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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 04-01-2011 and ending 03-31-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
SALMON CREEK HOSPITAL FOUNDATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 4484

City or town, state or country, and ZIP + 4
PORTLAND, OR 97208

D Employer identification number
83-0433165

E Telephone number
(503) 415-5600

G Gross receipts $ 171,779

F Name and address of principal officer
J MICHAEL SCHULTZ

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☑ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW LEGACYHEALTH ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 2005

M State of legal domicile WA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SALMON CREEK HOSPITAL FOUNDATION'S PURPOSE IS TO SUPPORT AND ADVANCE THE PROGRAMS AND SERVICES OF LEGACY SALMON CREEK HOSPITAL WITH THE GOAL OF IMPROVING THE HEALTH OF THE COMMUNITY AND THE REGION

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	0
6	Total number of volunteers (estimate if necessary)	**6**	20
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	193,493	166,384
9	Program service revenue (Part VIII, line 2g)		0
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,014	5,395
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	196,507	171,779
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	63,673	47,788
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		0
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		0
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	63,673	47,788
19	Revenue less expenses Subtract line 18 from line 12	132,834	123,991

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	377,788	501,779
21	Total liabilities (Part X, line 26)		0
22	Net assets or fund balances Subtract line 21 from line 20	377,788	501,779

Net Assets or Fund Balances

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** | 2013-02-15
Signature of officer | Date

J MICHAEL SCHULTZ Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 | EIN ▶ | Phone no ▶

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

SALMON CREEK HOSPITAL FOUNDATION'S PURPOSE IS TO SUPPORT AND ADVANCE THE PROGRAMS AND SERVICES OF LEGACY SALMON CREEK HOSPITAL WITH THE GOAL OF IMPROVING THE HEALTH OF THE COMMUNITY AND THE REGION

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 47,788 including grants of $ 47,788) (Revenue $ 166,384)

Charitable gifts to Salmon Creek Hospital Foundation support the programs and services of Legacy Salmon Creek Medical Center, many of which are not supported by traditional means of reimbursement Legacy Salmon Creek Medical Center opened in August 2005 as a full-service community hospital for Vancouver, Clark County, and the whole of southwestern Washington Services include * Emergency Department, including a special pediatric emergency area * Surgical services * Family Birth Center and Center for Maternal-Fetal Medicine* Pediatrics, including a neonatal intensive care unit (NICU) for infants and a pediatrics unit that emphasizes privacy and family care* Comprehensive Cancer Care, including Image-Guided Radiation Therapy* Cardiac Care * Neuroscience Center, including Stroke Program* Total Joint Center* Rehabilitation ServicesIn addition, the foundation supports several Legacy Health primary and specialty care clinics in southwest Washington In fiscal year 2012, philanthropic contributions supported programs in three primary areas Patient Care $33,815 Education and Training $10,499 Community Benefit & Other Hospital Programs $ 3,473 Specific projects funded in this year were as follows * Provided prescription assistance and durable medical equipment to patients without insurance or other financial resources * Supported injury prevention programs including child passenger safety and shaken baby syndrome prevention education * Supported continuing education of clinical staff * Provided essential, physician-directed, short-term emergency medication to patient without prescription drug coverage or sufficient financial resources * Fulfilled specific, short-term needs of Legacy clinic patients who have insufficient resources to meet a basic living need that directly impacts their health * Purchased specialized medical equipment to ensure infants receive the best quality care, including Neonatal Littman Stethoscopes, Oxygen Eliminator, and an Oxygen Blender * Provided free mammography services to low-income and uninsured women

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 47,788

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a		No
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	**1c**			No
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	**2b**			No
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	**3a**			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	**3b**			No
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	**4a**			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	**5a**			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	**5b**			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	**5c**			No
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	**6a**			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	**6b**			No
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	**7a**			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	**7b**			No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	**7c**			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**	0		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	**7e**			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	**7f**			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	**7g**			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	**7h**			No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	**8**			No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	**9a**			No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	**9b**			No
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	**12a**			No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	**13a**			No
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the aggregate amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	**14a**			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	**14b**			No

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	16		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		No
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		No

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☑ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

KATHY SLININGER
1919 NW LOVEJOY STREET
PORTLAND, OR 97209
(503) 415-5600

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JEANNIE M HIX Trustee	1 00	X						0	0	0
(2) VERDELLA J WHAREHAM Trustee	1 00	X						0	0	0
(3) BETTY SUE MORRIS Trustee	1 00	X						0	0	0
(4) H ALEX KROB Trustee	1 00	X						0	266,572	19,331
(5) DENNIS E RUGG Trustee	1 00	X						0	0	0
(6) JOHN S MCKIBBIN Trustee	1 00	X						0	0	0
(7) J MICHAEL SCHULTZ EX-OFFICIO	12 00	X		X				0	112,705	24,015
(8) CHRISTOPHER S THOMING MD Trustee	1 00	X						0	0	0
(9) KELLY A HIGGINS Trustee	1 00	X						0	0	0
(10) KAREN A SAHLSTROM Trustee	1 00	X						0	0	0
(11) BRADLEY J CARLSON CHAIR	1 00	X		X				0	0	0
(12) SUSANNE B BAUMANN SECR & TREAS	1 00	X		X				0	0	0
(13) BRETON C FREITAG MD Trustee	1 00	X						0	0	0
(14) ANNE T GREER ASST SECRETARY	1 00	X		X				0	128,786	33,150
(15) PATRICIA M GIANELLI ASST TREASURER	1 00	X		X				0	205,604	53,068
(16) MARY J MARTIN Trustee	1 00	X						0	0	0
(17) MAUREEN A BRADLEY EX- OFFICIO	1 00	X						0	250,593	35,146

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) TIMOTHY A MILLER Trustee	1 00	X						0	0	0
(19) JONATHAN E AVERY EX-OFFICIO	1 00	X						0	387,905	82,883
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶									1,352,165	247,593

