2026 AMENDED BYLAWS OF MASON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

ARTICLE I- PREAMBLE

Section 1.1 NAME

The name of this public hospital district is: MASON COUNTY PUBLIC HOSPITAL DISTRICT No.2, hereafter referred to as "MCPHD 2" or "District."

ARTICLE II- FORMATION, PURPOSE, AND MISSION

Section 2.1 FORMATION AND PURPOSE

MCPHD 2 is organized as a municipal corporation and was authorized on November 6, 2007 by the vote of the people within the geographical boundaries of the district of Precincts - Belfair 1 through 6, Tahuya, and Dewatto, which were in effect at that time, to provide quality health care services for the residents of the District and other persons. The activities of MCPHD 2 shall be conducted in conformity with the constitution and laws of the State of Washington, including Chapter 70.44 RCW, as now in effect and hereafter amended.

These Bylaws are adopted to further the District's lawful purposes, which could include providing quality health care facilities and services appropriate to the needs of the District's population.

The District shall operate on a calendar year basis beginning January 1 and ending December 31 of each year.

Section 2.2 MISSION

The mission of MCPHD 2 is to increase access to health care while promoting wellness through facilitation of good nutrition, exercise, and healthy lifestyle choices.

ARTICLE III-BOARD OF COMMISSIONERS

Section 3.1 QUALIFICATION AND ELECTION

No person shall be eligible to be elected to the office of public hospital district commissioner unless he/she is a registered voter, a resident within the boundaries of such hospital district, and qualified for the office, in the manner and for the term prescribed by law. All members of the Board, whether elected or appointed, shall be required to take an oath of office in the form prescribed by the laws of the State of Washington relating to public officials.

Section 3.2 COMPOSITION

The Board of Commissioners ("Board") shall consist of five (5) "at large" commissioners elected by the voters of the District subject to the provisions of RCW 70.44.040. Individual Board members shall hereafter be referred individually, as a "Commissioner" and collectively as

"Commissioners." Each Commissioner will faithfully and impartially discharge the duties of the office of public hospital district commissioner to the best of his/her ability. The Commissioners shall act as a whole body and not as individuals.

Section 3.3 COMMISSIONER VACANCY

Any vacancies occurring on the Board shall be filled pursuant to the provisions of RCW 70.44.045 and RCW Chapter 42.12.

Section 3.4 COMPENSATION

a. Each Commissioner shall receive compensation for the Commissioner's performance of official services or duties on behalf of the District. The amount of such compensation shall not exceed that allowed by RCW 70.44.050.

b. Each Commissioner shall be reimbursed for reasonable expenses in connection with official business and meetings, including subsistence, lodging, and travel while away from his/her place of business or employment and/or residence, in accordance with District's policies for such reimbursement.

Section 3.5 COMMITTEES

The Board may, from time to time, act as a committee of the whole conducting meetings at open public meetings or may appoint such other committees, as it may deem necessary or advisable, in the conduct of its affairs. Each committee shall consist of at least two (2) Board members. Each such other committee shall be chaired by one (1) Board member with no more than two (2) Board members on any committee. The activities of all committees so appointed shall be reported to the Board on a regular basis. Each committee shall meet until the purpose for which it was established has been completed. The Board may, at its sole discretion, approve or remove the chair of any Board committee. Meetings shall be called as required by the chair of the committee. The activities of any committee so appointed shall be conducted lawfully and be recorded in the regular monthly meeting minutes.

Section 3.6 TRAINING

Each Commissioner shall complete training on the requirements of RCW 42.30 no later than ninety days after the date the Commissioner takes the oath of office or otherwise assumes his/her duties as a District commissioner. In addition, each Commissioner shall complete training on the requirements of RCW 42.30 at intervals of no more than four (4) years as long as the individual is a member of the Board. The Commissioners will inform the superintendent of any training completed to include the date and type of training.

Section 3.7 INDEMNIFICATION

Whenever an action or proceeding for damages is brought against any Commissioner arising from acts or omissions while performing or in good faith purporting to perform his/her official duties, such Commissioner may request the District to authorize the defense of the action or proceeding at the District's expense. Any such request shall be subject to and in accordance with applicable laws, including but not limited to RCW 4.96.041.

