

**FIRST AMENDED AND RESTATED WASHINGTON RURAL HEALTH  
COLLABORATIVE  
INTERLOCAL AGREEMENT**

This Interlocal Agreement is made and entered into as of the 14th day of December, 2018, by and among the public hospital districts identified in Exhibit A and such additional public hospital districts as may agree to be bound by the terms of this Agreement in the future (hereinafter collectively referred to as the "Districts").

**RECITALS**

A. RCW 70.44.003 authorizes public hospital districts "to provide hospital services and other health care services for the residents of such districts and other persons."

B. RCW 70.44.007(2) defines "other health care services" to include "nursing home, extended care, long-term care, outpatient, rehabilitative, and ambulance services; services that promote health, wellness, and prevention of illness and injury; and such other services as are appropriate to the health and wellness needs of the population served."

C. Each of the Districts is a public hospital district authorized under Chapter 70.44 RCW whose geographic boundaries do not include a city with a population greater than fifty thousand and, therefore, is a "rural public hospital district" as defined by RCW 70.44.460.

D. Each of the Districts provides health care services and facilities, including hospital services, to its residents and others.

E. RCW 70.44.450 expressly authorizes rural public hospital districts as defined by RCW 70.44.460 to enter into cooperative agreements and contracts with one another under the Interlocal Cooperation Act (Chapter 39.34 RCW) to provide for the health care needs of the people they serve. These agreements and contracts are specifically authorized to include: (1) allocation of health care services among the different facilities owned and operated by the public hospital districts; (2) combined purchases and allocations of medical equipment and technologies; (3) joint agreements and contracts for health care service delivery and payment with public and private entities; and (4) other cooperative arrangements consistent with the intent of chapter 161, Washington Laws of 1992.

F. RCW 39.34.030(3) authorizes public agencies who enter into interlocal agreements under the Interlocal Cooperation Act to carry out their joint activities through a separate legal entity including a nonprofit corporation established under Chapter 24.06 RCW.

G. Pursuant to authority granted by Chapter 70.44 RCW and Chapter 24.06 RCW, the Districts established a nonprofit corporation in 2006 under the name Western Washington Rural Health Collaborative, which name was changed to Washington Rural Health Collaborative ("WRHC") in 2016, and each of the Districts became a member of WRHC ("Member").

H. WRHC was established for the original purpose of assisting public hospital districts and nonprofit corporations that operate hospitals in the State of Washington that have been designated as critical access hospitals under Section 1820 of the Social Security Act, as amended from time to time, to work collaboratively to improve the effectiveness, quality, performance, safety, timeliness, and accessibility of their health care services.

I. The Members are currently limited to public hospital districts who qualify as rural public hospital districts under RCW 70.44.460 and have been designated as a critical access hospital under Section 1820 of the Social Security Act.

J. WRHC desires to expand the Members to include rural public hospital districts under RCW 70.44.460 that do not operate hospitals in the State of Washington that have been designated as critical access hospitals under Section 1820 of the Social Security Act, as amended from time to time.

K. The Districts desire to enter into agreements and contracts authorized under RCW 70.44.450 through WRHC.

#### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the Districts agree as follows:

1. Designation of WRHC Under Interlocal Cooperation Act. Pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the Districts hereby designates WRHC as the separate legal entity through which the Districts shall carry out the joint activities authorized by RCW 70.44.450. So long as WRHC continues to operate under the authority granted by this Agreement, WHRC shall operate subject to the following limitations:

a. Membership in WRHC. The Members shall be limited to Washington State public hospital districts who qualify as rural public hospital districts under RCW 70.44.460.

b. The Purpose of WRHC. The purposes of WRHC shall include, but not be limited to, assisting public hospital districts that qualify as rural public hospital districts under RCW 70.44.460 to work collaboratively to

(i) improve the effectiveness, quality, performance, safety, timeliness, and accessibility of their health care services,

(ii) engage in joint purchasing including but not limited to the purchase of liability insurance on a group basis, and

(iii) engage in all other activities authorized under RCW 70.44.450.

c. Articles of Incorporation and Bylaws. WRHC shall operate under amended and restated articles of incorporation (“Articles”) and bylaws (“Bylaws”) in the form attached hereto as Exhibits B and C, which Articles and Bylaws may be amended from time to time in the manner specified therein.

d. Addition or Removal of Members. Additional public hospital districts may be added as parties to this Agreement and as Members and Districts may be removed as parties to this Agreement and as Members from time to time in the manner specified in the Articles, the Bylaws and this Agreement. A public hospital district may be added as a party to this Agreement or a District may be removed as a party to this Agreement by signing a written consent in a form approved by the Board of Directors of the WRHC. The addition of a public hospital district as a party to this Agreement or the removal of a District as party to this Agreement shall not require an amendment to this Agreement signed by all Districts.

2. Term. This Agreement shall remain in effect until December 31, 2018, and shall automatically renew for additional one-year terms, unless terminated by the Districts as described in Section 10 hereof.

3. Powers. WRHC shall have the power to do all lawful acts and things necessary, appropriate or desirable to carry out and in furtherance of its purposes as described in Section 1 hereof that are consistent with Chapter 24.06 RCW, Chapter 39.04 RCW, Chapter 70.44 RCW and Section 501(c)(3) of the Internal Revenue Code, as amended from time to time.

4. Management of the WRHC’s Activities and Scope of Authority. The Districts agree that the management of WRHC activities and supervision of the WRHC’s agents shall be under the control of the board of WRHC. No District shall have any independent authority to direct the management of WRHC’s activities or any authority to bind or to act for or to assume any obligations or responsibilities on behalf of any other District or WRHC. WRHC shall not have authority to bind or act for or to assume any obligations or responsibilities on behalf of any individual District unless expressly authorized in writing by that District.