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶0

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶0

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations . . . 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 166,384				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶	166,384			
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	0			
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	5,395			5,395
	4	Income from investment of tax-exempt bond proceeds . . ▶	0			
	5	Royalties . . . . . ▶	0			
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . . ▶	0			
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss) . . . . . ▶	0			
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶	0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . ▶	0			
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶	0			
		Miscellaneous Revenue / Business Code				
	11a					
	b					
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶	0			
	12	**Total revenue.** See Instructions . . . ▶	171,779			5,395

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	47,788	47,788		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	0			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	0			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	0			
10	Payroll taxes	0			
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	0			
12	Advertising and promotion	0			
13	Office expenses	0			
14	Information technology	0			
15	Royalties . .	0			
16	Occupancy	0			
17	Travel	0			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	0			
23	Insurance	0			
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a					
b					
c					
d					
e					
f	All other expenses	0			
25	**Total functional expenses.** Add lines 1 through 24f	47,788	47,788	0	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		47	1	1,650
	2	Savings and temporary cash investments			2	0
	3	Pledges and grants receivable, net			3	0
	4	Accounts receivable, net			4	0
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	0
	7	Notes and loans receivable, net			7	0
	8	Inventories for sale or use			8	0
	9	Prepaid expenses and deferred charges			9	0
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a			
	b	Less accumulated depreciation	10b		10c	0
	11	Investments—publicly traded securities			11	0
	12	Investments—other securities See Part IV, line 11		371,739	12	486,728
	13	Investments—program-related See Part IV, line 11			13	0
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		6,002	15	13,401
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		377,788	16	501,779
Liabilities	17	Accounts payable and accrued expenses			17	
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		0	26	0
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		182,721	27	226,474
	28	Temporarily restricted net assets		195,067	28	270,105
	29	Permanently restricted net assets			29	5,200
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		377,788	33	501,779
	34	Total liabilities and net assets/fund balances		377,788	34	501,779

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	171,779
2	Total expenses (must equal Part IX, column (A), line 25)	2	47,788
3	Revenue less expenses Subtract line 2 from line 1	3	123,991
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	377,788
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	501,779

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		No

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SALMON CREEK HOSPITAL FOUNDATION

Employer identification number
83-0433165

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	103,217	168,217	215,977	193,493	166,384	847,288
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 **Total.** Add lines 1 through 3	103,217	168,217	215,977	193,493	166,384	847,288
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						253,227
6 **Public Support.** Subtract line 5 from line 4						594,061

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	103,217	168,217	215,977	193,493	166,384	847,288
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	961	791	1,976	3,014	5,395	12,137
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						0
11 **Total support** (Add lines 7 through 10)						859,425

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	**14**	69 120 %
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	**15**	70 040 %

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☑

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SALMON CREEK HOSPITAL FOUNDATION

Employer identification number
83-0433165

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	195,066	136,521	58,038		
b Contributions	107,966	90,600	152,877		
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	27,728	32,055	74,394		
f Administrative expenses					
g End of year balance	275,304	195,066	136,521		

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 98 000 %
- b Permanent endowment ▶ 2 000 %
- c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	486,728	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	171,779
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	47,788
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	123,991
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	123,991

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	251,524
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	79,745		
e	Add lines **2a** through **2d**			2e	79,745
3	Subtract line **2e** from line **1**			3	171,779
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	171,779

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	127,533
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	79,745		
e	Add lines **2a** through **2d**			2e	79,745
3	Subtract line **2e** from line **1**			3	47,788
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	47,788

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part XIII, Line 2d	Part XIII, Line 2d Other expenses and losses per audited F/S	MGMT, GENERAL & FUNDRAISING EXPENSES $79745
Part XII, Line 2d	Part XII, Line 2d Other revenue amounts included in F/S but not included on form 990	MGMT, GENERAL & FUNDRAISING EXPENSES $79745
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	Endowment funds are used to improve the healthcare of the community as designated by the donors Legacy follows the guidance in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in determining the net asset classification of all donor-restricted endowment funds In accordance with UPMIFA and board policy, assets classified as permanent endowments in accordance with donor intent are only utilized for current period expenditures to the extent that earnings on the endowment exceed the original fair value of the donation To the extent earnings on endowment funds exceed identified expenditures on which to apply those earnings, the earnings are classified as temporarily restricted net assets Legacy has adopted investment and spending policies for endowment assets to provide a predictable stream of funding to programs supported by its endowment and to maintain the value of the endowment assets Asset allocation is reviewed quarterly with respect to i) Legacy's tolerance for risk based on its financial condition and need for cash from investments to support operations, ii) expected asset class return, risk and correlation characteristics, iii) changes in accounting guidance or tax law and iv) changes in bond covenants or other restrictions Legacy's spending practices are intended to comply with donor's wishes and meet all applicable laws and regulations Spending must be for a purpose that is consistent with the documented intent of the donor, and may not exceed the amounts annually determined by Legacy Factors that are considered in addressing the annual spending allocation are i) market value of the fund relative to the principal of the gift and ii) the level of spending in prior years From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Legacy to retain as a fund of perpetual duration Deficiencies of this nature are reported as a reduction to unrestricted net assets and are excluded from the performance indicator

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SALMON CREEK HOSPITAL FOUNDATION

Employer identification number
83-0433165

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) LEGACY SALMON CREEK HOSPITAL2211 NE 139TH STREET VANCOUVER,WA 98686	33-1065485	501(c)(3)	35,247	0			
(2) LEGACY EMANUEL HOSPITAL & HEALTH CENTER2801 N GANTENBEIN AVE PORTLAND,OR 97227	93-0386823	501(c)(3)	10,541	0			

