

BYLAWS OF
The North Central Accountable Community of Health
(NCACH)

I. OFFICES AND REGISTERED AGENT

The registered office of the North Central Accountable Community of Health, hereinafter “NCACH,” shall be located in the State of Washington at such place as may be fixed from time to time by the Governing Board upon filing of such notices as may be required by law.

NCACH shall be a Washington nonprofit corporation, organized under RCW 25.03. Until otherwise designated by the Governing Board, the Registered Agent shall be the Administrator of Chelan-Douglas Health District (CDHD), and NCACH shall have a business office identical with such registered office.

II. ORGANIZATION MISSION AND PURPOSE

2.1 **Mission.** The mission of NCACH is to improve the health of the North Central region’s communities and the people who live in them, improve health care access, quality, and the experience of care, and lower per capita health care costs in the North Central region which includes Chelan, Douglas, Grant and Okanogan counties.

2.2 **Purpose.** To operate exclusively for charitable and educational purposes under 501(c)(3) of the Internal Revenue Code, or any successor provision of the Internal Revenue Code. Consistent with this purpose, the property of the NCACH is irrevocably dedicated to charitable purposes and no part of the net earnings, properties or other assets shall inure to the benefit of any private person, individual, Board member, Council or Coalition member, or officer of the NCACH. Notwithstanding the foregoing, this provision shall not prevent payment of reasonable compensation for services performed for the NCACH in carrying out its public or charitable purposes, provided that such compensation is approved by the Governing Board and not prohibited by the Articles of Incorporation, these Bylaws, or any statute governing the NCACH, and that no person shall be entitled to share in the distribution of, and shall not receive any of the NCACH’s assets upon dissolution of the corporation.

III. GOVERNANCE STRUCTURE

3.1 **Overview.** The NCACH governance consists of three principal components: the Governing Board, the Leadership Council (the “Council”), and Coalitions for Health Improvement (“Coalitions”). The NCACH shall have no Members.

The Governing Board will be the principal and ultimate decision-making authority for the NCACH, with input from the Council and the Coalitions. While the interaction between the Governing Board, the Council and the Coalitions will be developed and set forth in separate policies and/or charters, below is the basic description of the Council and the Coalitions’ roles:

3.1.1 The Council will be an advisory council to the Governing Board composed

of region-wide representatives from relevant sectors such as primary care, specialty medicine, dentistry, behavioral health, social services, long term care, the business community, consumers and others. The Council's purpose is to provide to the Governing Board advice and input from a broad range of stakeholders on matters affecting the health of people in the region and to consult with the Governing Board. Two Council representatives will be non-voting members of the Governing Board to facilitate the Council's advisory and consulting role with the Governing Board. An interested sector representative will be able to participate in the Council by signing an agreement acknowledging and accepting Council responsibilities.

3.1.2 Each public health jurisdiction (Okanogan, Grant and Chelan-Douglas) will have a broad-based local community Coalition intended to engage a wide variety of partners in the mission and work of the NCACH. Each Coalition will provide input to the Governing Board on significant issues directly related and material to NCACH's mission and activities, including needs assessment and local health data; community health improvement plans and priorities; health improvement initiatives; and delivery system transformation.

3.1.3 The Board shall establish and adopt the policies, charters and rules governing the Council and the Coalitions, including the procedures for appointment and removal of the members of the Council and Coalitions.

3.2 **Governing Board - Power and Duties**

3.2.1 **Powers**. Prudent management of all the NCACH's affairs, assets, property shall be vested in the Governing Board (the "Board"). The Board shall have the powers expressly conferred by these Bylaws, any Articles of Incorporation, and any and all applicable laws, rules and regulations, including House Bill 2572 and the RCWs referred to therein. While, the Board may delegate the management of the day-to-day operation of the organization to another public or private entity, committee, or person, the activities and affairs of the organization shall be managed and all organization powers shall be exercised under the ultimate direction of the Board. Board members shall not delegate or proxy their respective responsibilities and rights as members of the Board pursuant to these Bylaws.