5. Contracts. Any contract entered into by the WRHC shall be in writing and shall contain a provision permitting termination of such contract upon no more than twelve (12) months’ notice in the event this Agreement is terminated.

6. Property. Any property required to carry out the purposes of this Agreement shall be held by WRHC.

7. Funding. Any costs incurred by WRHC in carrying out the activities described in Section 1 not covered by other sources of revenue available to WRHC shall be allocated among the Districts on the basis of a methodology to be determined by the Board of WRHC.

8. Financial Statements. WRHC shall develop and deliver to the Districts within one hundred twenty (120) days after the close of the Board’s fiscal year a balance sheet of WRHC as of the end of the fiscal year and statements of income and cash flow. Each of these

documents shall be prepared in accordance with generally accepted accounting principles, consistently applied, reviewed by the Treasurer of WRHC, and clearly reflect any positive or negative variances from the operating budget approved by the Board of WRHC.

9. Audit. An audit of WRHC shall occur at such times as the Board of WRHC deems to be reasonable or as required by state law. This audit shall be conducted by an independent accounting firm, by the Board's internal auditors, or by the State Auditor, as appropriate under the circumstances. In addition, any District may request an audit of WRHC. In the event two or more Districts request such an audit, the cost thereof shall be borne equally by those Districts. In the event any District individually requests such an audit, the cost thereof shall be borne entirely by that District.

10. Termination and Distribution.

a. Termination of Agreement. This Agreement may be terminated prior to the expiration of the term specified in Section 3 as follows: (i) upon mutual agreement of the Districts, in which event the termination shall be effective at any time established by mutual agreement; or (ii) upon receipt by each District of written notice that all but one District intends to withdraw, in which event the termination shall be effective no sooner than ninety (90) days from the date that each District receives written notice of withdrawal. No termination, however, shall be effective until either the winding up and distribution process as described below is completed. In addition, Districts that provide notice of withdrawal shall not be liable for any liabilities incurred by the Board following receipt of its notice other than those incurred in connection with the winding up and distribution process described below.

b. Winding Up. Prior to the expiration or termination of this Agreement in accordance with the terms hereof, the Board shall diligently proceed to wind up its affairs through the payment of all debts and liabilities and the settlement or other disposition of all claims by or against WRHC or any of the Districts arising out of or related to this Agreement. During the period of winding up, WRHC shall have no authority to otherwise carry on the business as prescribed in this Agreement except to the extent necessary to complete the winding up.

c. Distribution. Upon completion of the winding up process, WRHC shall distribute any property that it may then be holding to the Districts in proportion to the payments that they have made pursuant to Section 7 of this Agreement.

d. Books and Records. Upon completion of the winding up and distribution process, WRHC shall make arrangements for the safe storage of its books and records for the period of time needed to satisfy any federal or state record keeping laws then in effect. These books and records shall be available during normal business hours to the Districts for inspection and copying at their own cost and expense.

11. Withdrawal. Any District may withdraw as a party to this Agreement and as a Member in the manner specified in the Bylaws. The withdrawal of one or more Districts as party to this Agreement shall have no effect on the enforceability of this Agreement with respect to the remaining parties to this Agreement so long as a minimum of two Districts remain as parties to this Agreement.

12. Notices. Any and all notices or communications required or permitted to be given under any of the provisions of this Agreement may be in writing and shall be deemed to have been given:

a. Upon receipt when personally delivered, sent by overnight courier or sent by email; or

b. Two (2) days after deposit in the United States mail when sent first class, certified or registered mail, return receipt requested.

All notices shall be addressed to the parties at the addresses set forth in Exhibits A or at such other address as any District may specify by notice to the other Districts.

13. Entire Agreement and Amendment. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations or discussions with respect thereto. This Agreement may be amended or modified by written instrument signed by the parties hereto. Such amendments or modifications may be for the purposes of, among other things, adding or deleting parties to this Agreement or expanding the purposes for which WRHC is organized.

14. Assignment. No party to this Agreement may assign its rights or obligations hereunder.

15. Counterparts and Electronic Signatures. This agreement may be executed in counterparts, each of which shall be an original but all of which taken together shall constitute but one and the same instrument. In the event any signature is delivered by facsimile or by e-mail delivery of a .pdf file, such signature shall create a valid and binding obligation of the party with the same force and effect as if the facsimile or .pdf signature page were an original thereof.

16. Filing Requirements. Upon execution of this Agreement, the parties shall file a true and complete copy thereof in compliance with the provisions of Chapter 39.34 RCW.

17. Authorization. Each District does hereby represent and warrant to the others that it is duly authorized to enter into and to carry out the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereby execute this agreement as of the day and year first set forth above.

PUBLIC HOSPITAL DISTRICT NO. 1,  
CLALLAM COUNTY

By: *Tim Courmyer*  
Tim Courmyer (Feb 15, 2019)  
Tim Courmyer, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,  
JEFFERSON COUNTY

By: *Mike Glenn*  
Mike Glenn (Feb 14, 2019)  
Mike Glenn, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,  
GRAYS HARBOR COUNTY

By: *Josh Martin*  
Josh Martin (Feb 18, 2019)  
Josh Martin, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,  
MASON COUNTY

By: *Eric Moll*  
Eric Moll (Feb 1, 2019)  
Eric Moll, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,  
LEWIS COUNTY

By: *Leianne Everett*  
Leianne Everett (Mar 5, 2019)  
Leianne Everett, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,  
PACIFIC COUNTY

By: *Gary Schwiesow*  
Gary Schwiesow (Feb 12, 2019)  
Gary Schwiesow, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 3,  
PACIFIC COUNTY