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Grantmaker's Description of How Grants are Used		THE FOUNDATION ONLY AWARDS GRANTS AND/OR SCHOLARSHIPS AFTER A THOROUGH REVIEW AND DISCUSSION OF THE EXPENDITURES GRANT PROPOSALS ARE SUBMITTED DURING THE ANNUAL GRANT APPLICATION PROCESS ALL GRANT PROPOSALS ARE INITIALLY REVIEWED BY LEGACY HEALTH'S EXECUTIVE COUNCIL TO DETERMINE THEIR APPLICABILITY TO LEGACY'S GOALS AND STRATEGIC PLAN GRANT PROPOSALS ARE THEN REVIEWED BY THE FOUNDATION'S OWN GRANT COMMITTEE ONCE A GRANT IS APPROVED BY THE FOUNDATION, MONIES ARE NOT TRANSFERRED UNTIL PROOF OF THE EXPENDITURE IS PROVIDED TO THE GRANT STEWARDSHIP ARM OF THE FOUNDATION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SALMON CREEK HOSPITAL FOUNDATION

Employer identification number
83-0433165

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**	Yes	
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**	Yes	
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) PATRICIA M GIANELLI	(i) (ii)	191,894	6,301	7,409	27,238	25,830	258,672	12,688
(2) MAUREEN A BRADLEY	(i) (ii)	231,005	16,597	2,991	17,226	17,920	285,739	
(3) JONATHAN E AVERY	(i) (ii)	302,880	22,343	62,682	56,281	26,602	470,788	41,462
(4) H ALEX KROB	(i) (ii)	223,346	29,932	13,294		19,331	285,903	
(5) ANNE T GREER	(i) (ii)	131,928	200	-3,342	15,074	18,076	161,936	

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
Sch J, Part III, Additional Information	Part III, Additional Information	SCHEDULE J REPORTING OF TRUSTEE AND OFFICERS ON LEGACY AFFILIATE RETURNS The Foundation Ex-Officio Trustees and Officers who are also Legacy employees have their compensation paid from Legacy Health and Legacy Salmon Creek Hospital The compensation is reported for informational purposes on the Foundation return
Sch J, Part I, Line 6b	Part I, Line 6b Explanation of organization compensation contingent on net earnings from related or	Legacy has an at-risk incentive compensation plan for management The plan is based on meeting goals related to employee engagement, work processes, customer service, clinical quality, financial management, and certain key strategic tactics In order to payout any at-risk incentive compensation, Legacy must exceed operating margin targets
Sch J, Part I, Line 5b	Part I, Line 5b Explanation of organization compensation based on revenues of related organization	Physicians employed by Legacy related entities are paid a bonus contingent upon their revenue generated during the year measured by industry standard relative value units (RVU)

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SALMON CREEK HOSPITAL FOUNDATION

Employer identification number
83-0433165

Identifier	Return Reference	Explanation
	Form 990, Schedule D	Legacy Health (Legacy), EIN 23-7426300, the parent organization for all Legacy Affiliates, pays for all management, general and fundraising expenses of its affiliated foundations This includes salaries, payments to external contractors, supplies, office equipment, and other administrative expenses The expenses paid by Legacy are donated to the Foundations as institutional support This institutional support is included as both revenue and expense on the Foundation's internal financial statements but is not included for Form 990 reporting purposes Because of this arrangement, there are no management and fundraising expenses, number of employees, employee compensation, or payment to independent contractors reflected on the Foundation's return The only expenditures, other than grants, are certain special event expenses which are not donated by Legacy but are paid directly by the Foundation and reported on Form 990, part VIII, line 8B The amount donated by Legacy to Salmon Creek Hospital Foundation for the year ended 3/31/12 to cover management, general and fundraising expenses was $79,745

Identifier	Return Reference	Explanation
	Form 990, Part X	Salmon Creek Hospital Foundation (SCHF) participates in the Legacy investment pooled funds which include professionally managed equity and fixed income securities in both separately managed portfolios and commingled investment accounts Investment returns are prorated according to each affiliate's share of the pool

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Legacy Health's audited and interim consolidated financial statements are publicly available on the Electronic Municipal Market Access(EMMA) (www emma msrb org) and DAC Bond (www dacbond com) websites Legacy's audited consolidated financial statements include consolidating schedules which highlights the Legacy Foundations's financial results When changes are made to the SCHF Articles or Bylaws, SCHF discloses and attaches copies to the IRS Form 990, which are publicly available by request or on various public websites such as Guidestar(www guidestar org) Other governing documents are not available to the public

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	The following describes the compensation practices of Legacy and its affiliates Executive compensation for Legacy is designed to recruit, retain and motivate qualified senior management personnel The comprehensive compensation plan is designed for positions that have a significant impact on the high-level strategic and policy direction of Legacy and its affiliates Base pay and total compensation (including incentive compensation) for similar positions is established at a level comparable to market compensation for healthcare organizations External consultants are regularly used to review published compensation surveys of comparable organizations and comparable benchmark positions in the market The Compensation Committee of the Board of Directors, none of whom is a Legacy employee, reviews the compensation for key executive positions The Committee oversees the system's governance procedures with respect to the evaluation of reasonableness of compensation The Committee reports to the Board in sufficient detail to enable the entire Board to take such actions as are required to obtain the rebuttable presumption of reasonableness The Compensation Committee also reviews tax-reporting disclosures

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	The following is a summary of Legacy's policy and procedures for conflict of interest disclosure, monitoring and resolution All Legacy employees and non-employees in leadership positions (e g , Board members, Foundation Trustees, Medical Directors) are required to disclose potential conflicts of interest as the conflict arises All employees attest to proper conflict of interest disclosure during their annual review Certain groups have annual formal disclosure requirements, Executives and non-employees in leadership positions complete the Conflict Disclosure Statement from the Standards of Conduct policy annually Officers, Directors, Trustees, Key and Highly Compensated employees are also required to complete a questionnaire covering business relationships, business transactions with interested parties, loans and grants Conflict Disclosure Statements and questionnaires are returned to Legacy Management Audit for review of the disclosures If a conflict is disclosed, or identified through any other means, Management Audit ensures that management mitigates the risk (e g , discontinues relationship with vendor, segregates responsibilities, recuses Board member from voting in area of conflict) and that the conflict and mitigation steps are reported to the appropriate level (e g , Compliance Committee, Audit Committee of the Board)

