

## 2018/2019 CLINIC SUPPORT AGREEMENT

THIS 2018/2019 CLINIC SUPPORT AGREEMENT (the "Agreement") by and between SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 3, doing business as Orcas Island Health Care District, a Washington public hospital district (the "District"), and ORCAS FAMILY HEALTH CENTER, a Washington nonprofit corporation ("OFHC") is entered into and effective as of October 1, 2018 (the "Effective Date").

### RECITALS

- A. The District was recently formed by a vote of the citizens of Orcas Island to assure the continued availability of primary care and after hour services to the residents and visitors on Orcas Island.
- B. OFHC is a Washington nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. OFHC operates a federally qualified rural health center on Orcas Island organized and operated to promote the availability of primary care medical services on Orcas Island for all patients, regardless of ability to pay, located at 1286 Mt. Baker Road, Suite B102, Eastsound, Orcas Island, Washington (the "Clinic").
- C. The District and OFHC desire to enter into this Agreement whereby OFHC will provide specified primary care and other agreed services to residents of and visitors to Orcas Island through the Clinic and the District will provide financial resources to OFHC to support the provision of the agreed services. The Clinic operates at a deficit and OFHC requires financial assistance from the District to enable it to continue to operate the Clinic and provide primary care and after hour services to residents of and visitors to Orcas Island.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, the District and OFHC hereby agree as follows:

- 1. Operation of the Clinic.** The District hereby contracts with OFHC to operate and manage a primary care medical facility with federal "rural health clinic" status or such other status as determined by the parties at the Clinic pursuant to the standards of performance set forth below in this Agreement. OFHC shall be responsible for the operation and management of the Clinic consistent with such standards and consistent with OFHC's historic operation of the Clinic. OFHC shall be responsible for establishing and implementing all policies and procedures necessary to operate the Clinic including without limitation, policies related to personnel, services, and pricing. Prior to establishing any policies related to the nature of services provided, OFHC shall consult with the District regarding the need for and implementation of such policies. Final decisions regarding such policies shall be made in the sole discretion of OFHC. The parties acknowledge and agree that each is a tax-exempt organization as a governmental entity or under Section 501(c)(3) of the Internal Revenue Code. As such, each party shall perform its obligations under this Agreement in a manner consistent with the parties' tax-exempt status.
- 2. Relationship of the Parties.** The parties' relationship under this Agreement shall be that of independent contractors. OFHC and the District are not, and shall not be deemed to be, joint venturers, partners, employees, or agents of each other. No party shall have any authority to bind the other without the other's express written consent, and then only insofar as such authority is conferred by such express written consent.