By: *Larry Cohen*  
Larry Cohen (Feb 1, 2019)  
Larry Cohen, Superintendent

WHIDBEY ISLAND PUBLIC HOSPITAL  
DISTRICT

By: *Geryl Forbes*  
Geryl Forbes (Feb 14, 2019)  
Geryl Forbes, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 4,  
KING COUNTY

By: *Kim Witkop*  
Kim Witkop, MD (Feb 7, 2019)  
Kim Witkop, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,  
PEND OREILLE COUNTY

By: *Tom Wilbur, CEO*  
Tom Wilbur, CEO (Feb 16, 2019)  
Tom Wilbur, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 3,  
LINCOLN COUNTY

By: *Tyson Lacy*  
Tyson Lacy (Feb 9, 2019)  
Tyson Lacy, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,  
KLICKITAT COUNTY

By: *Leslie Hiebert*  
Leslie Hiebert (Feb 2, 2019)  
Leslie Hiebert, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,  
Klickitat County

By: Robert Kimmes  
Robert Kimmes (Feb 2, 2019)  
Robert Kimmes, Superintendent

PROSSER PUBLIC HOSPITAL DISTRICT,  
Benton County

By: Craig J. Marks  
Craig J. Marks (Feb 2, 2019)  
Craig Marks, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,  
Kittitas County

By: Julie Petersen  
Julie Petersen (Feb 13, 2019)  
Julie Peterson, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,  
Skagit County

By: Brian Ivie  
Brian Ivie (Feb 14, 2019)  
Brian Ivie, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,  
Skagit County

By: Vince Oliver  
Vince Oliver (Feb 4, 2019)  
Vincent Oliver, Superintendent

**EXHIBIT A**  
**Members**

Clallam County Public Hospital District No. 1  
**dba Forks Community Hospital**  
530 Bogachiel Way  
Forks, Washington 98331-9120

Grays Harbor County Public Hospital District  
No. 1  
**dba Summit Pacific Medical Center**  
600 East Main Street  
Elma, Washington 98541

Jefferson County Public Hospital District No. 2  
**dba Jefferson Healthcare**  
834 Sheridan Avenue  
Port Townsend, Washington 98368-2443

King County Public Hospital District No. 4  
**dba Snoqualmie Valley Hospital and Clinics**  
9801 Frontier Ave SE  
Snoqualmie WA 98065-9577

Kittitas County Public Hospital District No. 1  
**dba Kittitas Valley Healthcare**  
603 South Chestnut Street  
Ellensburg, WA 98926

Klickitat County Public Hospital District No. 1  
**dba Klickitat Valley Health**  
310 S. Roosevelt  
Goldendale, WA 98620

Klickitat County Public Hospital District No. 2  
**dba Skyline Hospital**  
211 Skyline Drive  
White Salmon, WA 98672

Lincoln County Public Hospital District No. 3  
**dba Lincoln Hospital and Clinics**  
10 Nicholls Street  
Davenport, WA 99122

Sagit County Public Hospital District No. 2  
**dba Island Hospital**  
1211 24<sup>th</sup> Street  
Anacortes, WA 98221

Lewis County Public Hospital District No. 1  
**dba Arbor Health**  
521 Adams Street  
Morton, Washington 98356

Mason County Public Hospital District No. 1  
**dba Mason General Hospital**  
901 Mt. View Drive  
Shelton, Washington 98584-1668

Pacific County Public Hospital District No. 2  
**dba Willapa Harbor Hospital**  
800 Alder Street  
South Bend, Washington 98586

Public Hospital District No. 3 of Pacific County  
**dba Ocean Beach Hospital**  
174 First Avenue North, Box H  
Ilwaco, Washington 98624-0258

Pend Oreille County PHD No. 1  
**dba Newport Hospital & Health Services**  
714 W Pine Street  
Newport, WA 99156

Prosser Public Hospital District of Benton County  
**dba Prosser Memorial Health**  
723 Memorial Street  
Prosser, WA 99350-1524

Whidbey Island Public Hospital District No. 1  
**dba WhidbeyHealth Medical Center**  
101 N. Main Street  
Coupeville, Washington 98239-3413

Sagit County Public Hospital District No. 1  
**dba Skagit Regional Health, Cascade Hospital**  
1415 E Kincaid  
Mount Vernon, WA 98273



**EXHIBIT B**

**Articles of Incorporation**



**SECOND AMENDED & RESTATED ARTICLES OF  
INCORPORATION OF  
WASHINGTON RURAL HEALTH COLLABORATIVE**

The undersigned, acting pursuant to a resolution of the Board of Directors of Washington Rural Health Collaborative, a Washington Nonprofit Corporation, and Chapter 24.06 of the Revised Code of Washington, hereby adopts the following Amended and Restated Articles of Incorporation on behalf of the Board of Directors:

**Article I. Name**

The name of this Corporation is: **Washington Rural Health Collaborative.**

**Article II. Corporate Form**

The Corporation shall be organized pursuant to Chapter 24.06 of the Revised Code of Washington, Nonprofit Miscellaneous and Mutual Corporations Act (the "Act"), and the Corporation accepts the benefits and shall be bound by the provisions of the Act.

**Article III. Duration**

The period of its duration is perpetual unless dissolved by operation of law or otherwise.

**Article IV. Purposes**

The purpose of the Corporation shall include, but is not limited to, assisting public hospital districts that qualify as rural public hospital districts under RCW 70.44.460 to work collaboratively to improve the effectiveness, quality, performance, safety, timeliness, and accessibility of their health care services; engage in joint purchasing including but not limited to the purchase of liability insurance on a group basis; engage in all other activities authorized under RCW 70.44.450; and undertake all businesses and all activities permitted to nonprofit corporations organized under the Act that do not conflict with Section 501(c)(3) of the Internal Revenue Code of 1986, as may be amended from time to time (the "Code"), Chapter 39.34 RCW or Chapter 70.44 RCW.

