

**AMENDED BYLAWS OF  
SAMARITAN HEALTH SERVICES, INC.  
An Oregon Nonprofit Corporation**

**ARTICLE I**

**OFFICES**

The registered office shall be located at 3600 NW Samaritan Drive, Corvallis, Oregon 97330. The corporation may also have offices at such other places, either within or without the State of Oregon, as the Board of Directors may from time to time determine.

**ARTICLE II**

**NO MEMBERSHIP**

The corporation shall not be a membership corporation and shall have no members.

**ARTICLE III**

**BOARD OF DIRECTORS**

3.1 Management. Management of this corporation is vested in the Board of Directors ("Board"), which has the sole power to exercise Samaritan Health Services, Inc.'s rights as a member or shareholder of any other corporation, venture or entity in which Samaritan Health Services, Inc. has an interest as a member, shareholder, or otherwise. The Board may authorize one or more of this corporation's officers to represent this corporation with respect to any matter to be acted upon by this corporation as member, shareholder, or otherwise.

3.2 The corporation shall have a minimum of fifteen (15) voting directors and one(1) non-voting director. The Board shall consist of the following:

3.2.1 Good Samaritan Regional Medical Center Representatives. Two

(2) representatives of the community served by Good Samaritan Regional Medical Center. Each person shall be concurrently serving or previously served on the board of directors of Good Samaritan Regional Medical Center or Good Samaritan Hospital Foundation, Corvallis.

When a vacancy occurs, individuals shall be nominated to fill the vacancy by a nominating committee selected by the board of directors of Good Samaritan Regional Medical Center. All nominees shall be submitted to the Samaritan Health Services, Inc. Board of Directors for election.

3.2.2 Mid-Valley Healthcare, Inc. Representatives. Three (3) representatives of the community served by Mid-Valley Healthcare, Inc. which shall be reduced to two (2) upon the death, resignation, or removal of any representative. Each person shall be concurrently serving or previously served on the board of directors of Mid-Valley Healthcare, Inc., or Lebanon Community Hospital Foundation. When a vacancy occurs, individuals shall be nominated to fill the vacancy by a nominating committee selected by the board of directors of Mid-Valley Healthcare, Inc. All nominees shall be submitted to the Samaritan Health Services, Inc. Board of Directors for election.

3.2.3 Albany General Hospital Representatives. Two (2) representatives of the community served by Albany General Hospital. Each person shall be concurrently serving or previously served on the board of directors of Albany General Hospital or Albany General Hospital Foundation. When a vacancy occurs, individuals shall be nominated to fill the vacancy by a nominating committee selected by the board of directors of Albany General Hospital. All nominees shall be submitted to the Samaritan Health Services, Inc. Board of Directors for election.

3.2.4 Samaritan North Lincoln Hospital Representatives. Two (2) representatives of the community served by Samaritan North Lincoln Hospital. Each person shall be concurrently serving or previously served on the board of directors of Samaritan North Lincoln Hospital or North Lincoln Hospital Foundation, and not more than one may be a physician employed by the corporation or an affiliate. When a vacancy occurs, individuals shall be nominated to fill the vacancy by a nominating committee selected by the board of directors of Samaritan North Lincoln Hospital. All nominees shall be submitted to the Samaritan Health Services, Inc. Board of Directors for election.

3.2.5 Samaritan Pacific Communities Hospital Representative. One (1) representative of the community served by Samaritan Pacific Communities Hospital and is concurrently serving or previously served on the board of directors of Samaritan Pacific Communities Hospital or Pacific Communities Health District Foundation and may not be a physician employed by the corporation or an affiliate. When a vacancy occurs, individuals shall be nominated to fill the vacancy by a nominating committee selected by the board of directors of Samaritan Pacific Communities Hospital. All

nominees shall be submitted to the Samaritan Health Services, Inc. Board of Directors for election.

3.2.6 Physician Entity Representatives. Three (3) physician representatives, Good Samaritan Regional Medical Center, Mid-Valley Healthcare, Inc. and Albany General Hospital shall each be entitled to nominate a physician representative when a vacancy occurs at that site. All physician nominees shall be submitted to the Samaritan Health Services, Inc. Board of Directors for election. In no event shall physicians constitute more than forty percent (40%) of the Board, and in no event shall more than four (4) employed physicians serve on the Board at any one time.

