 PARK PLAZA, SUITE 300 • IRVINE, CALIFORNIA 92614 • (949) 263-3880 • FAX: (949) 263-1331

Lessee: Northern Inyo Hospital

Corporate

Address : 150 Pioneer Lane, Bishop, CA 93514

Contact : John Halfen

Title: CEO/CFO

Phone No. (760)873-2838

Equipment

Location : 150 Pioneer Lane, Bishop, CA 93514

Contact : John Halfen

Title: CEO/CFO

Phone No. (760)873-2838

This Schedule is issued pursuant to the Master Lease referenced above between Lessee and Lessor. All of the terms and conditions of the Master Lease are incorporated herein and made a part hereof as if such terms and conditions were set forth in this Schedule. By their execution and delivery of this Schedule, the parties hereby reaffirm all of the terms and conditions of the Master Lease.

Equipment Leased:

<u>ITEM</u>	<u>QTY</u>	<u>SERIAL NO.</u>	<u>DESCRIPTION</u>
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VENDOR(S): Turner Medical Research Solutions

1.-? various

Misc. medical and support equipment to be provided by Turner Medical Research Solutions. Items 1. and on shall be enumerated and described in further detail at a later date on the related applicable Acceptance Certificate(s).

The below rent amount is based on an Equipment Cost of \$2,000,000.00. The rent amount will be adjust once the final Equipment Cost has been determined.

<u>MONTHLY RENT</u>	<u>BASE TERM IN MONTHS</u>	<u>DEPOSIT APPLIED TO LAST BILLING CYCLE</u>	<u>BILLING CYCLE</u>	<u>FINAL COMMENCEMENT DATE</u>
\$59,000.00 (PLUS APPLICABLE TAXES)	Thirty-Six (36)	ONE MONTH'S RENT	<input checked="" type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> BIANNUALLY <input type="checkbox"/> ANNUALLY	

By execution hereof, the parties hereby reaffirm their acknowledgment and agreement that no modification to this Lease shall be effective unless in writing and signed by Lessee and an authorized officer of Lessor.

OFFER

ACCEPTANCE

Lessee: Northern Inyo Hospital

Lessor: CELTIC LEASING CORP.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: Peter Watercott

Name: Michael J. Purcell

Title: Chairperson

Title: Vice President

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

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

**THIS SHEET  
INTENTIONALLY  
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JDH  
Annual Report to Board of Director

## Observations Summary

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**License Review:**

No observations noted

**Wipe Program:**

**Daily Area Surveys**

No observations noted

**Weekly Wipes**

No observations noted

**Receipt of Isotopes:**

No observations noted

**Hot Lab Security:**

No observations noted

**Radioactive Waste Program:**

No observations noted

**Daily Camera Floods:**

No observations noted

**Film Badge Report:**

No observations noted

**Additional Areas of Opportunity:**

**Date Completed:** \_\_\_\_\_

**Initials:** \_\_\_\_\_

Please verify that the department has the option of accessing 10 CFR Part 35 online. This can be found by searching 10 CFR Part 35 in the upper toolbar of the web browser. Please bookmark the page for easy access when requested by a CDPH inspector. A second option would be to print out the entire regulation and maintain it in a logbook.

The CDPH has implemented the regulation 10 CFR 35.75. Information on the new regulation has been emailed to the Nuclear Medicine Department. Please have the RSO and CTNM(s) review the information and implement any necessary requirements.

Verify that the RSO performs an annual ALARA Program Review for 2011. If the ALARA Audits are reviewed and discussed between the RSO, RSC and CTNMs, it will act as the RSO's annual review. Please document any additional observations, corrective action or internal radiation safety issues on the audit for inspection purposes.

The ALARA Audit includes an RSO Summary Review of all the calibration dates and an Observation Summary page to help document the date the observation was completed and initials.

