

**ARTICLES OF SECOND AMENDMENT TO  
ARTICLES OF INCORPORATION  
OF  
MULTICARE HEALTH SYSTEM**

**2022**

The undersigned hereby signs and verifies the following Articles of Second Amendment to Articles of Incorporation of MultiCare Health System:

1. The name of the corporation is MultiCare Health System.
2. The corporation has no members. These Articles of Second Amendment were adopted by the Board of Directors of the corporation at a meeting on November 17, 2021, through a vote of the majority of the directors in office.
3. The text of the amendments adopted is as follows:
  - a. Article II is deleted in its entirety and replaced with the following:

**ARTICLE II  
COMMERCIAL REGISTERED AGENT**

The commercial registered agent of the corporation is CT Corporation System.

- b. Article III is deleted in its entirety and replaced with the following:

**ARTICLE III  
GOVERNING STATUTE**

The corporation is incorporated under Chapter 24.03A RCW.

- c. Article IV is deleted in its entirety and replaced with the following:

**ARTICLE IV  
MEMBERS**

The corporation has no members.

- d. Article V is deleted in its entirety and replaced with the following:

## **ARTICLE V PURPOSES**

The corporation is organized and operated exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as may be amended from time to time (the "Code"), including but not limited to the following purposes: To participate in any activity designed and carried on to promote, improve and preserve the general health care and welfare of the public or assist in providing incidental services related to general health care and welfare programs, including through establishment and operation of facilities and services for the care of sick, injured, disabled, terminally ill, aged, or indigent persons; partnering with community providers, agencies and health organizations; developing, implementing and promoting population health and wellness programs; supporting educational activities related to the promotion of health; and scientific research related to the health of individuals and communities.

- e. Article VI is deleted in its entirety and replaced with the following:

## **ARTICLE VI LIMITATIONS**

The corporation shall not have or issue shares of stock and shall not make any disbursement of income or any loans to its directors or officers. 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 may be permitted to Section 501(c)(3) organizations by the Code. 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. Notwithstanding any provision 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 because it is described in Section 501(c)(3) of the Code or by an organization to which contributions are deductible under Section 170(c)(2) of the Code.

- f. Article VII is deleted in its entirety and replaced with the following:

## **ARTICLE VII POWERS**

In general, and subject to such limitations and conditions as are or may be prescribed by law or in the corporation's Articles of Incorporation or Bylaws, the corporation has all powers which now or hereafter are conferred by law upon a corporation organized for the purposes set forth above or are necessary or incidental to the powers so conferred or are conducive to the attainment of the corporation's purposes.

- g. Article VIII is deleted in its entirety and replaced with the following:

**ARTICLE VIII  
BOARD OF DIRECTORS**

The affairs of the corporation shall be managed by a board of directors. The board of directors shall have at least the minimum number of directors required under Chapter 24.03A RCW. Otherwise, the number, qualifications, powers, duties, manner of election, and terms of office of directors, and the rules governing meetings of directors, shall be as prescribed in the bylaws of the corporation.

- h. A new Article IX is added and reads as follows:

**ARTICLE IX  
LIMITATION OF DIRECTORS' LIABILITY**

A director shall have no liability to the corporation for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by the director, or for any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

- i. A new Article X is added and reads as follows:

**ARTICLE X  
INDEMNIFICATION**

**Section 10.1** Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the corporation or, while a director or officer, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and

reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 10.2 of this Article with respect to proceedings seeking solely to enforce rights to indemnification, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The right to indemnification conferred in this Section 10.1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 10.1 or otherwise.

**Section 10.2 Right of Claimant to Bring Suit.** If a claim for which indemnification is required under Section 10.1 of this Article is not paid in full by the corporation within 60 days after a written claim has been received by the corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be 20 days, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is so entitled. Neither the failure of the corporation (including its board of directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the corporation (including its board of directors or independent legal counsel) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

**Section 10.3 Non-exclusivity of Rights.** The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, or vote of disinterested directors or otherwise.

**Section 10.4 Insurance, Contracts and Funding.** The corporation may maintain insurance at its expense, to protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under RCW 24.03A.043 of the Washington Nonprofit Corporation Act and RCW 23B.08.510 of the Washington Business Corporation Act, or any successor provisions. The corporation may enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

**Section 10.5 Indemnification of Employees and Agents of the Corporation.** The corporation may, by action of its board of directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act, as applied to nonprofit corporations, or otherwise.

j. A new Article XI is added and reads as follows:

**ARTICLE XI  
PRIVATE FOUNDATION**

If at any time the corporation is classified as a “private foundation” under Section 509(a) of the Code, then the following provisions shall apply in the management of its affairs throughout such time as it remains classified as a private foundation.

A. Each year the corporation shall distribute its income, at such time and in amounts at least sufficient to avoid liability for the tax imposed by Section 4942 of the Code, unless the corporation qualifies as a “private operating foundation” as defined in Section 4942(j)(3) of the Code;

B. The corporation shall not engage in any act of “self-dealing” as defined in Section 4941(d) of the Code which would give rise to any liability for the tax imposed by Section 4941(a) of the Code;

C. The corporation shall not retain, sell, exchange, distribute, or otherwise dispose of any “excess business holdings” as defined in Section 4943(c) of the Code in a way that would give rise to any liability for the tax imposed by Section 4943(a) of the Code;

D. The corporation shall not make any investments that would jeopardize the carrying out of any of its exempt purposes, within the meaning of

Section 4944 of the Code, and that would therefore give rise to any liability for the tax imposed by Section 4944(a) of the Code; and

E. The corporation shall not make any “taxable expenditures” as defined in Section 4945(d) of the Code which would give rise to any liability for the tax imposed by Section 4945(a) of the Code.

k. A new Article XII is added and reads as follows:

**ARTICLE XII  
AMENDMENT**

The authority to amend these Articles and to adopt, repeal, or amend bylaws is as set forth in the bylaws of the corporation. If there are no bylaws of the corporation, the board of directors may amend these Articles or adopt Bylaws by a vote of the majority of directors then in office.

l. A new Article XIII is added and reads as follows:

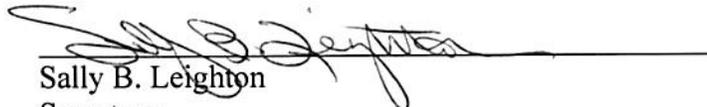
**ARTICLE XIII  
DISSOLUTION**

Upon dissolution or winding up, the board of directors shall satisfy or discharge, or make adequate provision to satisfy or discharge, all known liabilities of the corporation, and then shall distribute all of the corporation’s remaining assets to one or more organization(s) that would then qualify for exemption as an organization described in Section 501(c)(3) of the Code, or any successor provision, or for a public purpose to one or more governmental units described in Section 170(c)(1) of the Code. No director or officer of the corporation nor any private shareholder or individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

**[certification page follows]**

**CERTIFICATION**

Executed under penalty of perjury under the laws of the State of Washington, this 4<sup>th</sup> day of January, 2022.

  
Sally B. Leighton  
Secretary

