

**PUBLIC HOSPITAL DISTRICT NO. 1
OF KING COUNTY, WASHINGTON RESOLUTION NO. 868**

RESOLUTION OF THE BOARD OF COMMISSIONERS OF PUBLIC HOSPITAL DISTRICT NO. 1 OF KING COUNTY, WASHINGTON, RENEWING EXISTING RETENTION PROGRAM FOR SUPERINTENDENT AND CONDITIONS THEREIN, AUTHORIZING AMENDMENTS TO SUPERINTENDENTS EXISTING EMPLOYMENT AGREEMENT, AND SUPPLEMENTAL EXECUTIVE BENEFIT PLAN PROVIDING RETIREMENT AND RETENTION BENEFITS.

WHEREAS, the Board believes that the Superintendent's over twenty years of service to the District have provided substantial benefits to the Medical Center and the residents of the District; and

WHEREAS, the Board believes that it is in the best interests of the District and its residents that the Superintendent remain with the District for at least the next five years, and continue to lead Valley Medical Center, especially in light of significant facility and program enhancements during the next several years at a time of increased uncertainty in and challenges to the health care industry; and

WHEREAS, the Board had put into place a retention program for the Superintendent which expires this year and the Board desires to continue this type of retention program for the next five years, 2008 through 2012 ("Retention Period"); and

WHEREAS, consistent with the current retention program, the Board desires that Superintendent not be eligible for any other severance except if Superintendent is terminated during the Retention Period for reasons specified under VI(C) - *Termination for Other or for Unspecified Reasons by VMC* or VI(D)(1) point1 *Resignation (not retirement) for "Good Reasons"* under Superintendent's Employment Agreement, the Superintendent shall be entitled to a severance amount, in addition to any other compensation owed under the terms of the Employment Agreement, equivalent to one year's most current base yearly salary, less all required taxes and withholdings, except that any severance due during the last year of the Retention Period shall be prorated dependent on the number days left in the Retention Period; and

WHEREAS, the Board had put into place a retirement fund which Superintendent became eligible for at age 60 and which the Board desires Superintendent can access after January 1, 2009, having reached age 60; and

WHEREAS, the Board desires that Superintendent's Employment Agreement be appropriately amended to provide for a broader non-compete provision and terms providing

for expeditious binding arbitration for all disputes, clarifications of existing terms and to reflect the provisions of this Resolution; and

WHEREAS, the Board has reviewed the Superintendent's performance and the performance of the District taking into consideration the results achieved in terms of quality medical care and service to District residents at reasonable cost, taking also into consideration the achievement by Valley Medical Center of goals established annually by the Board, and taking also into consideration the Superintendent's many years of service to the District and his long tenure as its chief executive officer, and taking also into consideration the exceptionally difficult and challenging health care environment both locally and nationally, and

WHEREAS, the Board concludes that Richard D. Roodman's performance as Superintendent of the District has been and continues to be excellent, and that his retention as Superintendent is in the best interests of the District, its residents, and the medical staff and employees of Valley Medical Center; and

BE IT RESOLVED that the District shall deposit into an account (for purposes of this Resolution, the "Retention Account") an amount equal to the yearly Retention Amount for each year of the five year Retention Period. The new Retention Amount for each year shall be equal to the total retention paid out to Mr. Roodman in the year 2007, plus 2% of that amount.

BE IT RESOLVED that the renewal of the Retention Account will be established and administered in accordance with the Supplemental Executive Benefit Plan which shall be amended accordingly.

BE IT RESOLVED that the Supplemental Executive Benefit Plan shall be amended to provide Superintendent access to the Retirement Fund after January 1, 2009, and having reached age 60.

BE IT FURTHER RESOLVED that the District's Supplemental Executive Benefit Amendment, in the form described at this meeting, is hereby approved. The President of the Board is authorized and directed to execute the Supplemental Executive Benefit Amendment on behalf of the District, with such changes and modifications thereto as he may deem appropriate.

BE IT FURTHER RESOLVED that the Addendum to the Employment Agreement between the District and the Superintendent in the form described at this meeting is hereby approved, including a provision of an annual salary increase during the Retention Period of four percent above any cost of living adjustment; a broader non-compete provision, terms providing for expeditious binding arbitration for all disputes, clarifications of existing terms and terms to reflect the provisions of this Resolution. Consistent with past practice, the President of the Board is authorized and directed to execute the Employment Agreement Addendum on behalf of the District.

ADOPTED by the Board of Commissioners of Public Hospital District No. 1, of King County, Washington at a meeting of the Board on December 3, 2007, the following Commissioners being present and voting:

<u>Carole E. Andersen</u>	<u>Charlynn V. Parnell</u>
<u>Nicole Hill</u>	<u>Donald Jacobson</u>
<u>Greg Hill</u>	