3.2.7 Episcopal Church Representatives. Three (3) representatives of the Episcopal Diocese of Oregon. These representatives shall either be concurrently serving or previously served on the board of directors of one of the three hospitals described in Sections 3.2.1, 3.2.2, and 3.2.3 or the board of directors of the foundations which serve the hospitals described in Sections 3.2.1, 3.2.2, and 3.2.3. One representative shall be chosen per hospital or respective foundation. When a vacancy occurs, these representatives shall be nominated by a nominating committee selected by the Bishop of the Episcopal Diocese of Oregon. Each Episcopal Church Representative shall be submitted to the Samaritan Health Services, Inc. Board of Directors for election.

3.2.8 Non-Voting (Ex Officio) Directors. The non-voting directors shall be the President/Chief Executive Officer ("CEO") of the corporation and others, if any, as appointed by the Board.

3.2.9 Director Emeritus. The Executive Committee of the Board may recommend to the Board one or more director's emeritus as it shall from time to time determine that a past Board member warrants such distinction for significant contributions and commitment to the mission of Samaritan. A director emeritus may be invited to a Board meeting upon the request of the Chairperson of the Board but shall have no obligation or entitlement to attend and be present at the meetings of the Board. If in attendance, director's emeritus shall not be entitled to vote on any matters presented to the Board. A meeting of the Board may be held without notice to any director emeritus and no director emeritus shall be considered in determining whether a quorum of the Board is present. Other activities and events will be conducted to honor the director's emeritus.

3.3 Term. Except as otherwise provided in these bylaws (relating to staggered terms and relating to ex officio or director emeritus positions on the Board), each director shall hold office for a term of three (3) years or until their successor is elected or he/she dies, is disqualified, resigns, or is removed.

Nothing herein shall be construed to prevent (i) the election or appointment of a director to succeed himself/herself, (ii) the election or appointment of a director for the remainder of an unexpired term of a director, or (iii) amendment of these bylaws to increase or decrease the number of directors, except that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

3.4 Staggered Terms. The non *ex officio* directors shall serve staggered three year terms drawn by lot so that at least: (1) one of the non *ex officio* Good Samaritan Regional Medical Center Representatives, one of the non *ex officio* Mid-Valley Healthcare, Inc. Representatives, one of the non *ex officio* Albany General Hospital Representatives, one of the non *ex officio* Samaritan North Lincoln Representatives, the non *ex officio* Samaritan Pacific Communities Representative, one of the non *ex officio* Physician Representatives, and one of the Episcopal Church Representatives shall have terms ending at the end of the first year; (2) one of the non *ex officio* Good Samaritan Regional Medical Center Representatives, one of the non *ex officio* Mid-Valley Healthcare, Inc. Representatives, one of the non *ex officio* Albany General Hospital Representatives, one of the non *ex officio* Samaritan North Lincoln Representatives, one of the non *ex officio* Physician Representatives, and one of the Episcopal Church Representatives shall have terms ending at the end of the second year; and (3) one of the non *ex officio* Physician Representatives, and one of the Episcopal Church Representatives shall have terms ending at the end of the third year.

3.5 Quorum and Manner of Acting. A majority of the voting directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except for supermajority board decisions in Section 3.6, and except when the act of a greater number is required by law, the articles of incorporation or these bylaws. The Chairperson of the Board shall only have the right to vote to break a tie on any matter, unless the Chairperson of the Board is the President/CEO, who shall have no right to vote.

3.6 Supermajority Board Decisions. The following decisions of the Board shall require the vote of a majority of the voting directors who are Good Samaritan Regional Medical Center Representatives, a majority of the voting directors who are Mid-Valley Healthcare, Inc. Representatives; a majority of the voting directors who are Albany General Hospital Representatives, and a majority of the voting directors who are Episcopal Church Center Representatives for approval:

3.6.1 Any and all amendments to the articles of incorporation or bylaws of the corporation and those of affiliated corporations;

3.6.2 A contract, amendment, or termination of a contract for services with the President/CEO of the corporation.

3.6.3 Any and all amendments to the articles of incorporation or bylaws of Good Samaritan Regional Medical Center after the board of directors of Good Samaritan Regional Medical Center approves any such amendments in accordance with its articles and bylaws.

