

BYLAWS
OF
NORTHWEST INTEGRATED PROVIDERS, INC.

Preamble

Northwest Integrated Providers, Inc. (“NWIP”) is a mutual benefit, non-profit corporation established by health care professionals located in Marion and Polk Counties, Oregon to provide an organization and management structure for NWIP’s member professionals (“members”) to support the efforts of the members in the creation and operation of a clinically integrated network of interdependent health care providers who share a strong focus on controlling the costs of care, improving the quality thereof and implementing processes that capture clinical results across a continuum of care. Creation of committees which focus on quality of care, cost of care and compliance with NWIP’s provider-driven policies and care protocols will be essential to the success of NWIP.

NWIP hopes to attract and administer a variety of health service contracts with private and public payer programs. NWIP will assist and support health care plans which place emphasis on patient involvement in their health care and which compensates providers based on innovative reimbursement models that are not limited to fee-for-service, but that also reward quality and cost-driven outcomes.

Membership in NWIP is restricted to individual health care professionals. Members do not own capital stock, and therefore, do not have an investment interest in NWIP. Participating professional agreements have no value as an investment, will not increase in value and cannot be transferred or sold because membership is nontransferable. To the extent feasible, NWIP will seek contracts which will allow all members to participate therein. Membership in NWIP is nonexclusive. Members are free to participate in other alternative health care delivery systems whether or not NWIP is a party thereto.

ARTICLE I
Offices

1.1 Business office. The principal office of NWIP shall be located at any place within the state of Oregon as designated in NWIP’s most current annual report filed with the Oregon Secretary of State. NWIP may have such other offices, either within or without the State of Oregon, as the board of directors may designate or as the business of NWIP may require from time to time. NWIP shall maintain at its principal office a copy of certain records, as specified in ORS 65.771. The address of the principal office may be changed from time to time. The initial principal office of NWIP in the State of Oregon is located at 2995 Ryan Drive SE, Salem, Oregon 97301.

1.2 Registered office. The registered office of NWIP, required by ORS 65.111, shall be located within Oregon and may be, but need not be, identical with the principal office. The address of the registered office may be changed from time to time. The initial registered office shall be that address so designated in NWIP's original articles of incorporation.

ARTICLE II

Membership Application

2.1 General. Membership in NWIP shall be by approval of the board of directors only. Prospective member professionals must submit a completed membership application and meet the criteria set forth in **Section 3.9** of these Bylaws.

2.2 Application requirements and procedures. Application requirements and procedures for prospective members shall first be approved by NWIP's board of directors. The criteria and procedure used to review applicants shall be set forth in the rules and regulations.

2.3 Approval of applicant. If an applicant meets the criteria for membership, then the board of directors shall vote to determine whether the applicant will be offered membership in the organization. An applicant will be offered membership if the applicant receives affirmative votes from a majority of the then current board of directors.

2.4 Provisional membership. New members shall hold "provisional membership" status for a period of one year before full membership is granted.

2.5 Affiliated members. If an application is submitted by an individual who is a shareholder, partner, employee, etc. of a practice consisting of other shareholder/partner/employee professionals, at the option of NWIP, all qualified professionals within such practice (including professionals then existing and any shareholder, partner, employee professionals which become affiliated thereafter) shall apply for individual membership in NWIP. If one or more qualified professionals within the practice are denied membership, or membership is later terminated at the option of NWIP, all remaining professionals within the practice will have their applications denied or membership terminated. The board of directors will waive its option to terminate noted in this **Section 2.5** upon satisfactory assurance that any professional whose application was denied or membership was terminated will be prohibited from providing health care services pursuant to contracts negotiated by NWIP.

ARTICLE III

Membership Meetings

3.1 Annual and regular meetings. The members of NWIP shall hold an annual membership meeting on or about the first week in April at a place and time designated by the board of directors for the purpose of the transaction of such business as may come before the meeting. The business of the annual meeting shall include, but not be limited to the following: (1) a report of the year's activities; (2) a financial report; and (3) a proposed budget for the next year. In addition to the annual meeting, the members may hold regular meetings throughout the year at a time and place to be announced by the board of directors.