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11	Form 990, Part VI, Line 11 Form 990 Review Process	The Foundation Finance Committee reviewed a copy of the 990 with Management prior to the filing of the return All Trustees received a copy of the 990 prior to filing

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b	Form 990, Part VI, Line 7b Describe Decisions of Governing Body Approval by Members or Shareholders	The LSCH Board of Directors may by resolution approve or disapprove decisions of the governing board

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	The Legacy Salmon Creek Hospital (LSCH) Board of Directors approves trustees appointed to the Foundation Board

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 6	Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	Legacy Salmon Creek Hospital is the sole member of Salmon Creek Hospital Foundation

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 4	Form 990, Part VI, Line 4 Description of Significant Changes to Organizational Documents	The Salmon Creek Hospital Foundation amended and restated its bylaws to reflect a structure and governance policies consistent with those of Legacy Health and to have better community representation on its board

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 3	Form 990, Part VI, Line 3 Description of Delegated Duties to Management Company	Legacy Health (Legacy) provides management services for all of its affiliated companies which includes, accounting, purchasing, contracting, legal, human resources, information technology, billing, facilities, budgeting, transcription, security, public relations, strategic planning, organization development

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SALMON CREEK HOSPITAL FOUNDATION

Employer identification number
83-0433165

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h	Yes	
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	Yes	
n Sharing of paid employees with related organization(s)	1n	Yes	
o Reimbursement paid to related organization(s) for expenses	1o	Yes	
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q	Yes	
r Other transfer of cash or property from related organization(s)	1r	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID: 11000144
Software Version: 2011v1.5
EIN: 83-0433165
Name: SALMON CREEK HOSPITAL FOUNDATION

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
LEGACY ADVENTIST VENTURE 1919 NW LOVEJOY ST PORTLAND, OR 97209 93-1121816	HEALTHCARE	OR	501(C)(3)	9	N/A		No
MT HOOD MEDICAL CENTER FOUNDATION PO BOX 4484 PORTLAND, OR 97208 93-0794951	CHARITABLE FOUNDATION	OR	501(C)(3)	11a	N/A		No
MERIDIAN PARK MEDICAL FOUNDATION PO BOX 4484 PORTLAND, OR 97208 93-0773410	CHARITABLE FOUNDATION	OR	501(C)(3)	11a	N/A		No
GOOD SAMARITAN FOUNDATION PO BOX 4484 PORTLAND, OR 97208 23-7017276	CHARITABLE FOUNDATION	OR	501(C)(3)	11a	N/A		No
EMANUEL MEDICAL CENTER FOUNDATION PO BOX 4484 PORTLAND, OR 97208 93-0695667	CHARITABLE FOUNDATION	OR	501(C)(3)	7	N/A		No
THE CHILDRENS HOSPITAL FOUNDATION PO BOX 4484 PORTLAND, OR 97208 93-1314469	CHARITABLE FOUNDATION	OR	501(C)(3)	7	N/A		No
LEGACY VISITING NURSE ASSOCIATION 815 NE DAVIS ST PORTLAND, OR 97210 93-0848530	HOSPICE	OR	501(C)(3)	9	N/A		No
LEGACY MOUNT HOOD MEDICAL CENTER 24800 SE STARK ST GRESHAM, OR 97030 93-0591528	HOSPITAL	OR	501(C)(3)	3	N/A		No
LEGACY MERIDIAN PARK HOSPITAL 19300 SW 65TH AVE TUALATIN, OR 97062 93-0618975	HOSPITAL	OR	501(C)(3)	3	N/A		No
LEGACY GOOD SAMARITAN HOSPITAL & MEDICAL 1015 NW 22ND AVE PORTLAND, OR 97210 93-0386793	HOSPITAL	OR	501(C)(3)	3	N/A		No
LEGACY EMANUEL HOSPITAL & HEALTH CENTER 2801 N GANTENBEIN AVE PORTLAND, OR 97227 93-0386823	HOSPITAL	OR	501(C)(3)	3	N/A		No
LEGACY SALMON CREEK HOSPITAL 2211 NE 139TH ST VANCOUVER, WA 98686 33-1065485	HOSPITAL	WA	501(C)(3)	3	N/A		No
LEGACY HEALTH 1919 NW LOVEJOY ST PORTLAND, OR 97209 23-7426300	HEALTHCARE	OR	501(C)(3)	11b	N/A		No

AMENDED AND RESTATED BYLAWS

OF

SALMON CREEK HOSPITAL FOUNDATION

Adopted October 6, 2005

Amended October 5, 2006

Amended July 18, 2007

Amended and Restated January 8, 2009

Amended and Restated June 3, 2010

Amended and Restated May 18, 2011

AMENDED AND RESTATED BYLAWS
OF
SALMON CREEK HOSPITAL FOUNDATION

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AMENDED AND RESTATED BYLAWS
OF
SALMON CREEK HOSPITAL FOUNDATION

ARTICLE 1

PURPOSE

Section 1.1 PURPOSE OF SALMON CREEK HOSPITAL FOUNDATION

The purpose of Salmon Creek Hospital Foundation (hereinafter the "Foundation") is to operate exclusively for charitable, scientific or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, acting as a supporting organization of Legacy Salmon Creek Hospital within the meaning of Section 509(a)(3) of the Internal Revenue Code of 1986, and raising funds to be distributed to or for the benefit of Legacy Salmon Creek Hospital so that Legacy Salmon Creek Hospital may achieve its tax-exempt purposes.