ARTICLE IV- MEETINGS OF THE BOARD OF COMMISSIONERS

Section 4.1 GENERAL PROVISIONS

The Board shall comply with the provisions of RCW Chapter 42.30, the Open Public Meetings Act. Notice of all meetings shall be properly published, and minutes shall be taken of all BOARD meetings except during executive sessions. Recording devices may be used at all meetings except during Executive Sessions.

Section 4.2 REGULAR MEETINGS

Regular meetings of the BOARD shall take place on the third (3rd) Tuesday of each month at 3:00 PM at the North Mason Regional Fire Authority Station 21 unless designated otherwise per RCW 42.30.070. The agenda of each regular meeting of the Board shall be set by the President or by the Clerk of the Board, and per RCW 42.30.077 shall be made available online no later than twenty-four (24) hours in advance of the published start time of the meeting. The agenda may be subsequently modified and any subsequent modification or failure to post the agenda online will not invalidate any otherwise legal action taken at a meeting.

Section 4.3 BUDGET MEETINGS

The Board shall hold a budget hearing and adopt the budget by resolution as required by RCW 70.44.060 (6), on or before the 15th day of November of every calendar year.

Section 4.4 SPECIAL MEETINGS

Special meetings may be called at any time by the President or by a majority of the members of the Board by delivering written notice personally, by mail, by fax, or by email to each member of the Board, in compliance with and subject to the provisions of RCW 42.30.080. Notice of a special meeting must also be delivered and posted in accordance with RCW 42.30.080 at least twenty-four (24) hours before the time of such meeting as specified in the notice.

The call for and notice of the special meeting shall specify time and place of the special meeting and the business to be transacted. The agenda for special meetings of the Board shall be set by the President and shall consist of the business to be transacted at the special meeting as set forth in the call and notice for such meeting. Final action shall not be taken on any matter other than the matter for which the special meeting is called, as specified in the notice for such meeting.

Section 4.5 EXECUTIVE SESSIONS

The Board may hold Executive sessions for all purposes authorized by RCW 42.30.110 and RCW 70.44.062 or any other provision of applicable law as now in effect or hereafter amended. The use of recording devices is not permitted during Executive Sessions.

Section 4.6 QUORUM

The presence of three (3) persons holding the office of Commissioner shall constitute a quorum of the Board for the transaction of business. Per RCW 70.44.050 No resolution shall be adopted without at least three (3) persons holding the office of Commissioner voting in favor of the resolution.

Section 4.7 ACTION

As used herein, "action" means the transaction of the official business of the District by the Commissioners including but not limited to receipt of public testimony, deliberations, discussions, considerations, reviews, evaluation, and final actions. In addition, "action" includes the transaction of the official business of the District by a committee of the Commissioners when the committee acts on behalf of the Board, conducts hearings, or takes testimony, or public comment. And further, "final action" means a collective positive or negative decision, or an actual vote by a majority of the members of the Board when sitting as a body, upon a motion, proposal, resolution, order, or ordinance.

All final action taken by the Board shall be by motion or resolution recorded in a book or books kept for such purposes. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded and shall be open to public inspection.

All meetings at which action is taken by the Board shall be open and public and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided in this section or by law. The Board shall never adopt any motion or resolution, except in a meeting open to the public and then only at a regular meeting, duly convened at the prescribed time and place, or at a special meeting of which notice has been given according to the provisions of the foregoing section. Any action taken at meetings failing to comply with the provisions of this section shall be null and void.

Nothing in this section shall be construed to prevent the Board from holding executive sessions during a regular or special meeting in accordance with Section 4.5 of these Bylaws.

Section 4.7 PARLIAMENTARY PROCEDURES

Deliberations of the Board shall be governed by parliamentary rules and procedures, specifically Roberts's Rules of Order, latest edition.

Section 4.8 ELECTRONIC ATTENDANCE AT MEETINGS

Electronic attendance by Commissioners and the public at meetings is authorized. A Commissioner may participate electronically in a meeting if:

(1) All persons participating in the meeting are able to hear each other at the same time, such as by the use of speaker phone or computer internet conferencing technology (e.g. Zoom); and

(2) The Commissioner(s) participating electronically have available all the applicable meeting materials.

Participation in a meeting electronically shall constitute presence for purposes of determining a quorum, voting, and payment of compensation to the Commissioner.