**Article V. Power**

The Corporation shall have the power to do all lawful acts or things necessary, appropriate, or desirable to carry out and in furtherance of its purposes described in Article IV that are consistent with the Act and Section 501(c)(3) of the Code.

**Article VI. Members**

The Corporation shall have two classes of members (the "Members"). The first class of Members shall be referred to as the "Class A Members" and shall be available to public hospital districts that (i) qualify as rural public hospital districts under RCW 70.44.460; (ii) have been

designated as a critical access hospital under Section 1820 of the Social Security Act; and (iii) have been approved for membership in the Corporation by the Corporation's Board of Directors. The second class of Members shall be referred to as the "Class B Members" and shall be available to public hospital districts that (i) are not Class A Members; (ii) qualify as rural public hospital districts under RCW 70.44.460; and (iii) have been approved for membership in the Corporation by the Corporation's Board of Directors.

The voting rights of Class A Members shall be limited to right of each Class Member to select the Class A Member's representative on the Board of Directors of the Corporation in accordance with the procedures specified in the Corporation's bylaws. The voting rights of Class B Members shall be limited to approving the dues or other assessments to be charged by the Corporation to Class B Members in accordance with the procedures specified in the Corporation's Bylaws.

#### **Article VII. Directors**

The number of directors constituting the Corporation's board of directors, the method of selecting those directors and the specification of their qualifications shall be fixed by the bylaws of the Corporation and may be increased, decreased or changed from time to time in the manner provided therein.

#### **Article VIII. Prohibited Activity**

Notwithstanding any of the provisions of these Articles of Incorporation, the Corporation shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 501(c)(3) of the Code or by an organization, contributions to which are deductible under Section 170(c)(2) of the Code. No part of the net earnings of the Corporation shall inure to the benefit of any director, officer, or private individual. No substantial part of the activities of the Corporation shall be devoted to the carrying on of propaganda, or otherwise attempting to influence legislation, except as Section 501(c)(3) organizations may be permitted by the Code, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. The Corporation shall not have or issue shares of stock and shall not make any disbursement of income or any loans to its Members, directors, or officers.

#### **Article IX. Limitation of Director Liability**

Except to the extent otherwise required by applicable law (as presently in effect and as hereafter amended), a director of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director or (ii) for any transaction from which the director personally receives a benefit in money, property or services to which the director is not legally entitled. If the Act or the Washington Business Corporation Act is amended to authorize further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act and the Washington

Business Corporation Act, as so amended, without any requirement of further action by the Corporation, or its members or its directors.

No amendment to or repeal of this Article shall adversely affect any right of protection of any director of the Corporation occurring after the date of the adoption of this Article and prior to such amendment or repeal.

#### **Article X. Indemnification**

The Corporation shall indemnify any director of the Corporation who is involved in any capacity in a proceeding (as defined in RCW 23B.08.500, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in the Corporation to the full extent allowed by law, as presently in effect and as hereafter amended. By means of a resolution or of a contract specifically approved by the Board of Directors, the Corporation may indemnify an officer, employee, or agent to such degree as the Board of Directors determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the Corporation. Reasonable expenses incurred by a director, who is involved in any capacity in a proceeding by reason of the position held in the Corporation, shall be advanced by the Corporation to the full extent allowed by and on the conditions required by applicable law, as presently in effect and as hereafter amended, unless and until it is determined that such person is not entitled to be indemnified.

The Board of Directors of the Corporation shall have the right to designate the counsel who shall defend any person or entity who may be entitled to indemnification, to approve any settlement, and to approve in advance any expense. The rights conferred by or pursuant to this Article shall not be exclusive of any other rights that any person may have or acquire under any applicable law (as presently in effect and as hereafter amended), these Articles of Incorporation, the bylaws of the Corporation, a vote of the Board of Directors of the Corporation, or otherwise. No amendment to or repeal of this Article shall adversely affect any right of any director, officer, employee, or agent for events occurring after the date of the adoption of this Article and prior to such amendment or repeal.

Notwithstanding any other provision of this Article, no indemnification shall be provided to any person if in the opinion of counsel, payment of such indemnification would cause the Corporation to lose its exemption from federal income taxation.

#### **Article XI. Distributions upon Dissolution**

No director, trustee, or officer of the Corporation, nor any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation or the winding up of its affairs. Upon winding up and dissolution of the Corporation, the assets of the Corporation remaining, after paying or making adequate provision for payment of all liabilities of the Corporation, shall be distributed for one or 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.

SIGNED Eric Moll  
Eric Moll (Dec 17, 2018) Eric Moll, Chair

SIGNED Robb Kimmes  
Robb Kimmes (Dec 13, 2018) Robb Kimmes, Vice Chair

SIGNED Leslie Hiebert  
Leslie Hiebert (Jan 3, 2019) Leslie Hiebert, Secretary/Treasurer

DATED the 14th day of December, 2018

**EXHIBIT C**

**Bylaws**





**SECOND AMENDED AND RESTATED  
BYLAWS  
OF  
WASHINGTON RURAL HEALTH COLLABORATIVE**

**ARTICLE I  
Purposes**

**1.1 Charitable Purposes.** The purpose of this nonprofit corporation (the "Corporation") shall be to operate exclusively for charitable, scientific, literary or education purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended, or any successor provision or "Code").