Section 1.2 MISSION OF SALMON CREEK HOSPITAL FOUNDATION

Salmon Creek Hospital Foundation provides support for the vision and mission of Legacy Salmon Creek Hospital by raising funds and promoting visibility in the Vancouver community and throughout Southwest Washington.

Section 1.3 VISION OF LEGACY SALMON CREEK HOSPITAL

Legacy Salmon Creek Hospital will be the preferred provider of health care services in the communities we serve. It will contribute to the promotion of health in our community by providing a full range of services to meet our customers' needs for healthcare. As a community institution and employer it will actively participate in community partnerships to promote the welfare of its citizens and the growth of its community. As an operating unit of Legacy Health it will promote and participate in opportunities for integration between physicians, health plans, hospitals, and outpatient services to provide access and an appropriate level of quality service to its customers at affordable and competitive prices.

Section 1.4 MISSION OF LEGACY SALMON CREEK HOSPITAL

Legacy Salmon Creek Hospital is committed to improving the health of its community. Its purpose is to provide and manage comprehensive, accessible, integrated healthcare services. We dedicate ourselves to creating a culture in which each individual actively applies the values of quality, community, caring and belonging within our organization and to those we serve.

Section 1.5 PURPOSE OF LEGACY SALMON CREEK HOSPITAL AND LEGACY HEALTH

Legacy Salmon Creek Hospital is a part of Legacy Health. The mission of Legacy Salmon Creek Hospital is consistent with the foundation, mission and vision of Legacy Health which are as follows:

(a) Foundation

Legacy Health is a unique healthcare system founded on the tradition and values of community healthcare organizations, the healing ministries of the Lutheran and Episcopal churches, and community physicians. This partnership of healthcare providers is dedicated to caring, compassion and excellence. The individual strengths and traditions that each bring enable us, as a system, to be of greater benefit to the communities we serve in our common mission.

(b) Mission

Legacy's Mission is good health for our people, our patients, our communities and our world.

(c) Vision

Legacy's Vision is to be essential to the health of our region.

ARTICLE 2

MEMBER

Section 2.1 SOLE MEMBER

The sole member of the Foundation shall be Legacy Salmon Creek Hospital, a Washington nonprofit corporation (the "Member").

Section 2.2 ACTIONS BY MEMBER; PLAN AND BUDGET RESPONSIBILITY

(a) Unless a greater number is required by its articles of incorporation, by its bylaws or by law, the Member may act (in its capacity as member of Foundation) by action of its Executive Committee, by a majority vote of its Board of Directors at a meeting at which a quorum is present, by consent without a meeting, or otherwise as the Board of Directors may, by resolution, direct.

(b) Plans and budgets of the Foundation shall be prepared by the management and staff of the Foundation and, prior to implementation, may be reviewed by the Member.

Section 2.3 MEETINGS

An annual meeting of the Member shall be held each year at such time and date as the Board of Directors of Legacy Salmon Creek Hospital shall determine. Special meetings of the Member may be called at any time by the Board of Trustees of Foundation, or by the President or the Chair of the Board of Directors of the Member.

Section 2.4 NOTICE OF MEETINGS

Written or printed notice stating the place, day and hour of the meeting shall be delivered to the Member not less than 10 nor more than 50 days prior to the date of a meeting of the Member. Notice shall be given either personally or by mail, by or at the direction of the Chair or the Secretary of the Foundation. In the case of a special meeting, the notice shall state the purpose or purposes for which the meeting is called.

Section 2.5 PLACE OF MEETINGS

Membership meetings may be held either within or without the State of Washington at such place or places as shall be designated by the Member.

ARTICLE 3

Board of Trustees

Section 3.1 GOVERNANCE

The affairs of Foundation shall be governed by a Board of Trustees, and each member thereof individually shall be known as a Trustee.

Section 3.2 NUMBER

The Board of Trustees shall consist of not less than three (3) nor more than twenty-five (25) voting Trustees. The exact number of Trustees shall be fixed by the Member, Legacy Salmon Creek Hospital. In addition, there may be a number of non-voting Trustees as provided for herein.

Section 3.3 SELECTION, TERM AND REMOVAL

(a) The Board of Trustees of the Foundation shall nominate and elect Trustees to serve for a term of three years (or in the case of a vacancy to serve the remainder of the term). No such election shall be effective unless such election is approved by the Member. Trustees elected after January 1, 2011 shall be limited to two three-year terms. Trustees completing two (2) full terms may be elected for up to two (2) subsequent terms after not serving as a Trustee for a period of at least one (1) year. Trustees completing their service may request status as honorary emeritus trustees. The rights and obligations of honorary emeritus trustees shall be established by the Board of Trustees. In the event of a vacancy on the Board of Trustees and the Board of Trustees has failed to nominate and elect a Trustee at a meeting called for that purpose or upon the failure to call an annual meeting, then the Member may proceed to elect such a replacement Trustee.

(b) The Executive Director of the Foundation, Legacy's Chief Development Officer, the Administrative Officer of Legacy Salmon Creek Hospital, and the President of the Legacy Salmon Creek Hospital Auxiliary or designee shall serve as *ex officio* Trustees with full right to vote.

(c) A Trustee of the Foundation may be removed from office by the Member at any time, with or without cause.

Section 3.4 VACANCIES

A vacancy on the Board of Trustees shall exist upon the death or resignation of a Trustee, upon removal of any Trustee by the Member, or upon the creation of an additional trustee position. Upon recommendation of the Board of Trustees, the Member may fill a vacancy on the Board of Trustees in the manner and for the term provided herein for the election of Trustees.

Section 3.5 ANNUAL MEETINGS

An annual meeting of the Board of Trustees shall be held each year. At the annual meeting, the Board of Trustees shall elect officers and the Chair. Notice of annual meetings shall be given not less than seven (7) and not more than fifty (50) days before the date of the meeting. Such notice may be given in any reasonable manner.