3.6.4 Any and all amendments to the articles of incorporation or bylaws of Mid-Valley Healthcare, Inc. after the board of directors of Mid-Valley Healthcare, Inc.

approves any such amendments in accordance with its articles and bylaws.

3.6.5 Any and all amendments to the articles of incorporation or bylaws of Albany General Hospital after the board of directors of Albany General Hospital approves any such amendments in accordance with its articles and bylaws.

3.6.6 Any and all amendments to the articles of incorporation or bylaws of Samaritan North Lincoln Hospital after the board of directors of Samaritan North Lincoln Hospital approves any such amendments in accordance with its articles and bylaws.

3.6.7 Any and all amendments to the articles of incorporation or bylaws of Samaritan Pacific Communities Hospital after the board of directors of Samaritan Pacific Communities Hospital approves any such amendments in accordance with its articles and bylaws.

3.6.8 Any voluntary dissolution of the corporation;

3.6.9 Annual budgets of the corporation and those affiliated corporations, and any expenditures over any of those budgets of more than One Million Dollars (\$1,000,000);

3.6.10 All decisions regarding expansion or closure of corporation's or affiliated corporations' facilities.

3.6.11 Distribution of assets in the event of dissolution of the corporation, subject to the provisions for dissolution in the articles of incorporation:

3.6.12 Any indebtedness for borrowed money or any assumption of debt by the corporation in excess of an annual aggregate of One Million Dollars (\$1,000,000);

3.6.13 Any and all mergers, acquisitions (including acquisition of membership interests), or reorganizations by the corporation except acquisitions of assets with a value of less than One Million Dollars (\$1,000,000); and

3.6.14 Any and all sales or transfers of assets acquired by the corporation except sales or transfers in the ordinary course of business with a value of less than an annual aggregate of One Million Dollars (\$1,000,000).

3.7 Resignations. Any director may resign at any time by giving written notice to the President, the Chairperson of the Board, or the Board. The notice shall set forth the effective date of the resignation. If the resignation is effective at a future time, a successor shall be nominated by the appropriate nominating committee and approved as provided in Section 3.2 (or in the case of the President/CEO, appointed as provided in Section 3.2.8), with the elected replacement to take office on the effective date of the

resignation. Resignation as a director of the corporation also shall constitute a resignation as a member of any committees of the Board.

3.8 Vacancies. All vacancies among the directors shall be filled in the same manner as provided in Section 3.7 for resignations. Each director confirmed or appointed to fill a vacancy shall hold office until the expiration of the term of the replaced director or his/her own disqualification, registration, or removal.

3.9 Removal. Any member of the Board, except for *ex officio* members, may be removed when the best interest of the corporation will be served thereby, at a meeting of the Board. In the event that any one or more of the directors shall be so removed, the vacancy or vacancies shall be filled in the same manner as provided in Section 3.7 for resignations. Removal as a director of the corporation shall also constitute removal as a member of all committees of the Board. The Chairperson of the Board may declare a position vacant if the director fails to attend any four (4) consecutive meetings of the Board without being excused by the Chairperson.

3.10 Place of Board Meetings. All meetings of the Board shall be held at the principal office of the corporation or at such other place as may be designated for that purpose from time to time by the Board.

3.11 Annual Board Meeting. The annual meeting of the Board shall be held in December of each year, or at such other time and place as may be determined by the Board.

3.12 Regular Board Meetings. The Board shall hold regular meetings each month or at such other frequency and at such times and places as may be designated by the Board.

3.13 Special Board Meetings. Special meetings of the Board may be called for any purpose at any time by the President, the Chairperson of the Board, or any two (2) voting directors.

3.14 Notice of and Waiver of Notice for, Regular and Special Director's Meetings. Unless the articles of incorporation provide for a longer or shorter period, notice of all regular and special directors' meetings shall be given at least three business days before the meeting either orally or in writing. If notice is given by e-mail, the notice is effective upon receipt of the e-mail. Any director may at any time waive notice of any meeting. Except as provided in the next sentence, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business and 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. The

business to be transacted at, and the purpose of any special meeting of the Board shall be specified in the notice or waiver of notice of such meeting.