3.2 Special meetings. Unless otherwise proscribed by statute, special meetings of the members may be called for any purpose or purposes, by the president, either vice president or by a majority of the board of directors, and shall be called by the president at the request of not less than one-tenth (1/10th) of all the members of NWIP entitled to vote at the meeting.

3.3 Place of meeting. The board of directors shall determine the place of meeting for all annual and special meetings of the members. In the absence of any such determination, all meetings of the members shall be held at the principal office of NWIP.

3.4 Notice of meeting. Unless the Bylaws require otherwise, NWIP shall give fair and reasonable notice of any meeting of the members set forth under this article. Notice is fair and reasonable if: (1) NWIP notifies its members of the place, date, and time of the meeting no fewer than seven days, or if notice is mailed by other than first class or registered mail, no fewer than 30 nor more than 60 days before the meeting; (2) notice of an annual or regular meeting includes a description of any matter or matters which must be approved by the members under the Act; and (3) notice of a special meeting includes a description of the purpose or purposes for which the meeting is called.

3.5 Quorum requirements. For a quorum to exist, a majority of the members entitled to vote must be physically present in person or by proxy at a meeting for which notice has been given pursuant to **Section 3.4**.

3.6 Voting requirement. Unless otherwise required by law, if a quorum is present, the affirmative vote of a majority of the votes represented and entitled to vote is the act of the members.

3.7 Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by the member's duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of NWIP before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. A proxy may be given only to a member of NWIP.

3.8 Action by written ballot. Any action which may be taken at any annual, regular, or special meeting of members may be taken without a meeting if NWIP delivers a written ballot to every member entitled to vote on the matter. A written ballot shall set forth each proposed action, and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds a majority of the members who have the right to vote, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting. All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet quorum requirements; (2) state the percentage of approvals necessary to approve each matter; and (3) specify a reasonable time by which a ballot must be received by NWIP in order to be counted. Ballots may be cast electronically if the secretary of NWIP has made provision for the casting and counting of such votes. Ballots must be received no later than the date and time set for the meeting.

3.9 Membership criteria. Every member of NWIP must fulfill the following criteria:

- a. Membership in NWIP shall be limited to MDs, DOs, NPs, DPMs and PAs, so long as a PA is employed by a member.
- b. A member must maintain an unrestricted professional license from the appropriate State of Oregon licensing board.
- c. A member must carry professional liability coverage in such amounts as may be set from time to time by the board of directors. To facilitate participation in any participating professional agreement the member's insurer must supply NWIP with a certificate of insurance which shall state that such insurance coverage shall not be terminated or reduced without ten (10) days' prior written notice to NWIP. As a minimum, each member shall have professional liability coverage of at least \$1,000,000 per occurrence and \$3,000,000 aggregate.
- d. A member must abide by all aspects of the participating provider agreements, the Bylaws, and Rules and Regulations of NWIP as they may be amended from time to time; cooperate with NWIP and its members in the implementation of NWIP's policies and objectives; pay assessments when due; adhere to the professional ethics and codes of conduct pertaining to his or her licensed profession; and follow all state and federal laws as may apply to the participating provider or member.
- e. A member shall make no misrepresentation to patients concerning the policies of NWIP or any misrepresentation regarding the provision of health care services.
- f. All applicants for membership shall deliver to NWIP adequate information for a proper evaluation of the applicant and, if applicable, the applicant's employed providers, of competence, training, character, and other qualifications as required in the member appraisal and reappraisal process. Material misrepresentations or omissions in an application shall be grounds for denial or revocation of membership. All applicants shall be approved by the board of directors.
- g. To the extent a member's services are contemplated in any health care contract NWIP either administers or which NWIP has negotiated on behalf of its members, the member will be obligated to comply with the terms of such contract and accept a reasonable number of patient-enrollees for which the member will be compensated for services provided at the rates set forth in such contract(s).
- h. A contracted member and its provider employees must comply with the care integration, quality guidelines, electronic records standards, utilization standards, screening and outcomes measures required by participating plans and/or established by NWIP and participate in, accept the results of and comply with the requirements of the utilization review process as required by the participating provider agreement, these Bylaws and the Rules and Regulations of NWIP. Failure to do so may result in termination of membership in NWIP.

