

**ORCAS MEDICAL FOUNDATION
BYLAWS**

ARTICLE I - ADDRESS AND OFFICE

Section 1. Address.

The registered address shall be Post Office Box 515, Eastsound, Washington 98245, or as otherwise determined by the Board of Directors.

Section 2. Principal Office.

The principal office shall be in the Orcas Island Medical Center Building (Medical Center) at 7 Deye Lane, Eastsound, Washington 98245, or as otherwise determined by the Board of Directors.

ARTICLE II - MEMBERSHIP

Section 1 - Qualification for Membership

The Membership of the corporation shall consist of two types of Members for quorum and voting purposes. Type One shall consist of Memberships standing in one name, such as individual, organization, or business entity, and each such Member shall be entitled to one vote. Type Two shall consist of Memberships held in the joint names of husband and wife or two adult Members of the same household, and each of the joint holders of a Type Two Membership shall be entitled to one vote. Membership is open to those persons wishing to support the purposes of the corporation, who pay the Membership dues, if any, set by the Board of Directors. Those persons who were lifetime Members of the corporation as of April 17, 1991, may continue as Members without paying annual dues.

Acceptance of Membership shall constitute acceptance of the Bylaws and Articles of Incorporation and agreement to be bound by them. Membership confers no proprietary interest in the assets of the corporation and carries no liability for obligations of the corporation.

Section 2 - Annual Membership Meetings

An Annual Meeting of the Membership shall be held no later than July 31st of each year on Orcas Island at such day, time and place as the Board of Directors may designate. Notice of such meeting shall state the time and place of such meeting and the business the Board of Directors intends to have transacted at the meeting and shall be mailed, faxed or emailed to Members from twenty-five (25) to twenty (20) days prior to the meeting. Such business shall include matters initiated by either the Board or by petition. The business of the meeting shall be limited to that set forth in the notice. It shall be lawful to conduct any Annual Meetings of the Membership from time to time to conduct unfinished business. Except in the absence of a quorum, the meeting shall not be adjourned prior to counting of ballots for Directors.

Section 3 - Special Membership Meetings

Special meetings of the Membership may be called at any time by the President or a majority of the Directors or by petition of twenty-five (25) Members. Notice of such meetings shall be mailed, faxed, or emailed or delivered to Members not more than forty-five (45) days nor less than ten (10) days prior to such meeting. The business to be transacted at such Special Meetings shall be limited to that set forth in such notice, provided that Members shall be afforded a reasonable opportunity to ask questions and adopt advisory Resolutions. It shall be lawful to continue any Special Meetings of the Membership from time to time to conduct unfinished business.

Section 4 - Voting at Membership Meetings.

Members' voting rights shall consist solely of the right to vote for Members of the Board of Directors and Nominating Committee at the Annual Meeting. Such election shall be conducted by mail, fax or email. Any Member who was a Member as of the date of the mailing, faxing, or emailing the first notice of a Membership meeting shall be entitled to vote in person at such meeting. No person shall be entitled to more than one (1) vote. Any Member may vote by proxy executed after the date of the mailing, faxing, or emailing of the first notice of the meeting, provided that no person shall hold more than three (3) proxies, except as specified in Section 5.

Section 5 - Balloting by Mail or Email.

Election of Members of the Board of Directors and Nominating Committee by the Membership shall be conducted by mail, fax, or email. For the Annual Meeting, the Nominating Committee will, by March 1 of each year, present to the Board of Directors a single proposed slate of nominees for each vacant elective position on the Board of Directors and the Nominating Committee. Notice of the proposed slate and a ballot containing a list of all nominees shall be mailed, faxed, or emailed by the Board of Directors to the Membership along with the Notice of the Annual Meeting as provided in Section 2 above. Nominations from the floor are not permitted. The ballot shall be signed by the Member and returned by mail, email, or presented in person at the meeting. A mailed, faxed or emailed ballot may only be changed by the Member who voted the ballot attending the meeting in person. A ballot not received prior to counting of the ballots at the Annual Meeting shall not be counted. Ballots shall be counted by a committee of three (3) tellers appointed by the Board.

Section 6 - Quorum for Membership Meetings.