Reviewed by: \_\_\_\_\_

Wayne S. McGregor, CTNM RSO

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



# RSO ALARA Summary Review 2011

**Facility:** Northern Inyo County Local Hospt District  
 DBA: Northern Inyo Hospital  
**Attn:** Nuclear Medicine Department

**Reviewed By:** \_\_\_\_\_  
Facility RSO  
**Date:** \_\_\_\_\_

## Dose Calibrator Quality Control:

Dose Calibrator: Atom Lab      Decay Charts: \_\_\_\_\_      Daily Constancy: OK  
 Model: 100+      Generated Printout: \_\_\_\_\_      Daily Channel Checks: OK  
 Serial No: 43348058      In-House Computer: \_\_\_\_\_

Test	Frequency	Quarter I	Qrt II	Qrt III	Qrt IV
Linearity	2009	3/24/2009	7/14/2009	9/22/2009	12/30/2009
Quarterly	2010	3/8/2010	7/12/2010	10/19/2010	12/31/2010
	2011	3/23/2011	6/22/2011	9/28/2011	
			7/1/2011		
			7/14/2011		
	2012				
Test	Frequency	Quarter I	Qrt II	Qrt III	Qrt IV
Accuracy	2009			9/16/2009	
Annual	2010			9/24/2010	
	2011			9/30/2011	
	2012				
Test	Frequency	Quarter I	Qrt II	Qrt III	Qrt IV
Geometry	2009			9/16/2009	
Annual	2010			9/24/2010	
	2011			9/30/2011	
	2012				

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**Sealed Source Leak Test:**


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Test	Frequency	Qrt I	Qrt II	Qrt III	Qrt IV
Leak Test	2009	2/18/2009		7/14/2009	
Semi-Annual	2010	1/18/2010		7/21/2010	
	2011	1/19/2011		7/20/2011	
	2012				
Test	Frequency	Qrt I	Qrt II	Qrt III	Qrt IV
Inventory	2009	3/31/2009		7/14/2009	
Semi-Annual	2010		4/16/2010	7/21/2010	
	2011		4/29/2011		10/18/2011
	2012				

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**Survey Meter Calibration:**


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Frequency	Manufacturer	Model	Serial No.	Probe Type	Calib. Date	Dept.
Annual	Ludlum	14C	121996	ECP		Nuclear
	2009				5/11/2009	
	2010				5/20/2010	
	2011				6/2/2011	
	2012					
Frequency	Manufacturer	Model	Serial No.	Probe Type	Calib. Date	Dept.
Annual	Ludlum	14C	243490	PGM		Nuclear
	2009				8/12/2009	
	2010				8/18/2010	
	2011				5/26/2011	
	2012					

## Radioactive Waste Program:

Program Status: Active  
 Waste Vendor: \_\_\_\_\_

In-service training for waste management: Yes  
 Secondary Storage Site: No  
 Location: N/A

### Secondary Storage Site Waste Monitor

Waste Monitor: N/A  
 Location: \_\_\_\_\_  
 Model: \_\_\_\_\_  
 Calibrated: \_\_\_\_\_  
 Due Next: \_\_\_\_\_

LLRW Report  
 2009 1/20/2010  
 2010 1/3/2011  
 2011 \_\_\_\_\_  
 2012 \_\_\_\_\_

### Hot Lab Waste Monitor

Waste Monitor: Ludlum  
 Location: Hot Lab  
 Model: 14C  
 Calibrated: 6/2/2011  
 Due Next: 6/2/2012

## Wipe & Survey Program:

### Daily Surveys:

Instrumentation: Ludlum  
 Model: 14C  
 Serial #: 121996  
 Probe Type: ECP

### Weekly Wipes:

Instrumentation: Captus  
 Model: 600  
 Serial #: 600315  
 Type: Well

	Frequency	Qrt I	Qrt II	Qrt III	Qrt IV
Surveys Weekly	2009			Ok	
	2010			Ok	
	2011			Ok	
	2012				
	Frequency	Qrt I	Qrt II	Qrt III	Qrt IV
Wipes Weekly	2009			Ok	
	2010			Ok	
	2011			Ok	
	2012				
	Frequency	Qrt I	Qrt II	Qrt III	Qrt IV
Chi-Square	Annual				
	2009	1/6/2009		7/14/2009	
	2010	1/11/2010		7/12/2010	
	2011	1/11/2011		7/19/2011	
	2012				

## Wipe Counter Efficiency:

Instrumentation:	<u>Capintec</u>	Efficiency Co-57:	<u>0.815</u>
Model:	<u>Captus</u>	Efficiency Ba-133:	<u>N/A</u>
Serial #:	<u>600</u>	Chi-Square performed:	<u>N/A</u>
Type:	<u>Well</u>		

Efficiency Co-57	Frequency	Qtr I	Qtr II	Qtr III	Qtr IV
	2009			9/16/2009	
	2010			9/24/2010	
	2011			9/30/2011	
	2012				