3.15 Participation in Meetings by Conference Telephone. Directors may participate in a meeting of the Board through the use of conference telephone or other similar communications as long as all directors participating in such meeting can simultaneously communicate with each other. A director's participation in a meeting in accordance with this Section 3.15 shall constitute that director's presence in person at such meeting for all purposes, including determining whether a quorum exists.

A director who is present at a meeting of the Board or a committee of the Board when corporate action is taken is deemed to have assented to the action taken unless:

3.15.1 The director objects at the beginning of the meeting (or promptly upon the director's arrival) to holding it or transacting business at the meeting.

3.15.2 The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or

3.15.3 The director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

3.16 Directors' Action Without a Meeting. Unless the articles of incorporation provide otherwise, any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if all the directors take the action, each one signs a written consent describing the action taken, and the contents are filed with the records of the corporation. Action taken by consent is effective when the last director signs the consent unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be so described in any document.

3.17 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

3.18 No Compensation. Directors shall serve without compensation as such but shall be entitled to reimbursement of expenses incurred on behalf of and at the request of the corporation.

3.19 Evaluation. In order to ensure an acceptable level of performance of directors, the individual performance of each member of the Board and the performance of the Board itself will be evaluated according to procedures established by the Board.

3.20 Criteria for Selection of Directors. Each director shall have demonstrated leadership in his/her professional areas, a level of involvement in the community and commitment to the values of the corporation, a record of commitment to health care, an expectation to complete the full term to which they are appointed or elected, and faithfully support the Mission of the corporation.

3.21 Executive Session. The Board may go into executive session following a request by any director in attendance at the meeting, once approved by the Chair, or by a vote of a majority of the directors in attendance at the meeting. Only members of the Board and those by special invitation of the Board shall be in attendance during an executive session.

## **ARTICLE IV**

### **OFFICERS**

4.1 Principal Officers. The Chairperson of the Board shall be a volunteer community member and shall have no conflict of interest that would compromise his or her ability to perform the duties required of the position. The Board shall elect from its members as additional officers of the Board a Chairperson Elect who shall serve as Vice Chairperson and will become Chairperson after two years, a Secretary and a Treasurer. The Board shall appoint as an administrative officer of the corporation a President/CEO, who shall be responsible for appointing all other administrative or management positions.

4.2 Other and Assistant Officers. The Board may elect or appoint such additional officers, assistant officers and agents of the Board which it shall deem necessary or desirable, who shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board.

4.3 Term of Office. The officers of the Board elected pursuant to Section 4.1 of this Article shall hold office for two years and shall serve through the regular annual meeting of directors and until their successors shall be elected and qualify. All officers of the Board shall be elected by the directors present at the annual meeting.

4.4 Removal. Any Board officer or administrative officer, agent or employee elected or appointed by the Board may be removed by the Board from such office, agency, or employment when in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.5 Chairperson of the Board: Chairperson Elect. The Chairperson of the Board shall preside at all meetings of the Board and shall be an *ex officio* member with vote on all Board committees. All bonds and such other instruments as may from time to time be authorized by these bylaws shall be signed by the Chairperson of the Board, the Chairperson Elect, or by a designee of the Board. Unless specified otherwise in these bylaws, the Chairperson of the Board shall designate the Chair of each Board Committee. The Chairperson of the Board shall report to the directors all matters within his/her knowledge that the interests of the corporation may require to be brought to their notice. He/She shall perform such additional duties as may be prescribed by the Board or by these bylaws. The powers and duties of the Chairperson of the Board shall, in the event of his/her death, resignation, removal, incapacity or absence, be vested in the Chairperson Elect. The Chairperson Elect shall perform such additional duties as may be prescribed by the Board.

4.6 Secretary of the Board. The Secretary of the Board, or the Secretary's designee, shall keep the minutes and records of proceedings of all meetings of the Board. It shall be the Secretary's duty to serve such notices as may be required of the corporation by its bylaws or otherwise. The Secretary shall have charge of the books and records and such other papers as the Board may direct. The Secretary shall also keep accurate records of the names and addresses of the directors and the dates when they respectively became directors. The Secretary shall keep such books open for inspection of the directors at the office of the corporation during the usual business hours. The Secretary shall do and perform such duties as may reasonably be required of the Secretary by the directors. The Secretary shall submit to the directors such reports as may be required by the directors.