Section 3.6 REGULAR MEETINGS

Regular meetings of the Board of Trustees shall be held at such times as the Board of Trustees may determine by resolution. The Secretary shall mail or otherwise deliver a copy of such resolution to any Trustee who was not present when it was adopted, but no further notice of such regular meetings need be given.

Section 3.7 SPECIAL MEETINGS

Special meetings of the Board of Trustees may be called by the Executive Director, the Chair, or upon written request by at least twenty percent (20%) of the Trustees in office setting forth the business they wish to have conducted at the special meeting. Notice of special meetings shall be given at least twenty-four (24) hours before the meeting if called by the Executive Director or Chair and at least seventy-two (72) hours before the meeting if called by the Trustees. Such notice may be given in any reasonable manner.

Section 3.8 PLACE OF MEETINGS; OTHER MEANS OF COMMUNICATION

All meetings of the Board of Trustees shall be held at such place as is designated in the notice of meeting. Any or all Trustees may participate in a regular or special meeting by, or conduct the meeting through, the use of any means of communication by which all Trustees participating in the meeting may simultaneously hear each other during the meeting. A Trustee participating in a meeting by such means shall be deemed present in person at the meeting.

Section 3.9 QUORUM

One-third (1/3) of the Trustees in office shall constitute a quorum for the transaction of business. A minority of the Trustees in the absence of a quorum may adjourn the meeting but may not transact any business.

Section 3.10 ACTION

The act of a majority of the Trustees present at a meeting where there is a quorum shall be the act of the Board of Trustees, unless otherwise provided in the Articles of Incorporation, these Bylaws, or by law. Except as specifically provided to the contrary in the Articles of Incorporation or these Bylaws, all Trustees and committee members, including without limitation *ex officio* Trustees and committee members, shall have voting rights in their capacity as members of the Board of Trustees and committees on which they serve.

Section 3.11 CONFLICTS OF INTEREST

(a) A conflict of interest transaction is a transaction with the Foundation in which a Trustee has a direct or indirect interest. A conflict of interest transaction is not voidable by Foundation solely because of the Trustee's interest in the transaction if the transaction was (1) fair to Foundation, and (2) authorized, approved or ratified by the vote of the Board of Trustees, or of a committee having and exercising the authority of the Board of Trustees over such transaction, after disclosure to the Board of Trustees or the committee of the material facts of the transaction and the Trustee's interest.

(b) For the purposes of this section, a Trustee has an indirect interest in a transaction if (1) another entity in which the Trustee has a material interest or in which the Trustee is a general partner is a party to the transaction, or (2) the Trustee is a director, officer, or trustee of another entity which is not described in the last sentence of this paragraph and is a party to the transaction, and the transaction is or should be considered by the Board of Trustees. A Trustee does not have a direct or indirect interest in a transaction solely by serving as the director, officer, or trustee of the Member, of Legacy Health, or of an entity which substantially controls, is under substantially common control with, is wholly owned by or is substantially controlled by the Foundation, the Member, or Legacy Health.

(c) For purposes of this section, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Trustees on the Board of Trustees, or on the committee, who have no direct or indirect interest in the transaction. A transaction may not be authorized, approved, or ratified under this section by a single Trustee. Notwithstanding any provision of these Bylaws to the contrary, if a majority of the Trustees who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a Trustee with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise authorized, approved or ratified as provided in this section.

ARTICLE 4

Officers

Section 4.1 DESIGNATION AND QUALIFICATION

The officers of the Foundation shall be a Chair, a Vice Chair, an Executive Director, a Secretary, and a Treasurer. Only Trustees shall be eligible to serve as the Chair and Vice Chair. Trustees serving as officers shall retain their right to vote as Trustees on matters presented to the Board of Trustees. The Chair may from time to time elect to be referred to as the "Chairman," "Chairwoman," or "Chairperson," and the Vice Chair may make a similar election.

Section 4.2 ELECTION AND VACANCY

(a) The officers, except the Executive Director, shall be elected by the Board of Trustees. No such election shall be effective unless approved by the Member.

(b) A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Trustees, at any meeting, for the unexpired portion of the term in the manner prescribed in these Bylaws for regular elections to such office.

Section 4.3 TERM

Each officer except the Executive Director shall hold office for a term of one year commencing immediately following the annual meeting of the Board of Trustees in the year of election, and until his or her successor is elected.

Section 4.4 RESIGNATION AND REMOVAL

An officer except the Executive Director may be removed, either with or without cause, by the Board of Trustees; provided, however that the removal shall not prejudice any rights otherwise accorded to the officer under the provisions of an employment contract between the Foundation and the officer. The removal of any officer shall be subject to the written approval of the President of the Member. Subject to the provisions of any employment contract, an officer may resign at any time by giving written notice to the Board of Trustees, the Chair or the Secretary.

Section 4.5 CHAIR

(a) The Chair shall preside at all meetings of the Board of Trustees. The Chair shall have such other powers and perform such other duties as the Board of Trustees or these Bylaws may prescribe.

(b) Unless otherwise provided in these Bylaws, the Chair shall serve *ex officio* on all Board and Management Committees and shall be counted for purposes of a quorum and, except as may be limited by the Board of Trustees, shall have the right to vote.

Section 4.6 VICE CHAIR

In the absence of the Chair, the Vice Chair shall perform the duties of the Chair. The Vice Chair shall have such other powers and perform such other duties as the Board of Trustees or these Bylaws may prescribe.

Section 4.7 SECRETARY

The Secretary shall cause minutes to be kept of all meetings of the Board of Trustees. The Secretary shall cause appropriate notices to be given in accordance with these Bylaws, shall perform the customary duties pertaining to the office of Secretary, and shall perform such other duties as the Board of Trustees or these Bylaws may prescribe.