**1.2 Primary Purposes.** The primary purposes of the Corporation shall include but not be limited to:

**1.2.1** Assisting public hospital districts and nonprofit corporations that qualify as rural public hospital districts under RCW 70.44.460 to work collaboratively to improve the effectiveness, quality, performance, safety, timeliness, and accessibility of their health care services; engage in joint purchasing including but not limited to the purchase of liability insurance on a group basis; engage in all other activities authorized under RCW 70.44.450; and undertake all businesses and all activities permitted to nonprofit corporations organized under the Act that do not conflict with Section 501(c)(3) of the Internal Revenue Code of 1986, as may be amended from time to time (the "Code"), Chapter 39.34 RCW or Chapter 70.44 RCW.

**1.2.2** Undertaking all businesses and all activities permitted to nonprofit corporations under the Washington Nonprofit Corporation Act (RCW Chapter 24.06) that do not conflict with the Code. Business and activities undertaken by the Corporation on behalf of public hospital districts are undertaken under the authority granted under the Interlocal Cooperation Act (RCW Chapter 39.34), the Public Hospital District statute (Chapter 70.44), specifically including but not limited to RCW 70.44.450 and the Washington Rural Health Collaborative Interlocal Agreement, dated June 13, 2018, as amended by the First Amended and Restated Washington Rural Health Collaborative, dated as of December 14, 2018 (as may be further amended from time to time), entered into by all members of the Corporation.

**ARTICLE II  
Registered Office and Registered Agent**

**2.1 Registered Office and Registered Agent.** The registered office of the Corporation shall be located in the State of Washington at such place as may be fixed from time to time by the board of directors of the Corporation (the "Board") upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office. A registered agent so appointed shall consent to appointment in writing, and such consent shall be filed with the Secretary of State of the State of Washington.

**2.2 Change of Address.** If a registered agent changes the street address of the agent's business office, the registered agent may change the street address of the registered office of the Corporation by notifying the Corporation in writing of the change and signing, either

manually or in facsimile, and delivering to the Secretary of State for filing a statement of such change, as required by law.

**2.3 Change of Agent.** The Corporation may change its registered agent at any time upon the filing of an appropriate notice with the Secretary of State, with the written consent of the new registered agent either included in or attached to such notice.

**2.4 Other Offices.** In addition to the registered office of the Corporation, the Corporation may have such other offices as the Board may from time to time designate.

### **ARTICLE III Members**

**3.1 Members.** The designation of the Corporation's membership classes, the manner of admission to membership, and the qualifications, responsibilities and rights of the members of each class are set forth in the Corporation's articles of incorporation (the "Articles of Incorporation"). The Articles of Incorporation create two classes of members: (i) the Class A Members; and (ii) the Class B Members (collectively, the "Members" or "Membership").

**3.2 Application for Membership.** Any public hospital district that qualifies for Membership shall apply in writing to Chair of the Board, the Secretary-Treasurer of the Board or his or her designee by completing an application form prepared by the Corporation. The applicant shall become a Class A Member or Class B Member upon: (i) approval of Board; (ii) payment of any membership fee or dues that are imposed during the calendar year in which the application was made; and (iii) execution of any documents that the Board deems necessary. The initial Members of the Corporation are listed in Attachment A.

**3.3 Withdrawal from Membership.** A Member may withdraw as a Member by notifying the Chair of the Board, the Secretary-Treasurer of the Board or his or her designee in writing at least 60 days before the withdrawal is to become effective. Withdrawal shall not relieve a Member of any dues or other financial obligations owed to the Corporation as of the date of resignation.

**3.4 Dues.** When the Board deems it necessary to fulfill the purposes of the Corporation, Members shall be required to pay dues from time to time. The amount of the dues, and any changes thereto, for Class A Members shall be determined by the Board. The amount of dues to be paid by the Class B Members, and any changes thereto, shall be proposed by the Board, but shall not be effective until the dues have been approved by a majority vote of the Class B Members. Members who do not pay dues within ninety days of the receipt of the billing date shall become inactive Members and shall not be entitled to any of the privileges of Membership, including any services provided by the Corporation, until such time as they pay all outstanding dues. The Board may, at its discretion, allow continued active Membership if good cause is shown for nonpayment or may choose to waive a portion of the outstanding dues.

**3.5 Annual Meeting.** The annual meeting of the Members shall be held at such date and time as the Board may determine. The annual meeting shall be held for the transaction of such business as may come before the Members. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.

**3.6 Special Meetings.** Unless otherwise prescribed by law, special meetings of the Members for any purpose or purposes may be called by: (i) the Chair of the Board; (ii) by the Board; or (iii) a majority of the Members.

**3.7 Place of Meetings.** Meetings of the Members shall be held at either the registered office of the Corporation or at such other place within or outside the state of Washington as the Board may designate.

**3.8 Notice of Meetings.** The Secretary-Treasurer of the Board or the person(s) calling the meeting, or his or her designee, shall give to each Member of record entitled to notice of or to vote at such meeting written or printed notice stating the date, time and place of a meeting of Members. If the meeting is for a special meeting of Members, this notice shall also state the purpose or purposes for which the meeting is called. Notice of annual and special meetings shall be given not less than five (5) days and not more than fifty (50) days before the meeting. The giving of notice shall be in accordance with Article VI of these Bylaws.

**3.9 Waiver of Notice.** A Member may waive any notice required to be given under the provisions of these bylaws, the Articles of Incorporation or by applicable law, whether before or after the date and time stated therein. Such waiver shall be in writing.

**3.10 Voting Privileges.** Each Member shall be entitled to one vote and voting shall not be cumulative. Each Member shall designate in writing a delegate to act on behalf of the Member for voting privileges. The voting privileges of a Member who is delinquent in dues owed to the Corporation shall be suspended until those dues are paid.