4.7 Treasurer of the Board. The Treasurer or designee shall have the custody of all funds of the corporation and shall deposit the same in the name of the corporation in such bank or banks as the directors may designate. The Treasurer shall have the custody of the notes, drafts, or other securities that may come into the possession of the corporation and shall deal with them as the directors may direct. The Treasurer shall exhibit the Treasurer's books and accounts to the directors of the corporation at the office of the corporation upon application during business hours. The Treasurer shall submit to the directors such reports as may be required by the directors.

4.8 President. Representatives of the Board shall be involved in the interview and selection process for the President of the corporation who shall be designated President/CEO. A supermajority vote of the Board shall be required to approve the hiring of the President. The President shall be qualified by education and experience to fulfill the responsibilities of this office. The President shall serve as CEO of the corporation and shall have, subject to the control of the Board, general and active supervision and management of the operation and affairs of the corporation and of its officers, assistant officers, agents, and employees. The President shall be responsible to the Board for the administration and operation of the corporation, in conformity with such policies and directives as the Board may from time to time adopt. The President or designee shall attend all meetings of the Board, and the President shall cause reports

to be made to the Board not less than once each quarter on the activities of the corporation, and upon federal, state, and local developments that may affect these activities. The President shall be a member of all committees to which the President is appointed by these bylaws or elected by the Board. The President shall perform such additional duties as may be prescribed by the Board or by these bylaws.

The office of President shall be a salaried office, and the compensation of the President shall be fixed by the Board.

## ARTICLE V

### COMMITTEES

There shall be three (3) forms of committees of the Board, and they shall be as follows: Board committees, special committees, and combined committees.

5.1 Board Committees. There shall be the following Board committees:

- (1) Executive and Nominating Committee
- (2) Audit & Compliance Committee
- (3) Finance Committee

In addition to those duties set forth herein, each committee shall have such duties as then assigned by the Board. The term of service upon the committees shall be such as are designated at the time of their election or appointment.

5.1.1 Executive and Nominating Committee. The Board shall appoint an Executive and Nominating Committee that shall consist of the Chairperson of the Board, the Chairperson Elect of the Board, the Past Chairperson of the Board, the Secretary of the Board, the Treasurer of the Board, the President/CEO, and at least one at large member. The Executive and Nominating Committee shall always include at least one Good Samaritan Regional Medical Center Representative as described in Section 3.2.1, at least one Mid-Valley Healthcare, Inc. Representative as described in Section 3.2.2, at least one Albany General Hospital Representative as described in Section 3.2.3, and at least one Samaritan North Lincoln Representative as described in section 3.2.4. The Executive and Nominating Committee shall have the power and authority delegated to it by the Board, including the authority to research, evaluate and recommend candidates to serve as Board Officers, subject to the restrictions set forth below. The Board may, by resolution, at any time modify or revoke any or all of the authority delegated to the Executive and Nominating Committee. Only the Executive and Nominating Committee may exercise the authority of the Board to the extent specified by the Board, provided however, the Executive and Nominating Committee may not:

5.1.1.1 Authorize distributions;

5.1.1.2 Fill vacancies on the Board or any committee; or

5.1.1.3 Take any other action described in Section 3.6 hereof.

5.1.2 Audit & Compliance Committee. There shall be elected by the Board an Audit & Compliance Committee consisting of not less than three (3) persons. No person who is serving as an administrative officer of the corporation shall serve on the Audit & Compliance Committee. The Audit & Compliance Committee shall have authority to retain and employ, subject to the approval of the Board, such professional assistance as it finds necessary to properly audit the books, records, and financial conditions and regulatory compliance of the corporation and to report its findings to the Board.

5.1.3 Finance Committee. There shall be elected by the Board a Finance Committee consisting of not less than three (3) persons. The Finance Committee shall have the authority to review all financial reports of the organization and shall meet formally to review the financial statements of the organization at least quarterly. The Finance Committee will include the President/CEO, Chief Financial Officer and other staff as needed.

5.2 Special Committees. The Board may have committees designated as special committees. These committees shall consist of such members of the Board as are appointed or elected in accordance with the resolution creating the committee. The membership of the special committee shall terminate the first meeting following the annual meeting of the Board.

