



RETURN NAME & ADDRESS

Mid-Valley Hospital
810 Jasmine St
Omak Wa 98841

Document Title(s)

Interlocal Agreement

Reference Number(s) of related documents:

Mid-Valley Hospital, North Valley Hospital, 3 Rivers Hospital

Additional Reference #'s on page

Grantor(s) (Last, First, and Middle Initial)

Mid Valley Hospital, North Valley Hospital, 3 Rivers Hospital

Additional Grantors on page

Grantee(s) (Last, First, and Middle Initial)

Additional Grantees on page

Legal Description (abbreviated form: i.e. lot, block, plat or section, township, range, quarter/quarter)

Complete Legal on page

Assessor's Property Tax Parcel/Account Number

Additional parcel #'s on page

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INTERLOCAL AGREEMENT

THIS AGREEMENT is made and entered into as of the 28th day of March, 2024, by and among Public Hospital District No. 1, Okanogan and Douglas Counties, Washington (“District No. 1”), Public Hospital District No. 3, Okanogan County, Washington (“District No. 3”), and Public Hospital District No. 4, Okanogan County, Washington (“District No. 4”) (District No. 1, District No. 3 and District No. 4 are referred to herein collectively as the “Districts”).

RECITALS

A. RCW 70.44.003 authorizes public hospital districts “to provide hospital services and other health care services for the residents of such districts and other persons.”

B. RCW 70.44.007(2) defines “other health care services” to include “nursing home, extended care, long-term care, outpatient, rehabilitative, and ambulance services; services that promote health, wellness, and prevention of illness and injury; and such other services as are appropriate to the health and wellness needs of the population served.”

C. Each of the Districts is a public hospital district authorized under Chapter 70.44 RCW whose geographic boundaries do not include a city with a population greater than fifty thousand and, therefore, is a “rural public hospital district” as defined by RCW 70.44.460.

D. Each of the Districts provides health care services and facilities, including hospital services, to its residents and others.

E. RCW 70.44.450 expressly authorizes rural public hospital districts as defined by RCW 70.44.460 to enter into cooperative agreements and contracts with one another under the Interlocal Cooperation Act (Chapter 39.34 RCW) to provide for the health care needs of the people they serve. These agreements and contracts are specifically authorized to include: (1) allocation of health care services among the different facilities owned and operated by the public hospital districts; (2) combined purchases and allocations of medical equipment and technologies; (3) joint agreements and contracts for health care service delivery and payment with public and private entities; and (4) other cooperative arrangements consistent with the intent of chapter 161, Washington Laws of 1992.

F. Pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the Districts wish to engage in such joint activities as may be in the best interests of the people served by the Districts.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the Districts agree as follows:

1. The Board. Pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the Districts hereby establish a joint operating board, which shall be known as the

“Joint Operating Board,” or such other name as the members of the joint operating board may approve from time to time (the “Board”).

a. The Members of the Board. The Board shall be composed of each District’s superintendent, or such other person as may be designated by the District’s superintendent. Each member of the Board shall have one vote with respect to all matters presented to the Board for its review and approval and all decisions of the Board shall require unanimous approval of the Board.

b. Bylaws of the Board. The Board may, at its discretion, adopt bylaws or other procedures governing the management of the Board’s business and the regulation of its affairs.

2. The Purpose. On behalf of the Districts, the Board may, at its discretion, engage in the following activities:

a. Develop and analyze models and strategies to negotiate, enter into and carry out joint agreements and contracts for health care service delivery and payment with public and private entities that operate within the State of Washington; and

b. Engage in such other collective activities as deemed appropriate by the Board to further the goal of negotiating, entering into and carrying out joint agreements and contracts for health care service delivery and payment with public and private entities that operate within the State of Washington.

3. Term. Unless sooner terminated as provided herein or unless extended by mutual written agreement of the Districts, this agreement shall expire on December 31, 2024. This agreement shall automatically renew for additional periods of one year each (the “Subsequent Terms”) unless one party provides written notice to the other of its intent not to renew at least 60 days before the end of the current term. The Initial Term and Subsequent Terms, if applicable, are collectively referred to as the “Term.”