**3.11 Manner of Acting and Proxies.** A Member may vote either in person or by proxy. A Member may vote by proxy by means of a proxy appointment form that the Member or the Member's duly authorized attorney-in-fact has executed in writing. All proxy appointment forms shall be filed with the Secretary-Treasurer of the Board, or his or her designee, before or at the commencement of meetings. A proxy appointment shall be valid for eleven (11) months from the date of its execution unless otherwise expressly provided in the appointment form. A proxy appointment may be revoked; however, no proxy appointment shall be effectively revoked until the Member appointing the proxy has given written notice of the revocation to the Secretary-Treasurer of the Board or his or her designee.

**3.12 Quorum and Voting.** A quorum of the Members shall be defined as no less than fifty percent of the Membership present either in person, by phone or proxy. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Members present is the act of the Members, except as otherwise provided by express provision of law, the Articles of Incorporation, or these Bylaws. Once a Member is present or represented at a meeting, other than to object to holding the meeting or transacting business, the Member is deemed to be present for purposes of a quorum for the remainder of the meeting. If a quorum exists, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless an express provision of law, the Articles of Incorporation or these Bylaws require a different vote upon the issue.

**3.13 Action of Members without a Meeting.** Any action which may be or is required to be taken at a meeting of the Members may be taken without a meeting if one or more written consents setting forth the action so taken shall be signed, either before or after the action taken, by all the Members entitled to vote with respect to the subject matter. Action taken by written consent of the Members is effective when all consents are in possession of the Corporation, unless the consent specifies a latter effective date. Whenever any

notice is required to be given to any Member pursuant to applicable law, a waiver in writing, signed by the person or persons entitled to notice shall be deemed equivalent to the giving of notice.

**3.14 Closed Meetings.** From time to time it may be appropriate for Members to discuss issues without the presence of others. It shall be the prerogative of the Chair of the Board, with the concurrence of the other officers, to call a special closed meeting or to close a portion of the annual meeting for this purpose.

**3.15 Participation by Means of Communications Equipment.** Members may participate in any annual or special meeting of the Members or may conduct the meeting through the use of any means of communication by which all Members participating can hear each other during the meeting.

#### **ARTICLE IV Board of Directors**

**4.1 Powers.** The management of all the affairs, property and interests of the Corporation shall be vested in a Board. In addition to the powers and authorities expressly conferred upon it by these Bylaws and by the Articles of Incorporation, the Board may exercise all such powers of the Corporation and do all such lawful acts as are not prohibited by law, the Articles of Incorporation or these Bylaws.

**4.2 Limitations on Powers and Authorities.** The Board shall have no right, power or authority to authorize the dues to be paid by the Class B Members without prior approval of a majority of the Class B Members.

**4.3 General Standards for Directors.** A director shall discharge the duties of a director, including duties as a member of a committee: (i) in good faith; (ii) in a manner the director reasonably believes to be in the best interests of the Corporation; and (iii) with the care, including making reasonable inquiry, that an ordinarily prudent person in a like position would exercise under similar circumstances.

**4.4 Conflict of Interest.** Whenever a director or officer has a financial or personal interest in any matter coming before the Board, the affected person shall (i) fully disclose the nature of the interest and (ii) withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the Corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

**4.5 Number.** The Board shall consist of one designated representative of each Class A Member.

**4.6 Election and Qualifications of Directors.** Unless the Board approves in writing an alternate, the chief executive officer of each Class A Member shall be the designated representative of that Member on the Board. The appointment of an alternate should be the exception rather than the norm to preserve the Corporation's core value as a forum for chief executive officers or equivalent organizational leader. If a Class A Member appoints an alternate, the alternate must have the authority to make decisions on behalf of the Class A Member.

**4.7 Resignation.** A director may resign at any time by: (i) delivering written notice to the Chair of the Board or the Secretary-Treasurer of the Board or his or her designee; or (ii) giving oral notice at any meeting of the Board. If the director serves as an officer of the Corporation, the director's resignation from the Board shall automatically result in resignation from that office. A resignation is effective when the notice is delivered or given unless the notice specifies a later effective date. Unless specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

**4.8 Removal of Directors.** Only the Class A Member who appointed the director may remove that director.

**4.9 Vacancies.** In the event a director resigns, is removed or otherwise vacates that position, the Member that appointed the director shall appoint another qualified person to complete the term of the vacating director.

**4.10 Annual Meetings.** The annual meeting of the Board shall be held at such time and place as the Board shall determine for the purpose of electing officers of the Corporation and transacting such other business as may properly come before the meeting. Notice of the annual meeting of the Board shall be made as set forth in Article VI.

**4.11 Regular Meetings of the Board.** Regular meetings of the Board, or any committee designated and appointed by the Board, may be specified as to the date, time and place for the holding of such regular meetings by the adoption of a resolution of the Board, or, in the case of a committee, by a resolution of the committee. Notice of such meetings for either the Board or committees is not necessary other than said resolutions. If such a resolution has not been adopted, then notices of regular meetings shall be given as set forth in Section 4.12 as for notices of special meetings.

**4.12 Special Meetings of the Board.** Special meetings of the Board or any committee designated and appointed by the Board may be called by or at the written request of the Chair of the Board, or any four (4) directors, or, in the case of a committee meeting, by the chair of the committee. The person or persons authorized to call special meetings may fix the place for holding any special Board or committee meeting. Notice of all special meetings shall: (i) state the date, time and place, and purpose; and (ii) be given in accordance with the provisions set forth in Article VI of these Bylaws at least five (5) days prior to the date of the meeting.