3.2.2 **General Duties**. The Board will provide strategic direction and work in partnership with the Council and on approved projects. The Board shall act as liaison for NCACH to the Washington State Health Care Authority on issues of funding, governance, alignment of state initiatives with regional preferences and other health care initiatives or topics that may arise relevant to the NCACH's mission. The Board shall be charged with securing any necessary funding for the core collaborative activities of NCACH partners that benefit the shared aims, and overseeing and developing a long-range the sustainability plan for the NCACH. The Board will be responsible for ensuring that NCACH complies with applicable federal, state, and local laws and regulations, and that it adheres to its stated purposes, and that its activities advance its mission. The Board

shall enact policies and charters to delineate the duties, selection and responsibilities of the Council and the Coalition, and their interaction with the Board, together with policies relating to the responsibilities of the NCACH's Executive Director, and any administrative or backbone organization engaged and authorized to carry out, facilitate or support the administrative and business activities of the NCACH.

3.2.3 Responsibilities. In addition (and without limiting) the powers and duties described above, the Board shall:

- A. Oversee and facilitate a community based process intended to improve healthcare access in Chelan, Douglas, Grant and Okanogan counties (sometimes called the "North Central regions").
- B. Assess health care issues from a community-wide perspective, with the health of the North Central region's people uppermost in mind, rather than narrowly representing a sector, employer, or geographic area.
- C. Approve an annual budget and provide financial oversight.
- D. Insure legal and ethical integrity in all its dealings and maintain accountability with regard to its purposes.
- E. Determine, carry out, evaluate and revise the NCACH's strategic priorities to fulfill the NCACH's mission and purpose.
- F. Enhance the NCACH's public awareness.

3.3 Board Number. The number of Board members shall be determined from time to time by a vote of the Board, provided the Board shall consist of not less than eleven (11) and not greater than nineteen (19) members. The Board shall have the power to add additional members by majority vote of a quorum of the Board at any regular or special meeting of the Board. The change in number of Board members shall not shorten or extend the term of any incumbent Board member, whose term may be impacted only as provided by these Bylaws.

3.4 Board Term. Except as to the initial term designations described in 3.5, Board terms shall be three (3) years, which term shall end on the latter of the date of the annual meeting or the appointment of a new Board member. No Board member may serve more than three (3) consecutive terms, unless such member has been appointed by a Tribal entity. Notwithstanding the foregoing, the Board member representing a Medicaid Managed Care Organization ("MMCO") may rotate their sector representative by proposing a candidate for Board membership for that position on an annual basis.

3.5 Board Membership Composition: Sector Representation. The Board shall consist of community leaders, representatives of key community institutions, and others who are considered representative of the North Central region counties and interested in community healthcare access and improvement issues. The Board is intended to reflect the breadth and diversity of the community and will include representatives from a variety of healthcare organizations, business, government, social services, and healthcare consumers. The

Board composition includes representations from the sectors listed below, and the Board may approve inclusion of additional sectors. Board members may represent more than one sector.

	SECTOR REPRESENTED	NUMBER OF BOARD SEATS	INITIAL TERM
a	Behavioral Health	1	2 years
b	Confluence Health	1 (primary care) 1 (Central Wa Hospital)	1 year 3 years
c	Public Hospitals	1 1	3 years 1 year
d	Federally Qualified Health Clinic	1	3 years
e	Business Community	1	3 years
f	Elected Officials/ Ex Officio	1	3 years
g	Education	1	3 years
h	Public Health	1	1 year
i	Area Agency on Aging	1	2 years
j	Hispanic Community	1	3 years
k	Medicaid Managed Care Organizations	1	1 year
l	Tribal Representative	1	2 years
m	At-large Seat	1	1 year
n	Leadership Council Representatives (non-voting)	1 1	1 year 3 years

3.6 Nomination and Election of Board Members following Initial Term. The Executive Committee, and the Nominating Committee described in Section 5.2, shall work together to vet and nominate potential members to the Board and shall forward the list of nominees to the Board for consideration at least thirty (30) days before the annual meeting. The Board approves membership to the Board and shall elect the Board members at the annual meeting, or in the case of a vacancy caused by removal, resignation or death of a Board member, at any regular or special meeting of the Board. The Executive Committee is responsible for maintaining the list of Sectors and accompanying representative selection procedures.