3.10 Authorization for informational investigation. Every person who applies for membership in NWIP shall authorize the board of directors and its agents and representatives to consult with professionals, county and state medical societies, and others who may have information bearing on the applicant's competence as a professional as well as such person's moral and ethical qualifications. The applicant shall release NWIP, its board of directors, officers, agents, and representatives from any liability for their acts or their statements made in good faith and without malice in connection with evaluating the applicant during the application process. Each applicant shall execute a separate authorization and release for the purpose of conducting such informational investigation.

3.11 Release from liability for good faith acts. Applicants release from liability NWIP, its board of directors, officers, agents, and representatives for their acts or statements made in good faith and without malice in connection with any evaluation, appointment, reappointments, hearings, disciplinary or corrective actions, sanctions, termination of membership, and other activities as provided for in the Bylaws and/or Rules and Regulations of NWIP. This release is intended to and does hereby extend to individual members and nonmember professionals who participate in the above activities.

3.12 Termination of membership rights. The membership rights of any member of NWIP (except provisional members who may be terminated pursuant to **Section 3.13** hereof) may be terminated as provided below:

- a. Automatically if a member dies, retires, is adjudicated incompetent or has his or her professional license suspended or restricted without reinstatement, is declared bankrupt or ceases to do business;
- b. At the discretion of the board of directors if a member fails or refuses to comply with any of the criteria set forth in subparagraphs (b) through (h) of **Section 3.9** hereof; or
- c. Pursuant to the criteria and procedures set forth in NWIP's Rules and Regulations (hereinafter "Fair Hearing Plan").

3.13 Termination of provisional members. During the one year period of provisional membership, provisional members may have their membership rights terminated by the board of directors without cause, provided that if the basis for termination arises from the provisional member's professional conduct or competence, the provisional member shall have a right to a hearing as provided in the Fair Hearing Plan.

3.14 Voluntary termination of membership rights. Subject to any continuity of care requirements of any plan with which NWIP has contracted and subject to the limitations on voluntary termination of a member's participating professional agreement set for the in such agreement, a member may terminate membership in NWIP upon sixty (60) days written notice to the board of directors. NWIP may terminate a member's membership in NWIP and the member's Participating Provider Agreement upon sixty (60) days written notice, with or without cause. No membership assessments paid previous to such notice of voluntary termination shall be repaid to such member.

3.15 Assessments. From time to time the board of directors may determine and levy assessments against each member of NWIP to pay expenses incurred by NWIP. Notice of assessments shall be mailed to each member. Assessments shall be payable within thirty (30) days after the date of the notice. Failure to pay any assessment is cause for termination of a member's membership rights.

3.16 Transfer of membership. Membership in NWIP is nontransferable. No member shall sell or offer to sell or otherwise transfer a membership in NWIP.

ARTICLE IV

Board of Directors

4.1 General powers. The business and affairs of NWIP shall be managed by its board of directors. The board of directors shall have the authority to represent NWIP in all aspects of NWIP's business.

4.2 Number, tenure, and qualifications. The board of directors shall consist of not less than three (3) nor more than eleven (11) persons who are members of NWIP. At any one time, said board shall consist of no more than six (6) primary care providers with the balance being specialty providers; or, in the alternative, six (6) specialty providers with the balance being primary care providers. Up to six (6) Administrators of members' practices shall be encouraged to attend Board meetings and, at the request of the president, shall be permitted to cast advisory votes on matters then pending before the Board. If more than five Administrators wish to attend a meeting, they may do so, but only if their presence has the prior approval of the president. The initial term of office for the directors shall be fixed in such a manner as to assure staggered terms of office (i.e., one director, one year, one director, two years, etc.). At the expiration of the initial term of office of each director, a successor shall be appointed to serve a term of three (3) years. Directors shall serve three (3) year terms thereafter. Directors may serve consecutive terms. Each director shall hold office until the successor shall have been appointed and qualified, unless sooner removed from office as hereinafter provided.

[NOTE: The Board shall not permit a clinic that employs multiple members to have more than one member from such clinic to serve on a concurrent basis.]

4.3 Nominations and elections. When the term of a director is about to expire, the board of directors shall give written notice to the members requesting written nominations for a successor director. The notice and request for nominations so given must be mailed no less than sixty (60) days prior to the date such director's term expires and must state the deadline for receipt of nominations. Successor directors shall be elected at the annual meeting of members unless the board of directors requests elections by written ballot pursuant to **Section 3.8** of these Bylaws. Subject to the following limitation, each member shall have the right to cast one vote for the nominee of his or her choice, for each director position to be filled. The nominee who receives the most votes shall be appointed as the successor director upon the expiration of the predecessor director's term.