Five (5) percent of the Membership entitled to vote at the time of the mailing of the first notice of meeting, present in person or by proxy, shall constitute a quorum provided that at least three (3) percent of the Membership entitled to vote at the time of mailing the first notice of the meeting must be in person.

ARTICLE III - DIRECTORS

Section I - Responsibilities, Number, and Qualifications

The affairs of the corporation shall be governed by a Board of Directors. The Board shall consist of at least seven (7) and no more than fifteen (15) Directors elected by Members of the corporation, with the exact number determined by the Board of Directors prior to the first notice to the Membership of the Annual Meeting; provided, however, that the Board of Directors may increase the number of Directors after the Annual Meeting and fill such vacancy(-ies) by appointment so long as any Director so appointed shall serve until the next Annual Meeting in accordance with Article III, Sections 3 and 4 below. All Directors shall reside either full or part time on Orcas Island or on Shaw Island. All Directors must be Members at the time of their election and for the duration of their terms.

Section II - Term of Office of Directors

The term of office for each of the elected Directors shall be three (3) years. The terms shall be staggered. Each elected Director shall hold office until his or her successor shall have been appointed or elected. No elected Director shall serve for more than three (3) consecutive full or partial terms, after which, a Director shall not be eligible to serve again until the expiration of one full year.

Section III - Nominating Committee

There shall be a Nominating Committee composed of three Members. No more than one of these shall be a current Member of the Board. One (1) Member of the Nominating Committee shall be appointed annually by the Board of Directors no later than its first regular meeting following the Annual Meeting. Two Members shall be elected as provided in Article II, Section 5 from the Membership at large for staggered three-year terms. Those Members of the Board who have fulfilled their terms of office set forth in Section II above shall serve as *ex officio* members of the Nominating Committee. No one, who within the past three (3) years has served on the Board either as a Director elected by the Membership or as an appointed Director for more than twelve months, shall be eligible for election by the Membership to the Nominating Committee. No one shall serve on the Nominating Committee for more than six (6) consecutive years. No Member of the Nominating Committee shall be a candidate for election to the Board of Directors.

Any vacancy in the Nominating Committee of a Board appointee shall be filled by appointment by the Board of Directors. Any vacancy in the Nominating Committee for an elected position shall be filled by appointment by the remaining Members of the Committee. All vacancies shall be filled in a manner assuring a Nominating Committee conforming to the requirement of the previous paragraph. Any Member appointed to fill a vacancy for an elected Member shall serve until the next Annual Meeting of the Membership, when the remainder of the term shall be filled by a Member elected in accordance with Article II, Section 5.

Section 4 - Vacancies

If a majority of the remaining Directors were elected by the Membership, then after considering the recommendations of the Nominating Committee, the Board of Directors must immediately fill any vacancy on the Board. If remaining Directors elected by the Membership are not a majority of the total elective Director positions, then upon receipt of the proposed slate of the Nominating Committee, the remaining Directors shall within ten (10) days call a special meeting of the Members to be held within forty-five (45) days to elect members of the Board to fill any position not currently held by a Director elected by the Members. Such election shall be held in accordance with Article II, Section 5. Any Director appointed to fill a vacancy shall serve until the next Annual Meeting of the Membership, when the remainder of the term shall be filled by a Director elected in accordance with Article II, Section 5. Any appointment or election to fill a vacancy shall conform to the requirements of Article III, Section 1 and the terms imposed by Article III, Section 2.

Section 5 - Removal of Directors

A Director may be removed from office for cause by affirmative vote of a two-thirds majority of the total Board of Directors. Among other things failure to attend three (3) consecutive Board meetings, unless for reasons acceptable to a majority of the Board, shall constitute cause. A Director may also be removed by an affirmative vote of a two-thirds majority of the Members present in person or by proxy and voting at any regular or special Membership meeting, provided that at least twenty (20) percent of the total Membership at the time notice of the meeting was first mailed must vote for removal.

Section 6 - Other Committees

The Board of Directors by resolution adopted by a majority of the full Board of Directors may establish one or more standing or *ad hoc* committees to assist the Board in the performance of its duties. Such committees shall be composed of at least two (2) Directors, one of which may be the President of the Board, who may serve in an *ex officio* capacity.