3.7 Meetings.

3.7.1 Annual Meeting. An annual meeting of the Board shall be held each year in **December**. At this meeting the Board shall approve a budget for the activities of the

NCACH for the following year, and elect new Board members and officers to fill expiring terms.

3.7.2 **Regular Meetings.** Regular Board meetings shall be scheduled by the Board at least four (4) times per year. By resolution, the Board may specify the date, time and place for the holding of regular meetings without other notice than such resolution. If there is no resolution in place, the Board shall use best efforts to provide thirty (30) calendar days notice of a regular meeting as a courtesy, and shall provide not less than ten (10) calendar days notice.

3.7.3 **Meetings by Telephone.** Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of a conference telephone or similar communication equipment provided that all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

3.7.4 **Place of Meetings.** All meetings shall be held at the principal office of the organization or at such other place within the State of Washington designated by the Board or by any persons entitled to call a meeting.

3.7.5 **Special Meetings; Notice.** A special meeting of the Board may be called by the Chair or by any five (5) voting members of the Board. Notice of special Board or committee meetings shall be given to Board members in writing by email or regular mail, or by personal communication with the Board member not less than **ten (10)** calendar days before the meeting. Notices in writing may be delivered, mailed, emailed or faxed to the Board member at his or her address, facsimile number or e-mail address shown on the records of the organization. Neither the business to be transacted at, nor the purpose of any special meeting need be specified in the notice of such meeting except that the notice shall specify the consideration of any removal of a Board member or officer if such action is to be considered at the meeting. If notice is delivered by mail, the notice shall be deemed effective when deposited in the official government mail properly addressed with postage thereon prepaid. If notice is by email or facsimile, it shall be effective on the earlier of: twenty-four (24) hours after sending without receipt of an error or non-deliverable message by the sender, or such time as the sender receives a “delivered” notification or confirmation via e-mail or facsimile.

3.7.6 **Waiver of Notice**

3.7.6.1 **In Writing.** Whenever any notice is required to be given to any Board member under the provisions of these Bylaws, the Articles or applicable Washington law, the party entitled to such notice may waive it. A waiver in writing, signed by the person entitled to such notice, or delivered from an email address belonging to the person entitled to such notice shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice.

3.7.6.2 **By Attendance.** The attendance of a Board member at a meeting shall constitute a waiver of notice of such meeting, except where a Board member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.7.7 **Quorum.** A simple majority of the voting Board members then in office at the beginning of each meeting shall constitute a quorum for the transaction of business.

3.8 **Attendance.** Board members are expected to regularly attend Board meetings and shall notify the Board Chair in advance if they are not able to attend a meeting. A Board member may be removed if such member is absent from more than one-third (1/3) of the regularly scheduled Board meetings in any given calendar year.

3.9 **Voting and Manner of Acting**

3.9.1 Board Actions. Each Board member will have one (1) vote, except the Council representatives who are non-voting. The act of the majority of the Board members present at a meeting at which there is a quorum shall be the act of the Board, unless the vote of a greater number is expressly and clearly required by these Bylaws, the Articles of Incorporation or applicable Washington law. Notwithstanding the foregoing, if the MMCO sector has more than one (1) representative as a Board member, such sector representatives shall nonetheless collectively have only one (1) single collective vote, which the MMCO Board members must cast consistent with an agreement between or among the representatives, which agreement shall include the designation of the MMCO representative entitled to cast the vote. If the MMCO Board members are unable to agree as to a particular vote, then the MMCO sector shall have no vote for that particular action. Notwithstanding the non-voting status of the Council representatives, it is expected that the Council representatives will participate in the discussion and debate leading up to a particular action to be taken at a meeting, consistent with their advisory role.

3.9.2 **Presumption of Assent.** A Board member at a Board meeting at which action is taken shall be presumed to have assented to the action taken unless his or her dissent or abstention is entered in the minutes of the meeting, or unless such Board member files a written dissent or abstention to such action with the person acting as Secretary of the meeting before the adjournment thereof, or forwards such dissent or abstention by registered mail to the Secretary of the organization immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Board member who voted in favor of such action.