Neither the Board, pursuant to **Section 4.9**, or a member may nominate a member to fill a vacancy or to stand for election if, as a result of such person being appointed or elected, it would

cause a clinic which employs multiple members to have more than one (1) member concurrently on the Board.

4.4 Regular meetings. An annual meeting of the board of directors shall be held immediately after the annual meeting of the members. Notice with an agenda shall be provided to each director two (2) weeks prior to the meeting date. The board of directors may provide by resolution the time and place for the holding of additional regular meetings.

4.5 Special meetings. Special meetings of the board of directors may be called by or at the request of the president or any one director.

4.6 Notice and waiver of notice. Notice of special meetings shall be given at least five (5) days prior to the date of the meeting in writing mailed to each director at his or her business address, or by telephone, or in person at least seventy-two (72) hours prior to the time set for the meeting. If mailed, such notice shall be deemed to be delivered after it is deposited in the United States mail addressed to the director, with postage thereon prepaid. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any meeting of the board of directors need to be specified in the notice or waiver of notice of such meeting. A written waiver of notice of a meeting signed by the directors entitled to such notice, whether before or after the time stated therein, shall be equivalent to valid notice.

4.7 Quorum. Unless otherwise required by these Bylaws, a quorum of the board of directors consists of a majority of the number of directors prescribed by **Section 4.2**, but shall be at a minimum six (6) directors.

4.8 Manner of acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless otherwise provided by these Bylaws, and further provided that approval of any health care contract under consideration shall require an affirmative vote of an absolute majority of the then current board of directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum. At any meeting of the directors, if any issues not set forth on a meeting agenda are approved by less than an absolute majority of the board of directors, any director who dissents to such action may require that such action be "tabled" until the next meeting of the board of directors, at which time such issue must again be voted upon by the board of directors before it can be adopted.

4.9 Vacancies. If a vacancy occurs on the board of directors, the board of directors shall appoint a replacement until the next annual member meeting, at which time the members shall vote to fill such vacant position for the remainder of the unexpired term. Nomination for such appointment shall be made at a regular meeting of the board and the board will delay action to approve or disapprove appointment of the nominee(s) until the subsequent regular meeting. The Board shall appoint a person to fill the vacancy from the same practice subspecialty (primary care or specialist) as the former director.

4.10 Presumption of assent. A director who has the right to vote and who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the minutes of the meeting, unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the final approval of such minutes by the board of directors. Such right to dissent shall not apply to a director who voted in favor of such action.

4.11 Removal of directors. Any or all directors may be removed by a vote of two-thirds (2/3rds) of the then current directors of NWIP. Any director who is absent for three (3) consecutive regular board meetings without reasonable excuse shall, upon approval of an absolute majority of the board of directors, be removed from the board of directors.

4.12 Informal action by directors. Unless these Bylaws provide otherwise, action required or permitted by the Act to be taken at the board of directors' meeting may be taken without a meeting if the action is taken by all the members of the board of directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records. Action taken under this section is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date.

4.13 Telephonic or electronic meetings. Meetings of the board of directors, or of any committee designated by the board of directors, may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and/or have visual and immediate access to and an opportunity to respond to other board member's statements, and such participation shall constitute presence in person at the meeting.

4.14 Conflicts of interest. A director of NWIP may not be interested in, or a director or officer of, another corporation which conducts business with NWIP without the express consent of the remaining members of the board of directors or as otherwise required by ORS 65.361(3). Any director individually may be a party to or interested in any contract or transaction with NWIP provided all the following criteria are met:

- a. The interest of the director is disclosed to the board of directors;
- b. The interested director may not vote on any resolution regarding the transaction and his or her presence may not be counted toward a quorum; and
- c. The board of directors approves the transaction at a regular or special meeting.

4.15 Non-disclosure of proprietary information. Information obtained by persons who serve on the board of directors which pertains to any aspect of NWIP, is considered proprietary and may not be disclosed to nonmembers except as necessary to conduct the business and affairs of NWIP.