**4.13 Waiver of Notice.** A director may waive any notice required by law, the Articles of Incorporation or these Bylaws before or after the time stated for the meeting, and such waiver shall be equivalent to the giving of notice. The waiver must be in writing, signed by the director entitled to notice, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A director's attendance at or participation in a meeting shall constitute a waiver of notice of the meeting unless the director, either at the beginning of the meeting or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**4.14 Registering Dissent.** A director who is present at a meeting of the Board at which action on a corporate matter is taken is deemed to have assented to such action unless: (i) the director's dissent or abstention from the action is entered in the minutes of the meeting; or (ii) the director delivers written notice of the director's dissent or abstention to the person acting as the secretary at the meeting before adjournment or to the Secretary-Treasurer of the Board or his or her designee immediately after adjournment of

the meeting. A director who voted in favor of the action does not have the right to dissent or abstain.

**4.15 Quorum and Voting.** A quorum of the directors shall be defined as no less than fifty percent of the directors present either in person or by phone. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors is the act of the Board, except as otherwise provided by express provision of law, the Articles of Incorporation, or these Bylaws. Once a director is present at a meeting, other than to object to holding the meeting or transacting business, the director is deemed to be present for purposes of a quorum for the remainder of the meeting. If a quorum exists, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless an express provision of law, the Articles of Incorporation or these Bylaws require a different vote upon the issue.

**4.16 Action by Directors Without a Meeting.**

**4.16.1** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if all directors consent to the action. The action must be evidenced by one or more written consents setting forth the action taken, signed by each of the directors either before or after the action taken, and delivered to the Secretary-Treasurer of the Board, or his or her designee, for inclusion in the minutes or filing with the Corporation's records. Subject to appropriate safeguards, consents transmitted by facsimile or by e-mail shall be considered valid written consents.

**4.16.2** Action taken under this Section is effective when the last director signs the consent, unless the consent specifies a later effective date.

**4.17 Participation by Means of Communications Equipment.** Directors may participate in a regular or special meeting of the Board by or may conduct the meeting through the use of any means of communication by which all directors participating can hear each other during the meeting.

**4.18 Committees.**

**4.18.1** The Board, by resolution adopted by a majority of all the directors in office, may designate and appoint one or more committees. Each committee must consist of at least one director or have a staff person appointed to be the board liaison, together with any other persons approved by the Board. All committee members shall serve at the pleasure of the Board.

**4.18.2** Any resolution designating a committee must state what authority, if any, the committee has to act on behalf of the Board. However, such authority may not include: (i) amending, altering or repealing these Bylaws; (ii) electing, appointing or removing any committee member or director or officer of the Corporation; (iii) amending the Articles of Incorporation; (iv) adopting a plan of merger or consolidation with another corporation; (v) authorizing the sale, lease, or exchange of all or substantially all of the property and assets of the corporation not in the ordinary course of business; (vi) authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore; (vii) adopting a plan for the distribution of the assets of the Corporation; or (viii) amending, altering or repealing any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by such committee.

**4.18.2** A committee shall be governed by the same rules as applied to the Board with respect to meetings and voting.

**4.18.3** The creation of, delegation of authority to, or action by a committee does not relieve the Board, or any individual director, of any responsibility imposed upon the Board or an individual director by law.

**4.19 Remuneration.** By resolution of the Board, directors and committee members may be reimbursed for any reasonable expenses incurred for attendance at meetings of the Board or at any of its committees.

## **ARTICLE V**

### **Officers of the Corporation**

**5.1 Designations.** The officers of the Corporation shall be a Chair of the Board (the "Chair"), an Immediate Past Chair of the Board (the "Immediate Past Chair"), a Vice Chair of the Board ("Vice Chair"), a Secretary-Treasurer of the Board (the "Secretary-Treasurer") and such other officers and assistant officers as the Board may deem necessary. No individual may hold more than one office.

**5.2 Election and Term of Office.** Annually, the Board shall elect the officers of the Corporation, each of whom must be a director. Each officer shall hold office until a successor is elected/qualified, or until such officer's earlier death, resignation or removal.

#### **5.3 Powers and Duties.**

**5.3.1 The Chair.** The Chair, if present, shall preside at all meetings of the Board. The Chair shall be the Chief Executive Officer of the Corporation and, subject to the direction and control of the Board, shall have general control and management of the business affairs and policies of the Corporation. The Chair shall act as liaison from and as spokesman for the Board. The Chair may sign all certificates, contracts and other instruments of the Corporation, which the Board has authorized to be executed, except where the signing or execution: (i) has been expressly delegated by the Board or these Bylaws to some other officer or agent of the Corporation; or (ii) is required by Law to be otherwise signed or executed. In general, the Chair shall perform all duties incident to the office of Chair and such other duties as the Board, by resolution, may determine.

**5.3.2 Immediate Past Chair.** The Immediate Past Chair, in consultation with the current officers, is responsible for providing a sense of continuity to the work of the board. The Immediate Past Chair serves a one-year term and performs such duties as the Board Chair may assign.

**5.3.3 The Vice Chair.** The Vice Chair shall serve as Chair in the absence or disability of the Chair. When so acting, the Vice Chair shall have all the powers and duties of the Chair, as well as be subject to all the restrictions imposed upon the Chair. The Vice Chair shall perform such other duties as the Board, by resolution, may determine.