3.9.3 **Action by Board Without a Meeting.** Any action which could be taken at a meeting of the Board may be taken without a meeting if a written consent setting forth the action so taken is signed by each of the Board members. Such written consents may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document. Written

consent may be delivered electronically. Any such written consent shall be inserted in the corporation's records and minutes, as if it were the minutes of a Board meeting.

3.9.4 Resignation. Any Board member may resign at any time by delivering written notice to the President or the Secretary at the registered office of the NCACH, or by giving oral or written notice at any meeting of the Board members. The resignation shall be effective at the time stated in the resignation, or if there is no time specified, then upon delivery of such resignation. The acceptance of such resignation shall not be necessary to make it effective.

3.9.5 Removal from Office. Any Board member (except a Tribal entity representative) may be removed by a sixty percent (60%) vote of a quorum of the Board (determined without counting the vote of the Board member subject to removal) for any reason and without necessity of cause. A vote to remove may occur at an annual, regular or special meeting of the Board; provided that if such vote is to occur at a special meeting, the notice of special meeting must include the consideration of removal in the notice of meeting.

3.9.6 Vacancies on the Board. Sector representatives will work with the Executive and Nominating Committee to identify candidates to the Board to fill vacant positions. Vacancies occurring on the Board may be voted on and ratified at any regular or special Board meeting by the remaining Board members. Newly elected Board members shall serve the remaining term of the vacant position. The Board shall use its best efforts to fill the vacancy within sixty (60) days of the resignation, removal or death of a Board member.

3.9.7 Duty of Loyalty. Board members shall put the NCACH interests ahead of their own when making all decisions in their capacities as NCACH fiduciaries. They must act without personal economic conflict, and are required to sign a conflict of interest policy upon election to the Board, as further set forth in Article VII.

IV. OFFICERS: EXECUTIVE COMMITTEE

4.1 Membership and Term. The Board will elect officers to the following positions: Chair, Vice Chair, Secretary, and Treasurer. These officers will form the Executive Committee. Executive Committee members will serve a two-year term, and no member may serve in the same Executive Committee position for more than two (2) consecutive terms.

4.2 Purpose and Authority. The Executive Committee will make operational decisions for NCACH on a week-by-week basis, consistent with the NCACH's mission, purpose and current policies. Policy and significant substantive decisions shall be reserved to the Board. A majority of the Executive Committee members shall be sufficient to constitute a quorum for the transaction of business; provided that both members must affirmatively agree to the carrying out of any action if the quorum consists of only two (2) Executive Committee members.

By way of example, and without limitation as to the Executive Committee's purpose and authority, the Executive Committee is responsible for:

- a. working with the Chair and the Executive Director and staff (including any administrative or backbone organization with whom the NCACH has contracted) to ensure the carrying out of the business of the NCACH, including acting on any matters as directed by the Board;
- b. acting on urgent or emergent business which may arise between regularly scheduled NCACH meetings, and for which the Executive Committee determines that acting without a meeting as provided under these Bylaws is not practicable due to time constraints of the matter requiring action; and
- c. additional duties as delegated by the NCACH Board.

The Executive Committee shall meet on a regular basis, sufficient to enable it to carry out its purposes. The Executive Committee shall inform and report to the Board regarding decisions made by the Executive Committee, including any urgent action taken by the Executive Committee between Board meetings and seek ratification and approval by the Board for such actions at the next meeting of the Board. If the Board does not ratify any such action taken, the Board may limit or suspend the Executive Committee's ability and authority to take similar actions, or any action. The Board may at any time vote to provide a written delegation of authority to the Executive Committee expressly outlining the Executive Committee's specific authority. The failure of the Board to ratify an Executive Committee action at the next Board meeting shall not nullify such act, if it was relied upon in good faith by a third party. Unless specifically delegated by the Board, the Executive Committee shall not have the authority to incur any single monetary obligation in excess of \$_____, or cumulatively up to \$ _____ annually, or bind the NCACH to an obligation exceeding one (1) year, whether budgeted or not.