Section 4.9 ELECTRONIC SIGNATURES

Electronic signatures are authorized for use on District records as approved by Resolution and any policy approved by the Board.

ARTICLE V- BOARD OFFICERS

Section 5.1 OFFICER ELECTION

During the first regular meeting each December, the Board shall elect from its members by a majority vote of the Board, a President, Secretary and Financial Officer, who shall take office on January 1st and hold office until their successors have been duly seated. The term of each office shall be for one (1) year, and the position of each office should be rotated yearly to allow each Commissioner to hold each position.

Section 5.2 PRESIDENT

The President shall act as the presiding officer at meetings of the Board, and shall execute on the District's behalf all contracts, agreements, and other documents duly authorized by the Board that require the signature of the District; except as the Board may delegate that authority to the Superintendent.

Section 5.3 SECRETARY

The Secretary shall prepare or cause to be prepared the minutes of Regular and Special meetings of the Board, and once approved, shall sign the minutes. The Secretary shall be responsible for the retention of all official documents and records of the District, including all minutes and Board resolutions. The Secretary shall have charge of the official seal of the District and shall affix, or cause to be affixed, said seal for official use of the District. The foregoing responsibilities may be delegated to the Superintendent and/or the Clerk of the Board, but the Secretary is ultimately responsible for the official documents and records of the District.

In the absence of the President, the Secretary shall preside at the Board meetings.

Section 5.4 FINANCIAL OFFICER

The Financial Officer shall present vouchers and/or any other financial matters to the Mason County Treasurer for the distribution of funds. The Financial Officer shall also have investment authority for the District as approved in advance by the Board. The presentation of vouchers and/or any other financial matters may be delegated to the Superintendent and/or the Clerk of the Board. The District may contract out the payroll record keeping but the Financial Officer is ultimately responsible for the financial and payroll records.

Section 5.5 REMOVAL FROM BOARD OFFICER POSITION

Board Officers (President, Secretary, and Financial Officer) may be removed from their Board Officer positions by a majority vote of the entire Board, with the resolution for removal being introduced at a regular Board meeting and voted on at the same or a subsequent regular Board meeting.

Section 5.6 OFFICER VACANCIES

If a vacancy occurs mid-term in the office of the President, Secretary, and/or Financial Officer, an election of officers shall take place at the next regular meeting of the Board to fill the unexpired term created by the vacancy.

ARTICLE VI- COMMISSIONER POWER AND DUTIES

Section 6.1 POWERS AND DUTIES

The Board shall be the governing body of the District. The Board shall have all the powers and duties authorized by RCW 70.44.060. Among other things, the Board shall strive to:

(1) Determine the policies and purposes of MCPHD 2 in proper relation to community needs;
(2) Provide for the sound administration and application of public funds adopting annual budgets for the District at the times and in the manner required by law; Maintain accurate records of the District's finances and related activities;
(3) Promote the planning and coordination of administrative, financial and community needs of the District; and
(4) Exercise proper care and judgment in the selection of a qualified Superintendent who shall be responsible for implementing policies adopted by the Board.

Section 6.2 POWER DELEGATIONS

The Board may delegate its powers to Board committees or the Superintendent, but the Board, at its sole discretion, may at any time rescind any such delegation.

ARTICLE VII- APPOINTED OFFICERS AND EMPLOYEES

Section 7.1 SUPERINTENDENT

a. The Board shall appoint a Superintendent as required by RCW 70.44.070. The Board shall select and appoint by resolution, introduced at a regular meeting, and adopted at the same or a subsequent regular meeting by majority vote, a qualified individual who shall serve as the Superintendent of the District. The Superintendent shall be appointed for an indefinite term, removable at the will of the Board, and shall receive such compensation as the Board shall establish by resolution.

b. The Superintendent shall be the Chief Administrative Officer of the District and shall serve as the Board's direct representative in the management of the District. The Superintendent shall be responsible to the Board for the efficient administration of the affairs of the District and the regularly established policies of the Board. The Superintendent shall perform all duties prescribed by law and as designated from time to time by the Board, all of which shall be faithfully discharged

c. The Superintendent will serve as the liaison between, but not limited to, the Mason County Auditor, Assessor and Treasurer and the Board. Additionally, the Superintendent shall be the Districts contact person with, but not limited to, the WA State Auditor, Employment securities, Labor and Industries, and Department of Revenue as well as the Internal Revenue Service (IRS).

d. The Superintendent's performance shall be evaluated on an annual basis in May of every year with any compensation adjustment to be effective July 1. The Board, at the time of the annual performance evaluation of the Superintendent, shall review the duties and responsibilities assigned to the Superintendent and may adjust the same in its discretion.

e. The Superintendent shall be entitled to attend all meetings of the commission and its committees and to take part in the discussion of any matters pertaining to the district but shall have no vote.