5.3 Combined Committees. The Board may have committees designated as combined committees. These committees shall consist of affiliated persons as are elected or appointed in accordance with the resolution creating the committee. Affiliated persons shall be defined as the President/CEO, and such other board members, officers and employees of Good Samaritan Regional Medical Center, Mid-Valley Healthcare, Inc., Albany General Hospital, Samaritan North Lincoln Hospital, Samaritan Pacific Communities Hospital, and others as determined by the Board. The duties of such committees shall be such as those defined and set forth in the resolution creating the committees. The membership of these committees shall terminate at the first regular meeting following the annual meeting of the Board.

5.4 Quorum. A majority of voting members of any committee shall constitute a quorum for the conduct of business.

5.5 Meetings. Meetings of any committee may be called by the Chairperson of the Board, the chairperson of the committee, or a majority of the committee's members. Each committee shall meet as often as necessary to perform its duties and, unless required by these bylaws to meet more frequently, shall meet at least once each year.

Committees may provide by resolution for the manner of notice and the time and place of regular committee meetings.

Special meetings may be called in the same manner as regular meetings except that special meeting may be held on notice given by reasonable means at least one (1) day prior to the meeting.

5.6 Minutes. Each committee shall keep written minutes of its meetings that shall be transmitted not less than monthly to the Secretary of the corporation and included within the agenda of the next regular Board meeting.

5.7 Tenure. Unless otherwise provided in the articles of incorporation or these bylaws, or by resolution, each member of a committee, including the chairperson, shall hold office for a term of one (1) year. The term of each committee member shall commence at such time as may be provided by the articles of incorporation, bylaws, or resolution of the Board. The term of each committee member shall continue until the first regular meeting following the annual meeting, unless determined otherwise by the Board. In the event that a committee member shall resign, be removed from the committee, or cease to hold the position, which is the basis for the appointment, the committee member's service shall terminate as of that time.

5.8 Removal. The Chairperson of the Board may, with the prior approval of the Board, remove any elected or appointed member of a committee. Any person who is a member of a committee because the committee member holds a designated position shall cease to be a member of the committee when the committee member ceases to hold such position.

## **ARTICLE VI**

### **NOMINATIONS AND ELECTION**

Nominations for officers shall be made by the Executive and Nominating Committee and may be made by any director by delivering to the Chairperson of the Board a Written notice of nomination prior to the annual meeting of the Board. Each person nominated shall be elected by a majority of the committee. There shall be a separate ballot for each position on the Board and for each officer.

## **ARTICLE VII**

### **AUTHORIZED SIGNERS**

All checks, drafts, notes and other obligations and evidence of indebtedness shall be signed in such manner and by such persons as the Board may determine.

## **ARTICLE VIII**

## INDEMNIFICATION

8.1 Nonderivative Actions. Subject to the provisions of Sections 8.3 and 8.5, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including all appeals) (other than an action by or in the right of the corporation), by reason of or arising from the fact that the person is or was a trustee, director, officer, employee or agent (including an attorney); is or was serving at its request as a member of a committee; or is or was serving at the request of the corporation as a director, officer, employee, agent, partner, or trustee of another domestic or foreign corporation, a partnership, a joint venture, a trust, an employee benefit plan or another enterprise (all of which capabilities are hereafter in this Article VIII referred to as "director") and the person's heirs, legal representatives, estates and conservators, against reasonable expenses, including attorney's fees, judgments, fines, penalties, excise taxes assessed with respect to any employee benefit plan and amounts paid in settlement (herein collectively called "Expenses") actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, did not know at the time the conduct occurred that the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the corporation or, with respect to any criminal action or proceeding, that the person knew that the conduct was unlawful at the time the conduct occurred.

8.2 Derivative Actions. Subject to the provisions of Sections 8.3 and 8.5, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit (including all appeals) by or in the right of the corporation to procure a judgment in its favor by reason of or arising from the fact that the person is or was a director, and the person's heirs, legal representatives, estates and conservators against expenses actually and reasonably incurred in connection with the defense or settlement of the action or suit, if the person acted in good faith, and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication or liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

8.3 Determination of Right to Indemnification in Certain Cases. Subject to the provisions of Sections 8.4 and 8.5, indemnification under Sections 8.1 and 8.2 shall not be made by the corporation unless it is expressly determined that indemnification of the person who is or was a director is proper in the circumstance because the person has

met the applicable standard of conduct set forth in Sections 8.1 or 8.2. That determination may be made by any or all of the following:

8.3.1. By the Board by majority vote of a quorum consisting of directors who are not or were not parties to the action, suit or proceeding.