4.3 **Chair.** The Chair shall preside at all meetings of the Board and the Executive Committee, shall have general supervision of the affairs of the organization, including the Executive Director of the NCACH and shall perform such other duties as are incident to the office or are properly required of the Chair by the Board. The Chair shall work with the staff to plan Board agendas and programs. When required, the Chair shall act as a spokesperson for the NCACH (consistent with any direction by the Board and the mission and purpose of the NCACH) as required and shall carry out such other duties as are incident to the office or are properly required of an effective Chair or the Board.

4.4 **Vice Chair.** During the absence or disability of the Chair, the Vice-Chair shall exercise all of the functions of the Chair. The Vice-Chair shall have such powers and discharge such other duties as may be assigned to him or her, from time to time, by the Board.

4.5 **Secretary.** It shall be the duty of the Secretary of the Board to keep all records of the Board and of the NCACH, to give notice of meetings, retain minutes of meetings and make such reports and to perform such other acts as are incident to the office or as the Chair or Board may direct.

4.6 **Treasurer.** The Treasurer is accountable, and shall have oversight responsibility, for all funds belonging to the NCACH. The Treasurer shall advise the Board on its fiscal responsibilities and shall insure that policies and procedures regarding financial transactions, accounting procedures and the disposition of assets are followed as prescribed by the Board, the Bylaws and applicable law.

4.7 **Delegation.** If any other officer of the NCACH is absent or unable to act and no other person is authorized to act in such person's place by the provision of these Bylaws, the Board may, from time to time, temporarily delegate the power or duties of such officer to any other Board member.

4.8 **Resignation.** An officer may resign by delivering written notice to the other members of the Executive Committee. Such resignation shall be effective at the time stated in the resignation, or if there is no time specified, then upon delivery of such resignation. The acceptance of such resignation shall not be necessary to make it effective.

4.9 **Removal.** Any officer may be removed by the Board with or without cause by a sixty percent (60%) vote of a quorum of the Board, if they deem it in the best interest of the NCACH.

4.10 **Vacancies.** Any vacancy on the Executive Committee (whether due to removal, death or resignation) shall be filled by a majority vote of the remaining members of the Executive Committee. Any officer appointed by the Executive Committee shall serve until such time as the Board votes to fill the vacancy, or confirm the Executive Committee's appointment. Any officer appointed or confirmed by the Board under this Section 4.10 shall serve the remainder of the term of the officer who vacated the position.

V. COMMITTEES AND WORKGROUPS

5.1 **Appointment.** The Board may appoint, from time to time, from its own members and/or the public, standing or temporary committees or workgroups consisting each of no fewer than two (2) Board members. A "workgroup" will be charged with working on a specific or discrete issue, as determined by the Board. Board members are expected to serve and participate on such committees and workgroups.

5.2 **Responsibilities and Limitations.** The committees or workgroups may be vested with such powers as the Board may determine by resolution passed by a majority of the Board. No committee or workgroup (including the Executive Committee) shall have the authority of the Board in reference to amending, altering, or repealing these Bylaws; electing, appointing, or removing any member of any such committee or any Board member or officer of the organization; amending the Articles, adopting a plan of merger or adopting a plan of consolidation with another organization; authorizing the sale, lease, or exchange of all or substantially all of the property and assets of the organization other than in the ordinary course of business; authorizing the voluntary dissolution of the organization or adopting a plan for the distribution of the assets of the organization; or 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 or workgroup. All committees so appointed shall keep regular minutes of the transactions of their meetings and shall cause them to be recorded in books kept for that purpose in the office of the organization. The designation of any such committee and the delegation of authority thereto shall not relieve the Board or any member thereof of any responsibility imposed by law.

5.3 **Standing Committees**. In addition to the Executive Committee, as of the date of these Bylaws, the Nominating Committee is a standing committee.