Section 7.2 EXTERNAL AUDITOR

The District is subject to regular scheduled audits by the Washington State Auditor Office. The BOARD may hire an independent external auditor, for the purpose of conducting audits of the financial records of the DISTRICT.

Section 7.3 TREASURER

The County Treasurer of Mason County, Washington, shall be the treasurer of the District, or in the alternative, the Board, by resolution, may designate some other person having experience in financial and fiscal matters to serve as treasurer of the District, subject to the requirement of an adequate bond with an authorized surety company. The treasurer shall receive and disburse all funds of the District in the manner provided by law as directed by resolutions of the Board to the extent of its lawful discretion.

Section 7.4 CLERK OF THE BOARD

The Board may appoint a Clerk of the Board, for the purpose of taking the minutes of the meetings of the District, and other duties which may be assigned by the Board. However, the Board, Board Officers, and Superintendent shall ultimately be responsible for the official duties assigned to each position as described in Article V, Article VI (Section 6.1), and Article VII (Section 7.1). The Clerk of the Board shall be appointed for an indefinite term, removable at the will of the Board, and shall receive such compensation as the Board shall establish. Performance of the individual appointed as the Clerk of the Board shall be evaluated on an annual basis in May of every year with any compensation adjustment to be effective July 1.

ARTICLE VIII- CONFLICT OF INTEREST

Section 8.1 CONFLICT OF INTEREST PROHIBITED.

District Commissioners, being aware of the fiduciary nature of their positions, shall avoid actions and relationships which could result in a conflict between their private financial interests and their public responsibilities. Commissioners shall not violate the conflict of interest provisions of these Bylaws, Chapters 42.20 and 42.23 RCW, or any other applicable law.

Section 8.2 DISCLOSURE REQUIRED

Any District Commissioner, the Superintendent, or any other officer or committee member appointed pursuant to these Bylaws, upon discovering or suspecting that he/she has or may have an interest in a contract or other transaction with the District, or who has any other type of situation vis-a-vis the District which would be construed by a judge or jury, applying the "reasonable person" standard, as a conflict, such as, but not limited to family relationships, political affiliations, or employer/employee relationships, shall make a prompt, full and frank disclosure to the Board or

relevant committee prior to the Board or committee taking action in the matter at issue. Such disclosure shall include any relevant and material facts, known to such persons, concerning the potential conflict of interest which might reasonably be construed to affect the individual's participation in the matter at issue.

Section 8.3 DISQUALIFICATION

The remaining members of the Board or committee shall thereupon determine, by majority vote, whether the reported disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his/her personal influence on, nor participate in the discussions or deliberations with respect to, such contract or transaction. Such person may not be counted in determining the existence of a quorum at any meeting while the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the abstention from participation and voting, and whether a quorum was present.

ARTICLE IX- SURPLUS PROPERTY

Section 9.1 SURPLUS PROPERTY

The Board of Commissioners may sell or otherwise dispose of surplus property of the District which the majority of the Board has determined by resolution is no longer required for public hospital district purposes in such manner and upon such terms and conditions as the Board in its discretion finds to be in the best interest of the District.

ARTICLE X- BYLAWS REVIEW

Section 10.1 REVIEW

The Board shall evaluate these Bylaws at least every 2 years to determine if changes are warranted.

Section 10.1 AMENDMENTS

These Bylaws may be amended by resolution of the Board introduced at a regular meeting and adopted at a subsequent regular meeting by a majority vote.

Revision 2026 ADOPTED this 24th day of March, 2026

By- MASON COUNTY PUBLIC HOSPITAL DISTRICT 2 COMMISSIONERS

Position 1 Patty Stone

Position 4 Katie Ladner

Position 2 Tommy Thombs

Position 5 Herb Gerhardt

Position 3 Peggy VanBuskirk