8.3.2. If a quorum cannot be obtained under paragraph 8.3.1 of this subsection, by majority vote of a committee designated by the Board consisting solely of two or more directors not then, or reasonably likely to be, parties to the proceeding (directors who are parties to the proceeding may participate in designation of the committee).

8.3.3. By independent legal counsel selected by the Board or its committee in the manner prescribed in 8.3.1 or 8.3.2 in a written opinion or, if a quorum of the Board cannot be obtained under 8.3.1 and a committee cannot be designated under 8.3.2, the independent legal counsel shall be selected by majority vote of the full Board, including directors who are then or reasonably likely to be parties to the proceeding.

8.3.4. By a court of competent jurisdiction.

8.4 Successful Defense. Notwithstanding any other provision of Sections 8.1, 8.2 or 8.3, but subject to the provisions of Section 8.5, to the extent a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 8.1 or 8.2, or in defense of any claim, issue, or matter therein, that person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith.

8.5 Condition Precedent to Indemnification Under Sections 8.1 or 8.2. Any person who desires to receive the benefits otherwise conferred by Sections 8.1 or 8.2 shall promptly notify the corporation that the person has been named a defendant to an action, suit or proceeding of a type referred to in Sections 8.1 or 8.2 and intends to rely upon the right of indemnification described in Sections 8.1 or 8.2. The notice shall be in writing and mailed, by registered or certified mail, to the Chairperson of the corporation, or in the event the notice is from the Chairperson to the registered agent of the corporation. Failure to give the notice shall entitle those persons in Section 8.3.1 or 8.3.4 to make a determination that such a failure was prejudicial to the corporation and that the right to indemnification referred to in Sections 8.1, 8.2 or 8.4 shall be denied in its entirety or reduced in amount.

8.6 Advances for Expenses. A person who is the subject of an action, suit or proceeding referred to in Sections 8.1 or 8.2 shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding for expenses, including attorney's fees, incurred in defending the action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such expenses if it shall ultimately be determined that the person is not entitled to be indemnified by the corporation and a written affirmation of the person's good faith belief that such person has met the applicable standard of conduct.

The undertaking must be a general personal obligation of the party receiving the advances but need not be secured and may be accepted without reference to financial ability to make payment.

8.7 Insurance. The corporation shall purchase and maintain insurance on behalf of any person who is or was a director or officer against any liability asserted against and incurred by that person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify that person against such liability under the provisions of this Article or under the Oregon Nonprofit Corporation Act.

8.8 Purpose. The indemnification referred to in this Article shall be deemed to be in addition to and not in lieu of any other rights to which those indemnified may be entitled under any statute, rule of law or equity, agreement, vote of the members or Board or otherwise. The corporation is authorized to enter into agreements of indemnification. The purpose of this Article is to augment the provisions of the Oregon Nonprofit Corporation Act dealing with indemnification.

8.9 Separability. If in any judicial proceeding a court should find that a provision of this Article is unenforceable, such unenforceable provision shall be deemed eliminated from the provisions of this Article for the purposes of such proceeding to the extent necessary to permit the remaining provisions to be enforced in such proceeding; and, in addition, any provision found by any such court to be unenforceable in part may be limited by such court to the extent necessary to permit its enforcement.

## **ARTICLE IX**

### **GENERAL PROVISIONS**

9.1 Voting Shares In Other Entities. The corporation may vote any and all shares held by it in any other corporation and any and all memberships held by it in any other corporation through any officer, agent or proxy the Board may appoint.

9.2 Checks, Drafts, etc. All checks, drafts and other orders for payment of money, notes and other evidence of indebtedness issued in the name of or payable to the corporation and any and all securities owned or held by the corporation requiring signatures for transfer, shall be signed, or endorsed by such persons and in such manner as from time to time shall be determined by the Board.

9.3 Fiscal Year. The fiscal year of the corporation shall be January 1 through December 31.

## **ARTICLE X**

### **CONFLICT OF INTEREST**

10.1 Purpose. The purpose of this conflict-of-interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation. This policy is intended to supplement but not replace ORS 65.361 governing conflicts of interest applicable to nonprofit and charitable corporations.