ARTICLE V - DIRECTORS' MEETINGS

Section 1 - Regular Meetings

Regular meetings of the Board of Directors shall be held monthly or at such other time and place as the Board may determine, provided that a minimum of eight (8) board meetings per calendar year shall be held.

Section 2 - Special Meetings

Special meetings of the Board of Directors may be called by the President or a majority of Directors upon three days' notice of such meeting. Emergency special meetings for the limited purpose of dealing with emergency situations, which were not previously known to the Board and which require immediate action, may be taken upon four (4) hours' notice to each Director,

Section 3 - Executive Sessions

The President or a majority of the Directors present at a meeting may cause the Board to go into executive session. Proceedings of executive sessions shall be held confidential except as may be agreed by the Board of Directors to release specific records or information relating to the executive session. Persons who are not members of the Board of Directors shall be allowed to attend or participate in an executive session only as permitted by majority vote of members of the Board of Directors who are present.

Section 4 - Members Attendance

Members of the corporation shall be allowed to attend and observe regular and social meetings of the Board, provided attendance at executive sessions shall be only as specified in Section 3 above. The participation of Members in the Board meetings shall be as permitted by procedure adopted by the Board of Directors.

Section 5 - Agendas

Agendas for regular and special meetings of the Board except for emergency special meetings of the Board shall be available to each Director at least twenty-four (24) hours prior to the meeting. The agenda shall specify the time and place of the meeting.

Section 6 - Notice of Meetings

Notice of regular meetings of the Board shall not be required. Notice of the time and place of any such special meetings of the Board shall be given to the Directors by the Secretary or by the person or persons calling the meeting by mail, telephone, fax, email, or by personal communication. Attendance of a Director at any meeting shall constitute a waiver of notice except where the purpose of attendance is to object to the validity of the notice. The purpose of the meeting and business to be transacted need not be stated in the notice or waiver of notice of such meeting.

Section 7 - Quorum and Voting

A majority of the total Board of Directors, either in person or by conference telephone call, shall constitute a quorum. Except as otherwise specifically provided by the Bylaws, (a) at any regular meeting of the Board at which a quorum is present a majority of the Directors present, either in person or by conference telephone call, may transact any business and exercise all its powers and (b) at any special meeting the transacting of such business and the exercising of such powers shall be limited to that specifically set forth in the meeting agenda. The votes of at least a majority of Directors present at the meeting shall be required for action. The Director presiding at the meeting shall be entitled to vote.

ARTICLE V- OFFICERS

Section 1 - Titles and Terms of Office

The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers or assistant officers as the Board may determine. Officers shall be Members of the Board. Certain duties of the Secretary such as taking minutes and writing letters may be delegated to a non-Board member designated by the Board. Officers shall serve a one-year term or until their successors are elected and qualified. No officer shall serve more than three (3) consecutive years in the same office, nor shall any Director hold more than one office at a time.

Section 2 – Election

Officers shall be elected by the Board of Directors immediately following the Annual Membership meeting.

Section 3 – President

The President shall preside at meetings of the Board and membership and shall in addition have such other powers and duties as prescribed by the Board.

Section 4 -Vice President

If the President is absent or disabled, the Vice President shall assume the duties of the President and shall in addition have such other powers and duties as prescribed by the Board. If the Board shall elect more than one Vice President, it shall specify the order in which the duties of the President are to be assumed.

Section 5 – Secretary

The Secretary shall (a) keep record of proceedings of the Board of Directors and Membership; (b) maintain a list of the names, addresses, and telephone numbers of the Directors which shall be furnished to each Director; (c) cause to be maintained a registry of the names and addresses of each Member; (d) when required, sign and execute with the President all deeds, bonds, contracts, and other obligations or instruments in the name of the corporation; and (e) have such other powers and duties as prescribed by the Board or these Bylaws.

Section 6 – Treasurer

The Treasurer shall (a) have the care and custody of all funds and investments of the corporation; (b) cause regular books of account to be kept; (c) make written monthly reports to the Board and at least annual written reports to the Membership on the financial status of the corporation; (d) cause all funds and other valuable effects of the corporation to be deposited in such depositories as may be designated by the Board; and (e) have such other powers and duties as prescribed by the Board or these Bylaws.