4. Powers. The Board shall have the following powers in carrying out the purposes of this agreement:

a. To prepare and make recommendations to the Districts regarding contracts to be entered into by the Districts that would further the purposes of this Agreement including contracts with consultants and other independent contractors. The Board shall have no authority to enter into contracts or incur financial obligations on behalf of any of the Districts without the prior written approval of each of the Districts.

b. To have and exercise all other powers necessary to carry out the purposes of this agreement subject to any restrictions applicable to a joint operating board established pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW.

5. Management of the Board’s Activities and Scope of Authority. The Districts agree that the day-to-day management of the Board’s activities and supervision of the Board’s agents shall be under the control of the Board. No District shall have any independent authority to direct the management of the Board’s activities. No District shall have any authority to bind or to act for

or to assume any obligations or responsibilities on behalf of any other District or the Board nor shall the Board have any authority to bind or act for or to assume any obligations or responsibilities on behalf of any District.

6. Property. Any property required to carry out the purposes of this agreement shall, at the discretion of the Board, be held in the name of one of the Districts or by the Districts jointly as tenants in common or as partners.

7. Funding. Any costs incurred by the Board on behalf of the Districts in carrying out the activities described in Section 2 shall be allocated among the Districts on an equal basis (one-third each) unless the Board, by unanimous vote, approves an alternative methodology. Any payment from the Districts shall be due within thirty (30) days, or such shorter period of time as may reasonably be specified by the Board, of the District's receipt of a request for payment from the Board. In order to facilitate the payment of expenses on behalf of the District, the Board shall have the authority to establish a special fund with the Treasurer of any District that is a party to this agreement, which fund shall be designated as the "Operating Fund of the Joint Operating Board" (the "Operating Fund"). All grant funds received by the Districts jointly or individually to assist in financing the activities covered by this agreement shall be deposited in the Operating Fund and used to pay the costs incurred by the Board as described herein.

8. Financial Statements. At the written request of one or more of the Districts, the Board shall develop and deliver to the Districts within forty-five (45) days after the close of the Board's fiscal year, a balance sheet of the Board as of the end of the fiscal year and statements of income and cash flow, each prepared in accordance with generally accepted accounting principles consistently applied, reviewed by the Treasurer of the Board and clearly reflecting any positive or negative variances from the operating budget approved by the Board.

9. Audit. An audit of the Board shall occur at such times as the Board deems to be reasonable or as required by state law and shall be conducted by an independent accounting firm, by the Board's internal auditors or by the State Auditor, as appropriate under the circumstances. In addition, any District may request an audit of the Board. In the event that two or more Districts request such an audit, the cost thereof shall be borne equally by those Districts. In the event any District individually requests such an audit, the cost thereof shall be borne entirely by that District.

10. Termination and Distribution.

a. Termination of Agreement. This agreement may be terminated and the Board dissolved prior to the expiration of the term specified in Paragraph 3 upon: (i) mutual agreement of the Districts, in which event the termination shall be effective at any time established by mutual agreement, or (ii) receipt of written notice by each of the Districts that one or more of the Districts intends to withdraw, in which event the termination shall be effective no sooner than ninety (90) days from the date that each of the Districts receives the written notice of withdrawal; provided, however, that such termination shall not be effective until the completion of the winding up and distribution process as described below or an election by two or more of the Districts to continue the business of the Board pursuant to the procedures described in Section 12 hereof; and provided further that a District that provides notice of termination shall not be liable for any

liabilities incurred by the Board following receipt of its notice of termination other than those incurred in connection with the winding up and distribution process described below.

b. Winding Up. Prior to the expiration or termination of this agreement in accordance with the terms hereof, the Board shall diligently proceed to wind up its affairs through the payment of all debts and liabilities and the settlement or other disposition of all claims by or against the Board or any of the Districts arising out of or related to this agreement. During the period of winding up, the Board shall have no authority to otherwise carry on the business as prescribed in this agreement except to the extent necessary to complete the winding up.

c. Distribution. Upon completion of the winding up process, the Board shall distribute any property that it may then be holding among the Districts in proportion to the payments that have been made by the Districts pursuant to Section 8 of this agreement.

d. Books and Records. Upon completion of the winding up and distribution process, the Board shall make arrangements for the safe storage of its books and records for such period of time as may be needed to satisfy any federal or state record keeping laws then in effect. Such books and records shall be available during normal business hours to the Districts for inspection and copying at their own cost and expense.