## Other Nuclear Medicine Records:

License No:	<u>3384-14</u>	Date of Last Inspection:	<u>11/2/2009</u>
Expiration Date:	<u>9/26/2004</u>	The RSO has reviewed the ALARA Program:	<u>Yes</u>
Amendment No:	<u>18</u>	Audit Frequency:	<u>Annual</u>

	Frequency	Qtr I	Qtr II	Qtr III	Qtr IV
P&P Manual Review Annual	2009			8/13/2009	
	2010			9/15/2010	
	2011			9/11/2011	
	2012				
	Frequency	Qtr I	Qtr II	Qtr III	Qtr IV
ALARA Audits Annual	2009			9/16/2009	
	2010			9/24/2010	
	2011			9/30/2011	
	2012				
	Frequency	Qtr I	Qtr II	Qtr III	Qtr IV
RSO ALARA Review Annual	2009				
	2010				
	2011				
	2012				

RSC Meetings		Frequency	Qtr I	Qtr II	Qtr III	Qtr IV
Quarterly	2009		2/24/2009	5/26/2009	9/29/2009	11/17/2009
	2010		1/19/2010	6/28/2010	9/28/2010	11/16/2010
	2011		2/15/2011	6/28/2011	9/27/2011	
	2012					
In-Service Training		Frequency	Qtr I	Qtr II	Qtr III	Qtr IV
Annual	2009					10/9/2009
	2010					11/16/2010
	2011					
	2012					
Gamma Camera PM		Frequency	Qtr I	Qtr II	Qtr III	Qtr IV
	2009				Aug	
	2010					12/17/2010
	2011					
	2012					

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**RSO Additional Comment / Corrective Actions:**

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From: WSJ.com Editors [access@interactive.wsj.com]  
 Sent: Wednesday, December 07, 2011 4:32 PM  
 To: John Halfen  
 Subject: Money Rates

advertisement

Money Rates		Wednesday, December 7, 2011		
		% CHG FROM		
Inflation	Oct. Index level	Sept. '11	Oct. '10	
<b>U.S. consumer price index</b>				
All items	226.421	-0.2	3.5	
Core	226.743	0.2	2.1	
<b>52-WEEK</b>				
<b>International rates</b>	Latest	Wk ago	High	Low
<b>Prime rates [ U.S. Effective Date: 12/16/2008 ]</b>				
U.S.	3.25	3.25	3.25	3.25
Canada	3.00	3.00	3.00	3.00
Euro zone	1.25	1.25	1.50	1.00
Japan	1.475	1.475	1.475	1.475
Switzerland	0.51	0.52	0.63	0.50
Britain	0.50	0.50	0.50	0.50
Australia	4.25	4.50	4.75	4.25
<b>Overnight repurchase</b>				
U.S.	0.09	0.14	0.33	0.02
U.K. (BBA)	0.500	0.483	0.562	0.450
Euro zone	0.54	0.36	1.59	0.33
<b>U.S. government rates</b>				
<b>Discount [ Effective Date: 2/19/2010 ]</b>				
	0.75	0.75	0.75	0.75
<b>Federal funds [ Effective Date: 12/16/2008 ]</b>				
Effective rate	0.08	0.13	0.21	0.05
Target rate	0-0.25	0-0.25	0-0.25	0-0.25
High	0.3125	0.3750	0.5000	0.2700
Low	0.0100	0.0100	0.1500	0.0100
Bid	0.0600	0.0500	0.2500	0.0100
Offer	0.1000	0.1500	0.3750	0.0500
<b>Treasury bill auction [ Auction Date: 12/7/2011 ]</b>				
4 weeks	0.000	0.020	0.160	0.000
13 weeks	0.005	0.030	0.180	0.005
26 weeks	0.050	0.070	0.225	0.030
<b>Secondary Market</b>				
<b>Freddie Mac</b>				
<b>30-year mortgage yields</b>				
30 days	3.49	3.55	4.80	2.92
60 days	3.53	3.59	4.86	3.00
<b>Fannie Mae</b>				
<b>30-year mortgage yields</b>				
30 days	3.554	3.577	4.857	3.327
60 days	3.597	3.622	4.916	3.373
<b>Bankers acceptance</b>				
30 days	0.23	0.23	0.30	0.17
60 days	0.28	0.28	0.30	0.19
90 days	0.28	0.28	0.30	0.20
120 days	0.33	0.33	0.33	0.23
150 days	0.38	0.38	0.38	0.25
180 days	0.38	0.38	0.43	0.33
<b>Other short-term rates</b>				
<b>Call money [ Effective Date: 12/16/2008 ]</b>				
	2.00	2.00	2.00	2.00
<b>Commercial paper</b>				
30 to 59 days	0.03	...	...	...
60 to 70 days	0.07	...	...	...
71 to 89 days	0.09	...	...	...
90 to 119 days	0.18	...	...	...
120 to 149 days	0.28	...	...	...
150 to 179 days	0.33	...	...	...
180 to 270 days	0.38	...	...	...
<b>Dealer commercial paper</b>				