**5.3.4 The Secretary-Treasurer.** The Secretary-Treasurer, or his or her designee, shall: (i) issue notices for all meetings, except for notices for special meetings of the Members or directors that are called by the requisite number of Members or directors; (ii) keep minutes of all meetings of the Members and directors; (iii) have

charge of the seal and the Corporation's books; (iv) have the custody of all moneys and securities of the Corporation; (v) deposit such monies in the name of the Corporation in banks, trust companies or other depositories as shall be selected in accordance with these Bylaws; (vi) keep regular books of account; (vii) disburse the funds of the Corporation in payment of the just demands against the Corporation or as may be ordered by the Board, taking proper vouchers or receipts for such disbursements; (viii) render to the Board from time to time as may be required an account of all transactions as Treasurer and of the financial condition of the Corporation; and (ix) make such reports and perform such other duties incident to the office of Secretary-Treasurer or as the Board, by resolution, may determine.

**5.5 Vacancies.** The Board may fill vacancies in any office, regardless of the cause, at any regular or special meeting.

**5.6 Resignation.** An officer may resign at any time by: (i) delivering written notice to the Chair or the Secretary-Treasurer or his or her designee; or (ii) giving oral notice at any meeting of the Board. This notice shall be effective when delivered or given unless the notice specifies a later effective date. Unless specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

**5.7 Removal.** The Board may remove any officer at any time, with or without cause, by the affirmative vote of a majority of all the directors.

## **ARTICLE VI**

### **Notices, Demands, Consents and Waiver**

**6.1 Requirements.** Except as may otherwise be required by law, any notice, demand, consent or waiver required to be given by these Bylaws must be in writing and directed to the party at the address shown in the Corporation's current records.

**6.2 Method of Delivery.** Notices, demands, consents or waivers must be: (i) personally delivered; (ii) sent by certified or registered mail, return receipt requested, postage and charges prepaid; (iii) sent by express delivery by a national carrier; (iv) transmitted by facsimile equipment; or (v) transmitted electronically when consented to by the recipient in accordance with the provisions of RCW 24.03.009 as now in effect or hereafter amended.

**6.3 Effective Delivery.** Delivery shall be deemed effective as follows: (i) when received by personal delivery, express delivery by national carrier, or by facsimile equipment; (ii) on the date shown on the return certified or registered mail receipt, if signed by or on behalf of the addressee; or (iii) in accordance with the provisions of RCW 24.03.009 as now in effect or hereafter amended for electronic transmissions.



## **ARTICLE VII**

### **Contracts, Checks, Deposits and Funds**

**7.1 Contracts.** The Board may authorize any officer(s), employee(s) or agent (s) of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be general or confined to specific instances.

**7.2 Loans.** Unless authorized by resolution of the Board, which authority may be general, no loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name.

**7.3 Checks, Drafts, etc.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer(s), employee(s) or agent(s) of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, the Chair or the Secretary-Treasurer shall sign these instruments.

**7.4 Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

**7.5 Gifts.** The Board may accept on behalf of the Corporation any contribution, gift, grant, bequest or devise for the general purposes or any special purpose of the Corporation.

**7.6 Loans to Directors and Officers.** The Corporation shall make no loans to any director or officer.

## **ARTICLE VIII**

### **Books and Records**

**8.1 Books and Records.** The Corporation shall keep a copy of the following records at its registered or principal office: (i) the current Articles of Incorporation; (ii) the current Bylaws; (iii) a list of Members' names and addresses; (iv) a list of directors' and officers' names and addresses; (v) correct and adequate records of accounts and finances; (vi) minutes of the proceedings of its Members, the Board, and any committees established by the Board (including all actions taken without a meeting); and (vii) such other records that may be necessary or advisable.

## **ARTICLE IX**

### **Fiscal Year**

**9.1 Fiscal Year.** The fiscal year of the Corporation shall be from January 1 to December 31, or such other fiscal years as the Board, by resolution, may determine.

## **ARTICLE X**

### **Liability and Indemnification**

**10.1 Liability.** A director, officer, or committee member of the Corporation shall not be personally liable to the Corporation for monetary damages for conduct as a director, officer or Member except for: (i) acts or omissions that involve intentional misconduct or a knowing violation of law by that director; or (ii) any transaction from which the director personally receives a benefit in money, property or service to which the person or Member is not legally entitled.

**10.1.1** If the Washington Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors and/or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the Washington Nonprofit Corporation Act, as so amended.

**10.1.2** Any repeal or modification of this Article by the Members of the Corporation shall not adversely affect any right or protection of a director or officer existing at the time of such repeal or modification.

**10.2 Indemnification.** The Corporation shall indemnify its Members, directors, officers, committee members, employees, and agents against all liability, damage, and expenses arising from or in connection with service for, employment by, or other affiliation with the Corporation or other firms or entities to the maximum extent and under all circumstances permitted by law. However, no indemnification shall be provided under this provision to any such person or Member if: (i) the Corporation is prohibited by the nonexclusive provisions of the Washington Nonprofit Corporation Act or other applicable law as then in effect from paying such indemnification; or (ii) in the opinion of counsel, payment of such indemnification would subject the Corporation to imposition of excise taxes under the Internal Revenue Code or cause the Corporation to lose its exempt status from federal income taxation.

## **ARTICLE XI**

### **Copies of Resolutions**

**11.1 Copies of Resolutions.** Any person dealing with the Corporation may rely upon a copy of any of the records of the proceedings, resolutions or votes of the Board when the Chair or Secretary-Treasurer certifies these records.

## **ARTICLE XII**

### **Amendments**

**12.1 Amendments.** The Members, by a majority vote at any regular or special meeting, shall have the power to amend or repeal these Bylaws or to adopt new Bylaws.

The undersigned, being the Chair, hereby certifies that these amended and restated Bylaws are the Bylaws of the Washington Rural Health Collaborative, approved by resolution of the Board as of December 14, 2018

Signature: Eric Moll  
Eric Moll (Dec 17, 2018)  
Eric Moll, Chair

Date: Dec 17, 2018