11. Election to Continue the Business of the Board. Upon receipt of a notice of withdrawal pursuant to Section 10 hereof, any two or more of the Districts may elect to continue the business of the Board after reaching an agreement with the withdrawing District(s) regarding an appropriate allocation of the Board's assets and liabilities among the withdrawing District(s) and those that wish to continue the business of the Board.

12. Notices. Any and all notices or communications required or permitted to be given under any of the provisions of this agreement shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission or email transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient).

13. Confidentiality. In connection with this agreement, the parties may exchange certain information relating to their businesses. All such information (whether written or oral) furnished (whether before or after the date hereof) by any party or its commissioners, directors, officers, employees, affiliates, representatives (including, without limitation, financial advisors, attorneys and accountants) or agents (collectively, "Representatives"), and all analyses, compilations, forecasts, studies or other documents prepared by the party to whom it is provided (the "Receiving Party") which contain or reflect any such information is hereinafter referred to as the "Information." The term Information will not, however, include information which (i) is or becomes publicly available other than as a result of a disclosure by the Receiving Party or its Representatives in violation of this agreement or other obligation of confidentiality, or (ii) is or becomes available to a party on a non-confidential basis from a source other than the party to

whom such information belongs and that source is not known by the Receiving Party to be prohibited from disclosing such information by a legal, contractual or fiduciary obligation. Accordingly, the parties hereby agree that:

a. The Districts acknowledge and agree that, as Washington state public hospital districts and municipal corporations under Washington law, the Districts are required to comply with the Washington State Public Records Act, chapter 42.56 RCW (the "PRA"). Nothing herein shall be deemed to require a District to act in any manner that is inconsistent with such District's obligation under the PRA.

b. The Receiving Party (i) will keep the Information confidential and will not (except as required by applicable law, regulation or legal process, and only after compliance with paragraph (iii) below), without the prior written consent of the party who provides the information (the "Disclosing Party"), disclose any Information in any manner whatsoever, in whole or in part; and (ii) will not use any Information other than in connection with carrying out the terms of this agreement; provided, however, that a Receiving Party may reveal the Information or portions thereof to another party to this agreement or to the Receiving Party's Representatives (a) who need to know the Information for the purpose of carrying out the terms of this agreement, (b) who are informed of the confidential nature of the Information, and (c) who are directed by the Receiving Party to treat the Information in a manner consistent with the terms of this agreement. A Receiving Party will be responsible for any breach of this agreement by any of its Representatives.

c. In the event that a Receiving Party is requested pursuant to, or required by, applicable law, regulation or legal process to disclose any of the Information received from the Disclosing Party, the Receiving Party will notify the Disclosing Party and the other party to this agreement promptly (unless prohibited by law) so that the Disclosing Party may seek a protective order or other appropriate remedy or, in its sole discretion, waive compliance with the terms of this agreement. If the Disclosing Party seeks such an order, the Receiving Party will provide such cooperation as the Disclosing Party shall reasonably request. In the event that no such protective order or other remedy is obtained or that the Disclosing Party waives compliance with the terms of this Letter, and that the Receiving Party or its Representative is nonetheless legally compelled to disclose such Information, the Receiving Party or its Representative, as the case may be, will furnish only that portion of the Information which the Receiving Party is advised by counsel to be legally required, and will give the Disclosing Party written notice (unless prohibited by law) of the Information to be disclosed as far in advance as practicable, and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Information. Notwithstanding the above, nothing in this subsection shall require any District to act in any manner that violates their obligations under the PRA.