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

**THIS AGREEMENT MADE AND ENTERED INTO** this 1st day of December, 2011, by and between NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT (hereinafter "Hospital") and Nickoline M. Hathaway, M.D. (hereinafter "Physician").

**I  
RECITALS**

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

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

**II  
COVENANTS OF PHYSICIAN**

- 1. Physician shall perform the follow services:

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

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

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

### III

#### COVENANTS OF THE HOSPITAL

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

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

#### IV GENERAL PROVISIONS

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

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

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

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

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

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

7. The term of this Agreement is one (1) year, commencing on December 1, 2011 and ending at midnight on November 30, 2012.
8. Notwithstanding the aforesaid term, Hospital may terminate this Agreement immediately upon the occurrence of any of the following events:

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

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

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

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

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

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

By

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

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

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

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



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**NORTHERN INYO HOSPITAL  
RURAL HEALTH CLINIC STAFF PHYSICIAN  
PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement (this "Agreement"), dated as of January 20, 2011 is entered into by and between Northern Inyo Hospital Local Hospital District ("Hospital") and Jennifer Scott, M.D. ("Physician").

**RECITALS**

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

B. Physician is an individual duly licensed to practice medicine in the State of California, and he desires to relocate his practice to Bishop, California.

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

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

THEREFORE, THE PARTIES AGREE:

**I. PHYSICIAN RESPONSIBILITIES.**

- 1.01 Services. Hospital hereby engages Physician to serve as Clinic staff physician, and Physician hereby accepts such engagement on the terms and conditions set forth in this Agreement. In his capacity as staff physician, Physician shall provide Hospital with the benefit of his direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the Clinic. The scope of services to be performed by Physician are described in Exhibit A attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.
- 1.02 Limitation on Use of Space. No part of the Clinic's premises shall be used at any time by Physician as an office for the private practice of medicine or to see patients other than Clinic patients.
- 1.03 Covenants of Physician: Physician shall:

(a) Apply for and maintain Provisional or Active Medical Staff membership and the aforesaid family practice privileges for the term of this Agreement.

(b) Provide on-call coverage to the Hospital's Emergency Service within the scope of privileges granted him by Hospital.

(c) 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 may claim payment or reimbursement from the District. 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 District, 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 sub-contract he may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a 12-month period, when said sub-contract is with a related organization.

(d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.

(e) As much as is practical, Physician shall be on call or in actual physical presence to provide the emergency coverage required by this Agreement. However, District expressly agrees that said such other qualified physicians might perform services as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, and has received approval in writing by the Hospital.

(f) Assist in monitoring and reviewing the clinical performance of Clinic non-physician providers (nurse practitioners)

## II. HOSPITAL RESPONSIBILITIES.

### 2.01 Hospital Services.

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

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

- 2.02 General Services. Hospital shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Clinic.
- 2.03 Supplies. Hospital shall purchase and provide all supplies as may be reasonably required for the proper treatment of Clinic patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.
- 2.04 Personnel. Hospital shall determine and furnish all other personnel required to operate Clinic.
- 2.05 Business Operations. Hospital shall be responsible for all business operations related to operation of the Clinic, including personnel management, billing and payroll functions.
- 2.06 Hospital Performance. The responsibilities of Hospital under this Article shall be subject to Hospital's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.
- 2.07 Clinic Hours. Specific shifts will be scheduled according to normal operating procedures of the Clinic.