Section 4.8 TREASURER

The Treasurer shall be responsible for the financial affairs of the Foundation. The Treasurer shall perform the customary duties pertaining to the office of Treasurer, and shall perform such other duties as the Board of Trustees or these Bylaws may prescribe. Notwithstanding any provision of these Bylaws to the contrary, if the Foundation has a Chief Financial Officer, the Board of Trustees may elect that the Foundation shall have no Treasurer, in which event all responsibilities of the office of Treasurer shall be performed by the Chief Financial Officer.

Section 4.9 ASSISTANTS

The Board of Trustees may appoint or authorize the appointment of assistants to the Secretary or Treasurer or both. Such assistants may exercise the power of the Secretary or Treasurer, as the case may be, and shall perform such duties as the Board of Trustees may prescribe. Such assistants shall not be Trustees, and shall have no right to vote.

Section 4.10 EXECUTIVE DIRECTOR

(a) The President of the Member shall appoint an Executive Director. Such person may be removed by the President of the Member from serving as Foundation Executive Director without further action by the Foundation Board of Trustees. The Executive Director shall be the Chief Executive Officer of the Foundation and shall perform the customary duties of a President and chief executive officer. In serving the Foundation, the Executive Director shall develop and maintain for the approval of the Board of Trustees plans of operation and short-term and long-term objectives on all developments relating to the Foundation's operations, and shall attend generally to the business and affairs of the Foundation. The Executive Director shall serve at the pleasure of the President of the Member and may be an employee of the Member or Legacy Health. He or she shall report to the President of the Member or his or her designee. The President of the Member shall consult with the Board of Trustees, the Executive Committee or the Chair with respect to decisions made to hire, evaluate or terminate the services of the Executive Director.

(b) The Executive Director, subject to the authority and policies of the President of the Member and the Board of Trustees, shall have responsibility for the overall management of Foundation. The Executive Director shall provide administrative liaison between Legacy Salmon Creek Hospital and the Board of Trustees of Foundation. The Executive Director shall cause reports on the activities of the Foundation to be submitted to the President of the Member.

(c) Unless otherwise provided in these Bylaws, the Executive Director shall serve *ex officio* on all Board and Management Committees, with full right to vote.

Section 4.11 OTHER ADMINISTRATIVE OFFICERS

With the prior approval of the President of the Member, the Executive Director may appoint such additional administrative officers with such titles and responsibilities as may be appropriate.

ARTICLE 5

Committees

Section 5.1 BOARD COMMITTEES

The Board of Trustees may, by resolution adopted by a majority of Trustees in office, designate Board Committees, each of which shall consist of two or more Trustees. To the extent permitted by law, these Bylaws and provided in resolution, Board Committees shall have and exercise the authority of the Board of Trustees in the management of the Foundation. Unless otherwise provided in these Bylaws, the Board of Trustees shall appoint the chair and all members of Board Committees. Each committee member shall hold office at the pleasure of the Board of Trustees.

Section 5.2 NOMINATING COMMITTEE

(a) The Nominating Committee shall consist of no more than five (5) Trustees, one of whom shall be the Foundation Board Chair. The Committee shall have no more than two (2) other officers of the Foundation Board as members.

(b) The Board Chair shall appoint the members of the Nominating Committee, subject to the approval of the Board of Trustees.

(c) The Nominating Committee will annually review overall Board membership, Board Officers, committee structure and chairs, and actively recruit new members to the Board of Trustees. When potential new Trustee candidates are identified, the Committee will evaluate those candidates to ensure that their skills and experience

complement those of existing Trustees and meet the needs of the Board for geographical representation, specific areas of expertise or influence, community leadership, commitment to fundraising, and diversity. The Committee will present a slate of officers for election at the annual meeting of the Trustees. Whenever possible, the Committee will nominate a sufficient number of new Trustees to ensure that the number of elected Trustees approximates the number identified in Section 3.2 of these Bylaws.

Section 5.3 EXECUTIVE COMMITTEE

Between meetings of the Board of Trustees, the Executive Committee shall have and exercise all the authority of the Board of Trustees except as prohibited by law. The Executive Committee shall review and evaluate annually the Articles of Incorporation and Bylaws of the Foundation and, as needed, make recommendations for amendment to the Board of Trustees. The Executive Committee shall consist of the officers (except the assistant officers), the chairs of the standing committees, and such other members as the Board of Trustees may designate.

Section 5.4 DEVELOPMENT COMMITTEE

The Development Committee will develop and implement a comprehensive fund raising plan to focus on short-term, intermediate and long-term fund raising projects and develop and implement strategies and tactics that are in alignment with the capital and programmatic needs of Legacy Salmon Creek Hospital. The Development Committee shall consist of not more than six (6) Trustees. The Board Chair shall appoint the Chair and all members of the Committee. The Committee Chair may appoint individuals who are not Trustees to serve on the Committee, subject to ratification by the Board of Trustees.

Section 5.5 INVESTMENT COMMITTEE

The Investment Committee will oversee the grant allocation process of the Foundation, and oversee the stewardship of the Foundation's financial assets. The Investment Committee shall consist of no more than six (6) Trustees. The Board Chair shall appoint the Chair and all members of the Committee. The Committee Chair may appoint individuals who are not Trustees to serve on the Committee, subject to ratification by the Board of Trustees.

Section 5.6 QUORUM

One-third (1/3) of the voting members of any committee shall constitute a quorum for the conduct of business. Nonvoting members of a committee shall not be counted toward a quorum.

Section 5.7 MEETINGS

(a) Meetings of committees shall be called by the Chair, the chair of the committee, or a majority of the committee's voting members. Each committee shall meet as often as necessary to perform its duties.

(b) Board committees may provide by resolution for the place, time and hour of regular meetings. Such resolution may provide that its adoption shall constitute notice of such meetings. If no such provision is made, notice of regular meetings shall be given in writing at least seven (7) days prior to the date of the meeting. Special meetings may be held on notice of twenty-four (24) hours given in a reasonable manner.

Section 5.8 MINUTES

Each committee shall keep written minutes of its meetings which shall be transmitted to the Board of Trustees.