d. If the Districts terminate this agreement, each Receiving Party will promptly deliver to the Disclosing Party or, at the Disclosing Party's request destroy, all copies of the written Information in its possession, and confirm any such destruction in writing. However, notwithstanding the foregoing, subject to compliance with all other terms of this Letter: (i) each Receiving Party shall be entitled to maintain a single copy of the Information in its legal records for archival purposes only, and no such archived information will be disclosed to any third party without the express written consent of the Disclosing Party (except as required by applicable law, regulation or legal process, and only after compliance with paragraph (iii) above); and (ii) each

Receiving Party shall be entitled to maintain in electronic format any Information that is automatically backed up in the ordinary course of business for the purpose of data recovery in the event of a business disaster. Any Information that was provided orally or is retained pursuant to the terms hereof will continue to be subject to the terms of this Letter.

e. Each District acknowledges that neither the other District (including its Representatives), nor any of its respective officers, directors, employees, agents or controlling persons within the meaning of Section 20 of the Securities Exchange Act of 1934 (the "Exchange Act"), makes any representation or warranty, express or implied, as to the accuracy or completeness of the Information, and each Receiving Party agrees that no such person will have any liability relating to the Information or to any errors therein or omissions therefrom.

f. The Districts acknowledge that remedies at law may be inadequate to protect against any actual or threatened breach of the confidentiality obligations under this agreement and, without prejudice to any other rights and remedies otherwise available, agree to the granting of specific performance and injunctive or other equitable relief without proof of actual damages. Each District further agrees to waive, and to use all reasonable efforts to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with any such remedy.

14. Entire Agreement/Modification. This agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations or discussions with respect thereto. This agreement may be amended or modified by written instrument signed by the parties hereto. Such amendments may be for the purposes of, among other things, adding or deleting parties to this agreement or expanding the purposes for which the Board is organized.

15. Assignment. No party to this agreement may assign its rights or obligations hereunder.

16. Counterparts. This agreement may be executed in counterparts, each of which shall be an original but all of which taken together shall constitute but one and the same instrument.

17. Filing Requirements. Upon execution of this agreement, the parties shall file or post a true and complete copy thereof in compliance with the provisions of Chapter 39.34 RCW.

18. Authorization. Each District does hereby represent and warrant to the others that it is duly authorized to enter into and to carry out the terms of this agreement.

IN WITNESS WHEREOF, the parties hereby execute this agreement as of the day and year first set forth above.

PUBLIC HOSPITAL DISTRICT NO. 1
OKANOGAN AND DOUGLAS COUNTIES, WASHINGTON

By: J. [Signature]
Its: CEO

PUBLIC HOSPITAL DISTRICT NO. 3
OKANOGAN COUNTY, WASHINGTON

By: _____
Its: _____

PUBLIC HOSPITAL DISTRICT NO. 4
OKANOGAN COUNTY, WASHINGTON

By: _____
Its: _____

IN WITNESS WHEREOF, the parties hereby execute this agreement as of the day and year first set forth above.

PUBLIC HOSPITAL DISTRICT NO. 1
OKANOGAN AND DOUGLAS COUNTIES, WASHINGTON

By: _____
Its: _____

PUBLIC HOSPITAL DISTRICT NO. 3
OKANOGAN COUNTY, WASHINGTON

By:  _____
Its: CEO & Superintendent

PUBLIC HOSPITAL DISTRICT NO. 4
OKANOGAN COUNTY, WASHINGTON

By: _____
Its: _____

IN WITNESS WHEREOF, the parties hereby execute this agreement as of the day and year first set forth above.

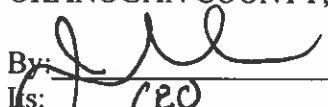
PUBLIC HOSPITAL DISTRICT NO. 1
OKANOGAN AND DOUGLAS COUNTIES, WASHINGTON

By: _____
Its: _____

PUBLIC HOSPITAL DISTRICT NO. 3
OKANOGAN COUNTY, WASHINGTON

By: _____
Its: _____

PUBLIC HOSPITAL DISTRICT NO. 4
OKANOGAN COUNTY, WASHINGTON

By:  _____
Its: CEO _____

ADDENDUM TO INTERLOCAL AGREEMENT AMONG PUBLIC HOSPITAL DISTRICT NO. 1, PUBLIC HOSPITAL DISTRICT NO. 3, AND PUBLIC HOSPITAL DISTRICT NO. 4

Regarding Shared Training and Consulting Services

This Addendum is entered into as of the 12th day of January 2026, by and among Public Hospital District No. 1, Okanogan and Douglas Counties, Washington (“District No. 1”), Public Hospital District No. 3, Okanogan County, Washington (“District No. 3”), and Public Hospital District No. 4, Okanogan County, Washington (“District No. 4”) (collectively, the “Districts”).

