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October 9, 2017

John M. Steel  
DLA Piper LLP  
701 Fifth Avenue, Suite 7000  
Seattle, WA 98104-7044

Re: Delay of Annual Member Meeting

Dear Mr. Steel:

I am writing on behalf of Dr. Bernard J. Larson in response to the Washington Dental Service's ("WDS") announcement that its Board of Directors has chosen not to hold an annual member meeting on the second Friday in November, which is required by the WDS Bylaws. The decision to delay the annual member meeting denies Dr. Larson and other members of WDS the right to participate in the governance of WDS and is a violation of their rights as members. Dr. Larson respectfully requests that the Board reverse its decision and schedule an annual member meeting to be held on Friday, November 10, 2017.

Section 24.03.075 of the Revised Code of Washington provides that an annual meeting of a nonprofit corporation's members "**must** be held at the time stated in or fixed in accordance with the bylaws." Pursuant to the WDS Bylaws, an annual member meeting "**shall be held** on the second Friday in November." The only reason that the Board has given for its decision to delay the annual member meeting is because of "uncertainty" regarding bylaw changes that the members adopted at the special member meetings on September 6, 2017. As a preliminary matter, the assertion that any uncertainty exists must be rejected. The amendments affecting the annual meeting were legitimately adopted by WDS's members, and there can be no principled objection to the process that the members used to do so. The Independent Directors' purported veto of the amendments was wholly unauthorized and ineffectual and can have no impact on the organization's operations going forward.

The Bylaws do not authorize the Board to delay the annual member meeting for its convenience, and even if any uncertainty existed, it cannot be sufficient reason for the Board to delay the annual member meeting. The Board is empowered to delay a meeting only if it finds "for good cause" that "the meeting **cannot be held** on the second Friday in November." If the Board makes this determination, then the meeting must be held "as soon thereafter as

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practicable.” This language is clearly intended to give the organization some flexibility in the event that external forces prevent the meeting from happening. It cannot fairly be said that the meeting “cannot be held” simply because of purported uncertainty regarding the matters that the members should consider at the meeting. The WDS Board’s uncertainty would not prevent the organization’s members from traveling to a designated location, convening, and exercising their rights as members. The clearing up of this purported uncertainty would make holding the meeting no more “practicable” than it was while the uncertainty existed. It is entirely possible for the members to meet on the second Friday in November, and the Board should act to facilitate that meeting.

The Board’s decision to delay the member meeting is unsupportable under the Washington statutes or the WDS Bylaws. Failing to hold the meeting will serve only to deny Dr. Larson and the organization’s other members their statutory and common-law right to participate in the governance of WDS. We respectfully request that the WDS Board of Directors reverse its decision and convene the annual member meeting on Friday, November 10, 2017.

Very Truly Yours,

HALL, RENDER, KILLIAN, HEATH & LYMAN, P.C.

A handwritten signature in black ink, appearing to read "E. Studebaker", with a long horizontal flourish extending to the right.

EMILY R. STUDEBAKER