Section 5.9 TENURE, REMOVAL AND VACANCIES

(a) Unless otherwise provided in these Bylaws, the chair and members of each committee shall hold their positions until their successors are appointed, unless they shall sooner resign, be removed from the committee, or cease to hold the position which is the basis for their appointment.

(b) The Board of Trustees may remove any appointed member of any Board committee. Removal from a committee assignment shall not, in and of itself, constitute a removal of that person from his or her position as a Trustee. Any person who is a member of a committee because he or she holds a designated position shall cease to be a member of the committee when he or she ceases to hold such position.

(c) Vacancies in any committee may at any time be filled for the unexpired portion of the term in the manner provided in these Bylaws for regular appointment to such position.

ARTICLE 6

Records and Execution of Documents

Section 6.1 RECORDS

The Foundation shall maintain adequate and correct books, records and accounts of its business and properties. All of such books, records and accounts shall be kept at its place of business.

Section 6.2 INSPECTION

All books, records and accounts of the Foundation, and the original or a certified copy of the Articles of Incorporation, the Bylaws and any amendments thereto, shall be open to inspection by the Member and the Trustees in the manner and to the extent required by law.

Section 6.3 SIGNATURE AUTHORITY

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to Foundation shall be signed or endorsed by such person or persons and in such manner as shall be determined by policies of the Member and Legacy Health.

Section 6.4 ANNUAL AUDIT

An annual audit or review shall be made of the books and accounts of Foundation by auditors designated by the Member.

Section 6.5 FISCAL YEAR

The fiscal year of Foundation shall be the annual period ending March 31.

Section 6.6 EXECUTION OF DOCUMENTS

Except as otherwise provided in these Bylaws, an officer or agent may enter into any contract or execute any instrument in the name of and on behalf of Foundation if so authorized by policies of the Member. Such authority may be general or confined to specific instances.

ARTICLE 7

Indemnification

Section 7.1 RIGHT TO INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, trustee, officer, employee or agent of Salmon Creek Hospital Foundation or, while a director, trustee, officer, employee or agent, he or she is or was serving at the request of Salmon Creek Hospital Foundation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of

such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by Salmon Creek Hospital Foundation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 7.2 of this Article with respect to proceedings seeking solely to enforce rights to indemnification, Salmon Creek Hospital Foundation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of trustees of Salmon Creek Hospital Foundation. The right to indemnification conferred in this Section 7.1 shall be a contract right and shall include the right to be paid by Salmon Creek Hospital Foundation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to Salmon Creek Hospital Foundation of an undertaking, by or on behalf of such director, trustee, officer, employee or agent, to repay all amounts so advanced if it shall ultimately be determined that such director, trustee, officer, employee or agent is not entitled to be indemnified under this Section 7.1 or otherwise.

Section 7.2 RIGHT OF CLAIMANT TO BRING SUIT

If a claim for which indemnification is required under Section 7.1 of this Article is not paid in full by Salmon Creek Hospital Foundation within sixty (60) days after a written claim has been received by Salmon Creek Hospital Foundation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against Salmon Creek Hospital Foundation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to Legacy Salmon Creek Hospital), and thereafter Salmon Creek Hospital Foundation shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of Salmon Creek Hospital Foundation (including its board of trustees or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by Salmon Creek Hospital Foundation (including its board of trustees or independent legal counsel) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to

the action or create a presumption that the claimant is not so entitled.

Section 7.3 NONEXCLUSIVITY OF RIGHTS

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, or vote of disinterested trustees or otherwise.

Section 7.4 INSURANCE, CONTRACTS AND FUNDING

Salmon Creek Hospital Foundation may maintain insurance at its expense, to protect itself and any director, trustee, officer, employee or agent of Salmon Creek Hospital Foundation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not Salmon Creek Hospital Foundation would have the power to indemnify such person against such expense, liability or loss under RCW 24.03.043 of the Washington Nonprofit Corporation Act and RCW 23B.08.510 of the Washington Business Corporation Act, or any successor provisions. Salmon Creek Hospital Foundation may enter into contracts with any trustee or officer of Salmon Creek Hospital Foundation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

ARTICLE 8

Amendments

These Bylaws may be amended or repealed or new Bylaws adopted upon a vote of the Board of Trustees and approval by the Member. Proposals for amendments to the Bylaws may be made by the Board of Trustees, the Executive Committee or the Member.

ARTICLE 9

General Provisions

Section 9.1 ACTION WITHOUT A MEETING

Any action required or permitted to be taken at any meeting of the Board of Trustees or any committee may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all persons entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote.

Section 9.2 WAIVER OF NOTICE

A waiver of notice of any meeting of the Member, Board of Trustees or committee which is in writing and signed at any time by the person entitled to notice shall be equivalent to the giving of required notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Notice of the time and place of holding an adjourned meeting need not be given if such time and place is fixed at the meeting adjourned.

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that s(he) is the duly elected and acting Secretary of Salmon Creek Hospital Foundation. The within and foregoing Bylaws consisting of 15 pages were adopted by the Board of Trustees through a unanimous written consent resolution of the Trustees on October 6, 2005 and amended on October 5, 2006, July 18, 2007 and were amended and restated on January 8, 2009, June 3, 2010 and May 18, 2011. These Bylaws were adopted by the vote of a majority of the number of Trustees in office which vote was taken at a meeting of the Board of Trustees of Salmon Creek Hospital Foundation on May 18, 2011 at which a quorum was present and acting throughout, and were approved by the Sole Member, Legacy Salmon Creek Hospital, on July 21, 2011.

Certified this 18th day of May, 2011.

SALMON CREEK HOSPITAL FOUNDATION

By: _____

Title: Secretary

Additional Data

Software ID: 11000144
Software Version: 2011v1.5
EIN: 83-0433165
Name: SALMON CREEK HOSPITAL FOUNDATION

Form 990, Special Condition Description:

Special Condition Description