4.16 Compensation. Compensation, if any, for duties performed as a director shall be fixed by the board of directors of NWIP.

4.17 Open meetings. All meetings of the board of directors shall be open to members, except for meetings, or portions of meetings, specifically designated as closed by a majority vote of the board.

ARTICLE V Committees

5.1 General. All committees shall be established and members appointed by the board of directors. Each committee shall report to the board of directors with written minutes of all meetings. All voting members of committees must be members of NWIP unless expressly provided otherwise herein. The executive, review, and quality assurance committees shall be deemed as standing committees.

5.2 Executive committee. The board of directors may by resolution designate the president and any other member(s) of the board of directors to constitute an executive committee of not less than two (2) persons, and delegate to such committee, subject to applicable law and the control of the board of directors, any of its powers. The board of directors, by resolution, may at any time modify or revoke any or all of the authority so delegated to such committee, change the number of members of this committee and fill vacancies in the committee from the members of the board of directors.

5.3 Review committee. A review committee shall be selected from members in good standing to review applications for membership status, to request supplementary data on applications, to recommend to the board of directors actions on applications, to review quality of care issues and to carry out the duties with regard to summary suspension as provided for in the Fair Hearing Plan, and such other functions as the board of directors may direct. The review committee shall be responsible for initiation of corrective action and investigatory actions as provided for in the Fair Hearing Plan, and shall also recommend to the board of directors, corrective and disciplinary actions for members who engage in inappropriate conduct and/or fail to comply with standards set by NWIP committees and these Bylaws.

5.4 Quality Assurance committee. The members of the Quality Assurance (QA) committee shall be appointed by the board of directors. The QA committee may include members and nonmembers (including contracted professionals). The QA committee shall set standards and clinical protocols for the clinical integration of NWIP and its members, the processes required to measure clinical results across a broad range of care, to review and recommend to the board of directors cost of care strategies the purpose of which will be to improve quality of care and to control the cost thereof.

5.5 Hearing committee. The members of the hearing committee shall be appointed by the board of directors for the special purpose of acting as a hearings panel pursuant to the Fair Hearing Plan. The members need not be members of NWIP. No member of the Hearing committee may be in economic competition with the member who is the subject of the hearing nor shall have previously considered the matter.

ARTICLE VI

Officers

6.1 Number. The officers of NWIP shall be a president, a primary care vice president, a specialty care vice president, a secretary/treasurer, and other such officers as may be designated by the board of directors. Officers must be member professionals of NWIP. The same individual may simultaneously hold more than one office in NWIP.

6.2 Appointment and term of office. The officers shall be appointed by the board of directors. The president shall serve for a term of two (2) years, and all other officers shall serve three (3) year terms.

6.3 Removal. Any officer or agent appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of NWIP would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed or the right of such person to remain a member of NWIP.

6.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

6.5 President. The president shall be the principal executive officer of NWIP and, subject to the control of the board of directors, shall in general supervise and control all the business and affairs of NWIP. The president shall preside at all meetings of the members, of the executive committee, and of the board of directors. The president shall be an ex officio member of any committee of NWIP. The president may sign, with the secretary or any other proper officer of NWIP authorized by the board of directors, any deeds, mortgages, bonds, contracts or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these Bylaws to some other officer or agent of NWIP or shall be required by law to be otherwise signed or executed; and in general the president shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

6.6 Primary care vice president. In the absence of the president, or in the event of the president's death, inability or refusal to act, the primary care vice president shall perform all the powers of and be subject to all the restrictions upon the president. The primary care vice president may, with the secretary/treasurer, sign documents on behalf of NWIP and shall perform such other duties as from time to time may be assigned by the president or by the board of directors.

6.7 Specialty care vice president. The specialty care vice president shall fulfill those functions delegated to such officer by the president or the Board.

6.8 Secretary/Treasurer. The secretary/treasurer shall:

- a. Keep the minutes of the members' meetings and of the board of directors meetings in one or more record systems provided for that purpose;

b. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

c. Keep a register of the post office address of each member which shall be furnished to the secretary by every such member;

d. In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the board of directors.

e. Have charge and custody of and be responsible for all funds and securities of NWIP; receive and give receipts for monies due and payable to NWIP from any source whatsoever, and deposit all such monies in the name of NWIP in such banks, trust companies or other depositories as shall be selected by the board of directors.

f. In general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or by the board of directors.

g. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the board of directors shall determine.