5.3.1 **Nominating Committee Functions**. Not less than 90 days before the annual meeting, or as may be necessary to fill a vacancy, the Chair will appoint a Nominating Committee to evaluate Sector representatives as nominated by interested parties, or propose such Sector representatives. At least 30 days before the annual meeting, the Nominating Committee will forward the nominations to the Board for approval and voting at the annual meeting.

VI. FINANCE

6.1 **Finance**. The annual budget shall be prepared by the Executive Director and approved by the Board at the annual meeting of the Board. NCACH shall operate on a fiscal year which runs from January 1 to December 31.

There shall be created by the Board a general fund of the NCACH. Said funds shall be administered by the Executive Director. This fund may be utilized for the payment of general operating expenses. Any non-budgeted expenditure in excess of _____ dollars shall require prior approval by the Board, unless authorized under Section 4.2.

6.2 **Contracts**. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of NCACH, and that authority may be general or confined to specific instances.

6.3 **Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of NCACH shall be signed by the Executive Director and at least one (1) Board officer.

6.4 **Deposits**. All funds of NCACH shall be deposited in a timely manner to the credit of NCACH in the banks, trust companies or other depositories as the Board may select.

6.5 **Remuneration**. No salary shall be paid to members of the Board, committee, workgroup, Council or Coalition. Members may be reimbursed for reasonable and necessary expenses incurred for the purposes of doing business, and attending meetings on behalf of NCACH. Such expenses incurred may be reimbursed provided appropriate documentation and timely submission of expense receipts are provided within sixty (60) days of such occurrence.

VII. CONFLICT OF INTEREST AND PROHIBITED TRANSACTIONS

7.1 **Conflict of Interest: Policy and Annual Review.** The NCACH shall have a conflict of interest policy in effect at all times, which policy shall be adopted by the Board. All Board members will review, ratify and sign the policy at the beginning of their initial term and annually thereafter. To ensure ongoing compliance and operation of the NCACH consistent with its non-profit and charitable mission and purpose and to preserve the NCACH's tax-exempt status, the Board shall periodically review the conflict of interest policy and these Bylaws for compliance.

7.2 **Self-Dealing Transactions Prohibited.** Except as provided by this Section, the Board shall not approve or permit the NCACH to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its Board members or officers has a financial interest. Notwithstanding the foregoing, the NCACH may engage in a self-dealing transaction only as follows:

- a. if the transaction is approved by a court or by the Attorney General,
or
- b. if the Board determines, before the transaction, that (1) this corporation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to this corporation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the Board member or officer in the transaction, and by a vote of a majority of the Board members then in office, without counting the vote of the interested Board member.

7.3 **Notification and Process.** Whenever a Board member or officer has a financial or personal interest in any matter coming before the Board, the affected person shall a) fully disclose the nature of the interest and b) 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 Board members 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.

The Board may also vote to exclude a Board member against whom a claim of conflict of interest or violation of appearance of fairness is made from Board votes or from executive sessions until the claim against the member is resolved. Additionally, the Board may by majority vote exclude a member from a portion of any executive session where a matter of potential legal conflict between NCACH and the member is to be discussed.

7.4 **No Loans.** No loans shall be contracted on behalf of the NCACH and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. That authority may be general or confined to specific instances. No loans shall be made by the NCACH to a Board member nor shall the NCACH guarantee the obligation of a Board member unless either: (a) the particular loan or guarantee is approved by the vote of a majority of the votes represented by members in attendance at the meeting upon which the matter is considered, except the vote of the benefited Board member, or (b) the Board determines that the loan or guarantee benefits the NCACH and either approves the specific loan or guarantee or a general plan authorizing loans and guarantees.

VIII. INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS

8.1 **Indemnification.** As permitted by RCW 24.03.043 Indemnification of NCACH's Officers and Board members, shall be governed by **RCW 23B.17.030** as presently enacted or hereafter amended, unless otherwise set forth herein.

8.2 Definitions. As used in this Article.

8.2.1 "Act" means the Washington Nonprofit Corporation Act, as presently enacted or hereafter in force.

8.2.2 "Board member" means any person who is or was a Board member of NCACH and any person who, while a Board member of NCACH, is or was serving at the request of NCACH as a director, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan. Board member includes, unless the context requires otherwise, the estate or personal representative of a Board member.

