

TERMINATION OF SECOND AMENDED AND RESTATED INTERLOCAL AGREEMENT

THIS AGREEMENT TO TERMINATE THE SECOND AMENDED AND RESTATED INTERLOCAL AGREEMENT is made and entered into as of the 14th day of December, 2018, by and among the public hospital districts identified on the signature pages of this Agreement (collectively referred to as the "Districts").

RECITALS

A. 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.

B. Pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, the Districts entered into the Second Amended and Restated Interlocal Agreement dated as of June 11, 2013 (the "PHD Interlocal Agreement").

C. The Districts have also entered into the First Amended and Restated Washington Rural Health Collaborative Interlocal Agreement dated as of December 14, 2018 (the "WRHC Interlocal Agreement"), which provides for the similar joint activities to those authorized by the PHD Interlocal Agreement to be conducted under the WRHC Interlocal Agreement through a nonprofit corporation known as the Washington Rural Health Collaborative ("WRHC").

D. The Districts have determined that, to eliminate unnecessary duplication between the activities authorized by the PHD Interlocal Agreement and the activities authorized by the WRHC, it is in the best interests of the Districts to terminate the PHD Interlocal Agreement and transfer all assets currently held by the joint operating board under the PHD Interlocal Agreement to WRHC.

E. Section 11(a) of the PHD Interlocal Agreement provides that the agreement may be terminated upon mutual agreement of the Districts.

F. Section 11(b) of the PHD Interlocal Agreement provides that prior to the termination of the PHD Interlocal Agreement, the PHD Joint Operating Board is required to 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 Joint Operating Board or any of the Districts arising out of or related to the PHD Interlocal Agreement.

G. Section 11(c) of the PHD Interlocal Agreement provides that upon completion of the winding up process, the PHD Joint Operating Board shall distribute any property that it may then be holding to the Districts in proportion to the payments that they have made to fund the activities of the PHD Joint Operating Board.

H. The Districts have determined that, rather than distributing any remaining property that may be held by the PHD Joint Operating Board directly back to the Districts, it is in their best interest to transfer their respective shares of the remaining property to WRHC.

AGREEMENT

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

1. Winding Up. Pursuant to the requirements of Section 11(a), the PHD Joint Operating 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 PHD Joint Operating Board or any of the Districts arising out of or related to the PHD Interlocal Agreement.

2. Distribution. Upon completion of the winding up process, the PHD Joint Operating Board shall distribute any funds that it may then be holding to WRHC to be used by WRHC to support its continued operation and carry out its corporate purposes.

3. Books and Records. Upon completion of the winding up and distribution process, the PHD Joint Operating Board shall transfer to WRHC all of its books and records. These books and records shall be available during normal business hours to the Districts for inspection and copying at their own cost and expense.

4. Termination. Immediately following the distribution to WRHC, the PHD Interlocal Agreement shall be terminated.

5. Entire Agreement and Amendment. 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.

6. Counterparts and Electronic Signatures. 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. In the event any signature is delivered by facsimile or by e-mail delivery of a .pdf file, such signature shall create a valid and binding obligation of the party with the same force and effect as if the facsimile or .pdf signature page were an original thereof.

7. 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,
CLALLAM COUNTY

By: Tim Courmyer
Tim Courmyer (Feb 15, 2019)
Tim Courmyer, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
JEFFERSON COUNTY

By: Mike Glenn
Mike Glenn (Feb 1, 2019)
Mike Glenn, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
GRAYS HARBOR COUNTY

By: Josh Martin
Josh Martin (Feb 18, 2019)
Josh Martin, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
MASON COUNTY

By: Eric Moll
Eric Moll (Feb 1, 2019)
Eric Moll, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
LEWIS COUNTY

By: Leianne Everett
Leianne Everett (Mar 5, 2019)
Leianne Everett, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
PACIFIC COUNTY

By: Gary Schwiesow
Gary Schwiesow (Feb 12, 2019)
Gary Schwiesow, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 3,
PACIFIC COUNTY

By: Larry Cohen
Larry Cohen (Feb 1, 2019)
Larry Cohen, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 4, KING
COUNTY

By: Kim Witkop
Kim Witkop, MD (Feb 7, 2019)
Kim Witkop, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
SKAGIT COUNTY

By: Vince Oliver
Vince Oliver (Feb 4, 2019)
Vincent Oliver, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
SKAGIT COUNTY

By: Brian Ivie
Brian Ivie (Mar 6, 2019)
Brian Ivie, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 3,
LINCOLN COUNTY

By: *Tyson Lacy*
Tyson Lacy, Administrator

WHIDBEY ISLAND PUBLIC HOSPITAL
DISTRICT

By: *Geryl Forbes*
Geryl Forbes (Feb 4, 2019)
Geryl Forbes, Superintendent

PROSSER PUBLIC HOSPITAL DISTRICT,
BENTON COUNTY

By: *Craig J. Marks*
Craig J. Marks (Feb 3, 2019)
Craig Marks, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
PEND OREILLE COUNTY

By: *Tom Wilbur, CEO*
Tom Wilbur, CEO (Feb 16, 2019)
Tom Wilbur, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 1,
KLICKITAT COUNTY

By: *Leslie Hiebert*
Leslie Hiebert (Feb 2, 2019)
Leslie Hiebert, Superintendent

PUBLIC HOSPITAL DISTRICT NO. 2,
KLICKITAT COUNTY

By: *Robert Kimmes*
Robert Kimmes (Feb 2, 2019)
Robert Kimmes, Superintendent