6.9 Salaries. The salaries, if any, of the officers shall be fixed from time to time by the board of directors and no officer shall be prevented from receiving such salary by reason of the fact that the officer is also a director of NWIP. The board of directors shall disclose to the members the compensation paid to officers of NWIP.

6.10 Non-disclosure of proprietary information. Information obtained by persons who serve as officers which pertains to any aspect of NWIP, is considered proprietary and may not be disclosed except as necessary to conduct the business and affairs of NWIP.

ARTICLE VII

Contracts, Checks, and Deposits

7.1 Contracts. The board of directors may specifically authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of NWIP. Such authorization shall be obtained from the board of directors prior to the execution of each and every contract/instrument.

7.2 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 NWIP shall be signed by such officer or officers, agent or agents of NWIP and in such manner as shall from time to time be determined by resolution of the board of directors.

7.3 Deposits. All funds of NWIP not otherwise employed shall be deposited from time to time to the credit of NWIP in such banks, trust companies, or other depositories as the board of directors may select.

7.4 Accounting Services. The board of directors shall determine, on an annual basis, the level of financial accounting services required, and select an independent accounting professional, if necessary, to render such services, to maintain fiscally sound internal controls and accurate financial accounting.

ARTICLE VIII Indemnification

8.1 Indemnification. To the fullest extent permitted by the Act, NWIP shall indemnify any director or officer of NWIP made a party to a proceeding because the person is or was a director or officer of NWIP against liability incurred in that proceeding; provided, however, no indemnification pursuant to this provision shall indemnify any director or officer from or on account of: (1) any breach of the director's or officer's duty of loyalty to NWIP; (2) acts or omissions not in good faith or involving intentional misconduct or a knowing violation of the law; (3) any unlawful distribution; (4) any transaction from which the director or officer derived an improper personal benefit; and (5) any act or omission in violation of ORS 65.361 to 65.367.

8.2 Advancement of expenses. NWIP may, but shall not be required to, pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of the final disposition of the proceeding to the fullest extent permitted by the Act.

8.3 Certain definitions. For the purposes of this article, the terms director, expenses, liability, officer, party, and proceeding shall have the meanings given to them in ORS 65.387 as in effect as of the date the articles of incorporation were filed.

8.4 Purchase of insurance. NWIP may purchase any insurance coverage(s) NWIP deems necessary for the conduct of its business, including an endorsement insuring against antitrust liability, covering persons who serve or have served as directors or officers of NWIP or for general liability of NWIP. The amount of coverage shall be initially determined, and may be increased or decreased from time to time, by the board of directors.

8.5 Release of liability. All members of NWIP must expressly agree to release all officers and directors of NWIP from liability for their good faith acts of actions and, in the event any member brings a claim or files suit against an officer or director of NWIP, the release of liability may be pled as an absolute defense to any such claim.

ARTICLE IX Amendments

9.1 Amendment by directors. These Bylaws may be altered, amended, or repealed by an absolute majority vote of the board of directors. Suggested changes must be mailed to the directors at least thirty (30) days prior to any meeting called for the purpose of voting thereon.

9.2 Amendment by members. Members may revoke or amend any bylaw provision adopted by the board of directors if an affirmative vote for the revocation or amendment is cast by seventy-five percent (75%) of the members.

9.3 Procedure for proposing amendment. An amendment may be proposed by any member of the board of directors, or by written initiative presented to the corporate secretary signed by at least five percent (5%) of the members of NWIP.

ARTICLE X

Rules of Order


10.1 Roberts Rules of Order. All meetings of the members, board of directors, and committees will be conducted according to the most recent edition of Roberts Rules of Order.

ARTICLE XI

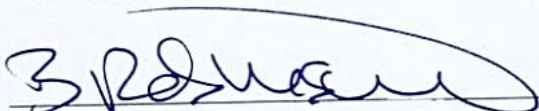
Rules and Regulations

11.1 Rules and Regulations. The Rules and Regulations of NWIP consist of the member appraisal and reappraisal process, Fair Hearing Plan, and such other matters as the board of directors shall approve.

ADOPTED this 13th day of OCTOBER, 2015.



President



Secretary