8.2.3 "Expenses" includes attorney's fees and costs.

8.2.4 "Indemnatee" means an individual made a party to a proceeding because the individual is or was a Board member or Officer of NCACH, and who possesses indemnification rights pursuant to the Articles, these Bylaws, Washington law, or other NCACH action.

8.2.5 "Liability" means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

8.2.6 "Official capacity" means:

8.2.6.1 when used with respect to a Board member, the office of Board member in NCACH; and

8.2.6.2 when used with respect to a person other than a Board member, the office in NCACH held by the officer.

8.2.7 "Party" includes a person who was, is, or is threatened to be, made a named defendant or respondent in a proceeding.

8.2.8 "Proceeding" means any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative or investigative.

8.3 **Standard of Conduct--General.** NCACH shall indemnify any person made a party to any proceeding (except as otherwise provided herein) by reason of the fact that he or she is or was a Board member or Officer against judgments, penalties, fines, settlements and reasonable expenses actually incurred by him or her in connection with such proceeding if he or she conducted himself or herself in good faith, and in the case of conduct in his or her own official capacity with NCACH, he or she reasonably believed his or her conduct to be in NCACH's best interest; or in all other cases, he or she reasonably believed his or her conduct to be at least not opposed to NCACH's best interests; and in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself be determinative that the person did not meet the requisite standard of conduct set forth in this paragraph.

8.4 **Standard of Conduct – NCACH or Derivative Action.** NCACH shall indemnify any person made a party to any proceeding by or in the right of NCACH by reason of the fact that he or she is or was a Board member or Officer against reasonable expenses actually incurred by him or her in connection with such proceeding if he or she conducted himself or herself in good faith, and:

8.4.1 In the case of conduct in his or her official capacity with NCACH, he or she reasonably believed his or her conduct to be in NCACH's best interests; or

8.4.2 In all other cases, he or she reasonably believed his or her conduct to be at least not opposed to its best interests; provided that no indemnification shall be made pursuant to this Section in respect of any proceeding in which such person shall have been adjudged to be liable to NCACH.

8.5 **Improper Personal Benefit.** A Board member or Officer shall not be indemnified in respect of any proceeding charging improper personal benefit to the Board member or Officer whether or not involving action in his or her official capacity, in which he or she shall have been adjudged to be liable on the basis that personal benefit was improperly received by the Board member or Officer.

8.6 **Expenses; Court Determination.** Unless otherwise limited by the Articles of Incorporation:

8.6.1 A Board member or Officer who has been wholly successful, on the merits or otherwise, in the defense of any proceeding shall be indemnified against reasonable expenses incurred by him or her in connection with the proceeding; and

8.6.2 A court of appropriate jurisdiction upon application of a Board member or Officer, and such notice as the court shall require, shall have authority to order indemnification in the following circumstances:

8.6.2.1 if the court determines a Board member or Officer is entitled to reimbursement, the court shall order indemnification, in which case the Board member or Officer shall be entitled to recover the expenses of securing such reimbursement; or

8.6.2.2 if the court determines that the Board member or Officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he or she has met the standards set forth herein or has been adjudged liable under the provisions herein, the court may order such indemnification as the court shall deem proper.

8.7 **Determination of Meeting Standard of Conduct.** No indemnification under these Bylaws shall be made by NCACH unless authorized in the specific case after a determination that indemnification of the Board member or Officer is permissible in the circumstances because he or she has met the standard of conduct set forth in the applicable subsection. Such determination shall be made:

8.7.1 By the Board by a majority vote of a quorum consisting of Board members not at the time parties to such proceeding; or

8.7.2 If such a quorum cannot be obtained, then by a majority vote of a committee of the Board, duly designated to act in the matter by a majority vote of the full Board (in which designation Board members who are parties may participate), consisting solely of two or more Board members not at the time parties to such proceeding; or

8.7.3 In a written opinion by special legal counsel other than an attorney who has been retained by or who has performed services within the past three years for NCACH or any party to be indemnified, selected by the Board or a committee thereof by vote, or if the requisite quorum of the full Board cannot be obtained therefor and such committee cannot be established, by a majority vote of the full Board (in which selection Board members who are parties may participate).