10.2 Definitions.

10.2.1 Interested Person. Any director, principal officer, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in the health care system of which the corporation is a part, he or she is an interested person with respect to all entities in the health care system.

10.2.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

10.2.2.1 An ownership or investment interest in any entity with which the corporation has a transaction or arrangement, or

10.2.2.2 A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or

10.2.2.3 A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest under Section 10.3.2. A person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

10.3 Procedures.

10.3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must timely and fully disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

10.3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee

members shall decide if a conflict of interest exists.

10.3.3 Procedures for Addressing the Conflict of Interest.

10.3.3.1 An interested person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

10.3.3.2 The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

10.3.3.3 After exercising due diligence, the Board or committee shall determine whether the corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

10.3.3.4 If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

10.3.4 Violations of the Conflict-of-Interest Policy.

10.3.4.1 If the Board or committee has reasonable cause to believe that a member has failed to timely and/or fully disclose an actual or possible conflict of interest or has breached a fiduciary duty, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose or breach.

10.3.4.2 If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to timely and fully disclose an actual or possible conflict of interest or has breached a fiduciary duty, it shall take appropriate disciplinary and corrective action.

10.4 Records of Proceedings. The minutes of the Board and all committees with Board-delegated powers shall contain:

10.4.1 The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest

was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

10.4.2 The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

10.5 Compensation Committees

10.5.1 A voting member of the Board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

10.5.2 A physician who is a voting member of the Board and receives compensation, directly or indirectly, from the corporation for services is precluded from discussing and voting on matters pertaining to that member's and other physicians' compensation. No physician or physician director, either individually or collectively, is prohibited from providing information to the Board regarding physician compensation.

10.5.3 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

10.5.4 Physicians who receive compensation, directly or indirectly, from the corporation, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

10.6 Annual Statements. Each director, principal officer, and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person has:

10.6.1 Received a copy of the conflict-of-interest policy

10.6.2 Read and understands the policy,

10.6.3 Agreed to comply with the policy, and

10.6.4 Understands that the corporation is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

10.7 Periodic Reviews. To ensure that the corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

10.7.1 Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

10.7.2 Whether acquisitions of physician practices and other provider services result in inurement or impermissible private benefit.

10.7.3 Whether partnership or joint venture arrangements and arrangements with management service organizations and physician hospital organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the corporation's charitable purposes and do not result in inurement or impermissible private benefit.

10.7.4 Whether agreements to provide health care and agreements with other health care providers, employees, and third-party payors further the corporation's charitable purposes and do not result in inurement or impermissible private benefit.

10.8 Use of Outside Experts. In conducting the periodic reviews provided for in Section 10.7, the corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

10.9 Confidentiality. Each director has a fiduciary duty to the Corporation to keep all discussions at Board meetings confidential and agrees not to disclose any such discussions without the prior written consent of the Board.

## **ARTICLE XI**

### **STATEMENT OF MISSION**

The Board shall adopt and periodically review a Mission Statement for the corporation that includes a statement of purpose and values. Prior to adoption, the corporation shall submit the proposed Mission Statement or any changes to the existing Mission Statement to the Episcopal Diocese of Oregon for review and affirmation.

## **ARTICLE XII**

### **RULES OF ORDER**

Meetings of the Board and any committees shall be conducted according to the most recent edition of Roberts Rules of Order.

## **ARTICLE XIII**

### **AMENDMENTS**

13.1 Method of Amendment. The bylaws may be amended, altered, or repealed, in whole or in part, and new bylaws may be adopted consistent with the Restated Articles of Incorporation, or any amendments thereto as provided by Section 3.6.

13.1.1 Episcopal Diocese Approval. Those provisions of these bylaws which provide for the representation, relationship and oversight of the Episcopal Diocese of Oregon shall not be amended without the approval and consent of the Convention of the Episcopal Diocese of Oregon or the Diocesan Council.

## **ARTICLE XIV**

### **REVIEW**

These bylaws shall be reviewed at a formal meeting of the Board. These bylaws shall be considered in force at the time of their adoption.

APPROVED by the Board of Directors this 13<sup>th</sup> day of December 2021.

DocuSigned by:  
*Robert Adams*  
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Secretary