This Addendum supplements and is incorporated into the existing Interlocal Agreement among Public Hospital District No. 1, Public Hospital District No. 3, and Public Hospital District No. 4 dated March 28, 2024 (the “Interlocal Agreement”).

RECITALS

A. The Districts previously entered into the Interlocal Agreement to cooperate under the authority of Chapter 39.34 RCW and Chapter 70.44 RCW in activities that promote efficient, collaborative health-care service delivery.

B. The Districts recognize that sharing personnel with specialized skills or experience can strengthen workforce development, improve operational consistency, and reduce redundant costs.

C. The Districts therefore desire to establish a shared framework under the Interlocal Agreement to allow for the provision of employee-based training and consulting services among the Districts.

AGREEMENT

1. Purpose.

The purpose of this Addendum is to authorize the Districts to share employees who can provide training, education, or consulting services to another participating District, subject to mutual agreement and consistent with applicable laws and employment obligations.

2. Scope of Services.

- a. Shared services may include professional training, operational consulting, or educational instruction related to clinical, administrative, technical, or compliance functions.
- b. Each engagement shall be individually approved in writing by both the sending and receiving Districts, identifying the employee(s), nature of the services, duration, and estimated costs.
- c. Employees shall at all times remain employees of their home District, and nothing in this Addendum shall be construed to create an employment relationship with the receiving District.

3. Compensation and Reimbursement.

- a. The Receiving District shall reimburse the Sending District at a rate equal to the employee's regular hourly wage plus twenty-five percent (25%), intended to cover benefits and administrative overhead.
- b. Mileage shall be reimbursed at the current IRS standard rate.
- c. Any materials, supplies, or other direct costs necessary for the training or consulting shall be reimbursed at actual cost.
- d. The Sending District shall invoice the Receiving District within thirty (30) days following completion of the services, and the Receiving District shall remit payment within thirty (30) days of receipt of invoice.

4. Administration.

Each District shall designate an administrative contact to coordinate scheduling, approve engagements, and process invoices under this Addendum. Oversight and management of training and consulting activities conducted pursuant to this Addendum shall remain under the authority of the respective Districts unless and until a Joint Operating Board is formed pursuant to and in accordance with the Interlocal Agreement dated March 28, 2024, in which case such oversight may be assumed by the Joint Operating Board as authorized under that Agreement. No separate legal entity is created by this Addendum.

5. Term and Termination.

This Addendum shall become effective upon full execution by the Districts and shall remain in effect concurrent with the Term of the Interlocal Agreement, unless terminated earlier by any District upon thirty (30) days' written notice to the others.

6. Liability and Insurance.

Each District shall remain responsible for the acts and omissions of its own employees. Employees performing services under this Addendum shall be covered by the Sending District's workers' compensation and liability insurance. Nothing herein shall be construed to waive any statutory immunities.

7. Relation to Existing Agreement.

Except as expressly modified herein, all terms, powers, and procedures contained in the Interlocal Agreement among Public Hospital District No. 1, Public Hospital District No. 3, and Public Hospital District No. 4 dated March 28, 2024 shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being fully authorized, have executed this Addendum as of the dates set forth below.

Public Hospital District	Signature	Printed Name / Title	Date
Public Hospital District No. 1, Okanogan and Douglas Counties, Washington		<u>J. Scott Graham, CEO</u>	<u>3-16-26</u>
Public Hospital District No. 3, Okanogan County, Washington		<u>Andy Bertapelle, CEO</u>	<u>1/12/2026</u>
Public Hospital District No. 4, Okanogan County, Washington		<u>John McReynolds CEO</u>	<u>1/12/2026</u>