8.8 **Payment of Expenses in Advance.** Reasonable expenses incurred by a Board member or Officer who is party to a proceeding may be paid or reimbursed by NCACH in advance of the final disposition of such proceeding:

8.8.1 After a determination based on the information then known to those making the determination (without undertaking further investigation for purposes thereof) that indemnification may be permissible under this Article; and

8.8.2 Upon receipt by NCACH of a written affirmation by the Board member or Officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by NCACH as authorized in this Article; and a written undertaking by or on behalf of the Board member to repay such amount if it shall ultimately be determined that he or she has not met such standard of conduct; and

8.8.3 The undertaking required above shall be an unlimited general obligation of the Board member or Officer but need not be secured and may be accepted without reference to financial ability to make the repayment.

8.9 **Inconsistent Provisions Invalid.** No provision for NCACH to indemnify a Board member or Officer who is made a party to a proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of members or Board members, an agreement, or otherwise shall be valid unless consistent with this Article VIII of the Bylaws, or to the extent that indemnity hereunder is limited by the Articles of Incorporation, consistent therewith. Nothing herein shall limit NCACH's ability to reimburse expenses incurred by a Board member or Officer in connection with his or her appearance as a witness in a proceeding at a time when he or she has not been made a named defendant or respondent in the proceeding.

8.10 **Officers, Employees and Agents.** Unless otherwise limited by the Articles of Incorporation:

8.10.1 NCACH shall provide indemnification, including advances of expenses, to an officer of NCACH to the same extent that it may indemnify Board members pursuant to this Article; and

8.10.2 NCACH, in addition, shall have the power, but not the requirement, to indemnify employees and agents of NCACH who are not Board members or officers, consistent with law, as may be provided by the Articles or these Bylaws, upon advance approval of such action of the Board.

8.11 **Insurance.** NCACH shall have power to purchase and maintain insurance on behalf of any person who is or was a Board member, officer, employee, or agent of NCACH or is or was serving at the request of NCACH as an officer, employee or agent of another association, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not NCACH would have the power to indemnify him or her against such liability under the provisions of this Article.

8.12 **Authority to Indemnify.** This Article is intended to authorize NCACH to indemnify officers, Board members, employees or agents to the fullest extent permitted by RCW 23B.17.030, RCW 23B.08.320 and RCW 23B.08.500 through 23B.08.600, as now enacted or hereafter amended. In the event of a change in the applicable law permitting greater

indemnification, the Board is authorized to take the appropriate action to cause NCACH to provide such indemnification.

IX. DISTRIBUTION.

Upon dissolution of the NCACH, all assets shall be distributed solely to one or more charitable, educational, religious or scientific organizations that qualify as exempt under section 501(c)(3) of the Internal Revenue Code, or any successor statute. Decisions regarding dissolution will be made by the Board; provided that no transfer will be made that will adversely affect the NCACH's exempt status.

X. AMENDMENTS

The Board shall have power to make, alter, amend and repeal the Bylaws of NCACH, provided the Board will not approve any such alteration, amendment or repeal on which such action shall first have received approval of sixty percent (60%) of the Board. The Board shall receive ten (10) business days' notice of any proposed action to alter or amend the Bylaws of NCACH. This may be accomplished at either a regular or special meeting with notice given as specified in Article XII.

XI. PARLIAMENTARY PROCEDURE

As set forth in Section 3.9.8, the rules contained in "Robert's Revised Copy," Robert's Rules of Order, shall govern the NCACH in all cases to which they are applicable and which are not inconsistent with the Articles and these Bylaws of NCACH. The Board, in its discretion, may adopt alternate rules of procedure provided such rules are not inconsistent with the Articles and these Bylaws, or any amendments thereto.

I certify that the foregoing Bylaws of the North Central Accountable Community of Health were duly adopted by the members of the Governing Board on _____, 2017.

Secretary