### III. COMPENSATION.

- 3.01 Compensation. Hospital shall pay Physician \$70.00 per hour and \$30.00 per patient encounter for patients scheduled to be seen in the Clinic by Physician. Said sums are payable on the 20th day of the calendar month immediately following the service performed.
- 3.02 Community Pool. In addition to 3.01 above, Hospital shall contribute \$2.50 per patient seen into a pool of all patients seen by all participating contracted providers. Funds in the pool shall be distributed amongst all the contracted and eligible Physician providers quarterly (paid within 10 working days of the end of each quarter) in accordance with a Quality Assurance and Performance Plan established by the RHC Medical Director. The Hospital District Board will adjudicate disputes.
- 3.03 Malpractice Insurance. Physician agrees to secure his own malpractice insurance with limits and coverage's appropriate for the physician to provide services under this agreement.
- 3.04 Billing for Professional Services. Physician assigns to Clinic all claims, demands and rights of Physician to bill and collect for all professional services rendered to Clinic patients. Physician acknowledges that Clinic shall be solely responsible for billing and collecting for all professional services provided by Physician to Clinic patients at Clinic, and for managing all Clinic receivables and payables, including those related to Medicare and Medi-Cal beneficiaries. Physician shall not bill or collect for any services rendered to Clinic patients, and all Clinic receivables and billings shall be the sole and exclusive property of Clinic. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Clinic. In the event payments are made to

Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Clinic.

IV. TERM AND TERMINATION.

4.01 Term. The term of this Agreement shall be for a period of two years beginning on the first day of the first shift scheduled for the physician to work ("Effective Date"), and ending on the last day of the twenty-fourth month thereafter.

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

- A. By either party, at any time, without cause or penalty, upon sixty (30) days' prior written notice to the other party;
- B. Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;
- C. Immediately upon closure of the Hospital or Clinic;
- D. By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment.

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

V. PROFESSIONAL STANDARDS.

5.01 Medical Staff Standing. Prior to performing services pursuant to this Agreement, Physician must obtain full Medical Staff privileges on the Medical Staff of Hospital, and maintain such membership throughout the term of this Agreement. Such membership shall be subject to all of the privileges and responsibilities of Medical Staff membership.

5.02 Licensure and Standards. Physician shall:

- A. At all times be licensed to practice medicine in the State of California;

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

VI. RELATIONSHIP BETWEEN THE PARTIES.

6.01 Professional Relations.

- A. Independent Contractor. No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine. Hospital and Clinic shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement. The sole interest of Hospital is to insure that such services are performed and rendered in a competent and cost effective manner.
- B. Benefits. Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, unemployment benefits, sick leave, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

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

## VII. GENERAL PROVISIONS.

- 7.01 No Solicitation. Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Clinic.
- 7.02 Access to Records. To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

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

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

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

- 7.03 Amendment. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties.
- 7.04 Arbitration and Dispute Resolution.
- A. Non Medical Disagreements. In the event that disagreements arise between the parties concerning their performance under this Agreement, or on other matters, such disagreements shall be the subject of negotiations between Physician and the

Hospital Administrator. In the event Physician is not satisfied with the decision of the Administrator, the dispute shall be submitted to the Hospital's Board of Directors and the decision of the Board shall be final.

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

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

7.06 Attorneys' Fees. If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee and costs. As used in this Section 7.06, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.

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

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

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

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

Physician: Jennifer Scott, MD  
153B Pioneer Lane  
Bishop, CA 93514

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



- 7.11 Prior Agreements. This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement.
- 7.12 Referrals. This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.
- 7.13 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.
- 7.14 Waiver. The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.
- 7.15 Gender and Number. Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.
- 7.16 Authority and Executive. By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.

NORTHERN INYO COUNTY  
LOCAL HOSPITAL DISTRICT

PHYSICIAN

By \_\_\_\_\_  
Peter J. Watcott, President  
Board of Directors

By \_\_\_\_\_  
Jennifer Scott, MD

## EXHIBIT A

### POSITION DESCRIPTION

#### TITLE

Staff Physician

#### DEPARTMENT

Rural Health Clinic

#### POSITION SUMMARY

The Rural Health Clinic Staff Physician is a Member of the Northern Inyo Hospital Active Medical Staff and the Clinic multi-disciplinary care team. He/she provides direct primary medical diagnostic and treatment to patients. The Staff physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all office personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Clinic patients.
6. Manage all medical and surgical emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all Federal and State Rural Health Clinic regulations.
9. Monitor and review clinical performance of non-physician providers (Nurse Practitioners)
10. Provide on-site clinical consultation to non-physician providers (Nurse Practitioners)

**END**