ARTICLE VI - INDEMNIFICATION OF OFFICERS AND DIRECTORS

To the full extent allowed by the laws of the State of Washington, each director or officer now or hereafter serving the corporation and his or her respective heirs, executors, or personal representatives shall be indemnified by the corporation against expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit, or proceeding in which he or she is made a party by reason of being or having been a trustee, director, or officer, except in relation to matter as to which he or she shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or gross misconduct in the performance of duties; but such indemnification shall not be deemed exclusive of any

other rights to which such person may be entitled under any bylaw, agreement, vote of the Board of Directors, or otherwise.

ARTICLE VII - ADMINISTRATIVE PROVISIONS

Section 1 - Annual Dues

The Membership dues shall be set by resolution of the Board of Directors, provided that minimum dues may be set by the Membership at any Membership meeting for which such action is included in the notice of the meeting.

Section 2 - Membership Term

The Membership term will begin on July 1 and end on June 30 of the following year.

Section 3 - Fiscal Year

The fiscal year of the corporation shall begin on January 1 and end on December 31.

Section 4 - Validity of Signature and Petition

In order for a Member's signature to be considered valid on any petition to request a special meeting, to nominate a candidate for the Board, or to propose terms of business to be transacted at the Annual Meeting, the signature must be (1) original, (2) on a page with the body of the petition, (3) accompanied by the person's name printed legibly, and (4) dated.

Section 5 - Books and Records

The corporation shall keep (a) current and complete books and record of account utilizing the double entry method; (b) minutes of the proceedings of its Members, Board of Directors, and committees having any authority of the Board of Directors; and (c) a register of the names and addresses of its Members, provided that such register shall be used only in conjunction with corporate business and shall not be sold or given to any other entity. The financial books of the corporation shall be audited or reviewed annually by a certified public accountant selected by the Board. The originals or legible copies of the foregoing books, records, and registers shall be maintained by the Secretary or Treasurer, as appropriate, and shall be available for inspection on request by any active Member or his or her agent or attorney for any proper purpose at any reasonable time in the presence of any officer of the corporation or other designee of the Board.

Section 6 - Signature of Negotiable Instruments and Bonding

All checks, drafts, and similar orders for the payment of funds of the corporation in excess of a sum to be fixed from time to time by the Board, shall be signed by at least two Directors specified by the Board. Any individual either authorized to receive funds on behalf of the corporation or authorized to sign checks, drafts, and similar orders shall be covered by a surety bond in an amount to be determined by the Board.

Section 7 - Actions by Written Consent

Any corporate action, which is required or permitted by the Articles of Incorporation, Bylaws, or laws of the State of Washington to be taken at a meeting of the Membership or Directors of the corporation, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members or Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote.

Section 8 - Waiver of Notice

Whenever any notice is required to be given to any Director of the corporation by the Articles of

Incorporation, Bylaws, or laws of the State of Washington, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 9 - Contractual Obligations and Expenditures

No contractual relationships or other obligations of the corporation shall be entered or be valid unless in writing and authorized by Resolution of the Board of Directors. No expenditure of funds beyond those specified in an approved budget for the current fiscal year shall be made except as authorized by resolution of the Board.

Section 10 - Amendment of Bylaws

These Bylaws may be amended by a majority vote at the Annual Meeting or any special meeting of the Membership, provided that the amendment is included in the notice for the Membership meeting. These Bylaws may also be amended by a majority vote of Directors at any regular scheduled meeting of the Board of Directors, provided that the proposed amendment is included in the notice for that meeting and provided, further, that notice of any Bylaw amendment adopted by the Board is announced at the next Annual Meeting of the membership.

Section 11 - Rules of Procedure

Meetings of the Board of Directors and of the Membership shall be conducted in a fair and open manner. At any time during such a meeting, a motion to proceed under The Modern Edition of Robert's Rules of Order on Parliamentary Procedure shall be in order. Upon adoption of such motion, that meeting shall then be conducted under such rules of order.

Amended as of June 11, 2018