



TRUE
COMMUNITY
MEDICINE

Public Hospital District No. 1
of Snohomish County

District Commissioners:
Alice Cabe
John Hinchliffe
Neil Watkins

Michael E. Leppan
Chief Executive Officer

December 5, 2011

Mr. Michael R. Bell
Partner, Health Care Practice
Wipfli LLP
12 East Rowan, Suite 2
Spokane, WA 99207

Re:

Dear Mr. Bell:

I am the Director of Corporate Compliance and Organizational Development at Valley General Hospital. This letter provides information to Wipfli in connection with its opinion regarding the proposed transaction involving Snohomish County Public Hospital District No. 1 and Capella Healthcare, Inc. This letter addresses RCW 70.45.080(3) and the safeguards to maintain appropriate capacity for health science research.

Due to the size of Valley General Hospital and the activities of physicians on its medical staff, the Hospital has not undertaken any health science research activities to date. If a member of the medical staff desires to engage in research activities in the future, however, any such activity would be permitted so long as it is conducted in compliance with applicable federal and state law.

Very truly yours,

Lisa LaPlante
Compliance Officer
Director, Quality and Risk Management
Valley General Hospital