

Adopted: September 28, 2006

Revised: December 21, 2006

May 31, 2007

**AMENDED AND RESTATED  
BY-LAWS OF  
ALLIANCE HEALTH SERVICES**

**ARTICLE I**

**NAME, OFFICES AND PURPOSE**

**Section 1. Name.** The name of the corporation whose By-Laws are set forth hereinafter is Alliance Health Services (the "Corporation").

**Section 2. Principal Office.** The principal office of the Corporation shall be located on the premises of 100 McGregor Street, Manchester, New Hampshire 03102, or such other place as may be determined from time to time by the Board of Directors.

**Section 3. Purpose.** The purposes for which this Corporation is established are:

- (a) To facilitate health care programs to further (i) the quality and accessibility of health care services, particularly in the Greater Manchester community, and throughout the State of New Hampshire; (ii) the efficiency of utilization of health care facilities and services, particularly in the Greater Manchester community and throughout the State of New Hampshire; and (iii) the reasonable containment of the cost of health care to the public.
- (b) To promote and generate health care for a broad cross section of the Greater Manchester, New Hampshire community in general and to own interests in entities which accomplish such purposes.
- (c) To facilitate and promote the functions of, help carry out the purposes of, and uphold the activities of health care and community service facilities with regard to programs for the effective delivery of a continuum of health care services to persons other than hospital inpatients and to own interests in entities which accomplish such purposes.
- (d) To receive and accept public and private gifts, grants, loans and other funds in furtherance of the purposes of the Corporation, and generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of New Hampshire to promote and attain the foregoing purposes.

(e) The Corporation shall at all times be organized and operated exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or of any corresponding provision of subsequent Federal law.

(f) The Corporation, as an agency of the Roman Catholic Church, shall comply and act within the scope and in a manner consistent with the *Ethical and Religious Directives for Catholic Health Care Services*, which is promulgated and revised from time to time by the National Conference of Catholic Bishops, and interpreted by the Roman Catholic Bishop of Manchester (the "Bishop").

(g) To engage, subject to the provisions of Article VIII of the Articles of Agreement in any lawful act or activity for which a corporation may be organized under RSA Chapter 292.

## ARTICLE II

### MEMBER

**Section 1. Member.** The sole Member of the Corporation shall be ~~Catholic Medical Center~~ CMC Healthcare System of Manchester, New Hampshire.

**Section 2. Financial Statements and Strategic Planning Reports Shall be Furnished to the Member.**

(a) The Corporation shall furnish the Board of Directors of the ~~Sole Member~~ Catholic Medical Center with quarterly financial statements or as required by the sole member, which may be consolidated or combined statements of the Corporation and one (1) or more of its subsidiaries, as appropriate, that include a balance sheet and an income statement. If financial statements are prepared for the Corporation on the basis of generally accepted accounting principles, the above-referenced quarterly financial statements also must be prepared on that basis.

(b) The Corporation shall furnish the Board of Directors of Catholic Medical Center with strategic planning reports as they become available.

## ARTICLE III

### BOARD OF DIRECTORS

**Section 1. General Powers.** The property, affairs and business of the Corporation shall be controlled and managed by the Board of Directors, who may exercise all of the powers of the Corporation, except those powers reserved to ~~Catholic Medical Center~~CMC Healthcare System by Article VIII of the Corporation's Articles of Agreement or by these By-Laws. The Board of Directors is responsible for establishing policy and providing for the management and planning of the Corporation. It shall serve as the judicial organ for review, appraisal and ultimate appeal within the Corporation. It shall assure that the facilities, personnel, equipment, supplies, money and management are available to the extent required for fully accredited status in every area where such standards have been established. It shall, at all times, take adequate measures to protect the safety of all employees, staff and all others using its services and facilities.

Without limiting the generality of the foregoing, and subject to the Sole Member's reserved powers, the Board of Directors shall have the power to determine all policies of the Corporation with regard to the conduct of the business of the Corporation.

The Board of Directors may from time to time delegate particular responsibilities to Committees of the Corporation in accordance with Article IV of these By-Laws, or to specified officers of the Corporation, as it shall deem advisable.

The Board of Directors may adopt such rules and regulations for the conduct of its meetings and the management of the Corporation not inconsistent with these By-Laws, the Corporation's Articles of Agreement, or the laws of the State of New Hampshire as they may deem proper.

**Section 2. Number and Qualifications.** The number of Directors of the Board of Directors of the Corporation shall be a minimum of five (5) and a maximum of twenty (20). There shall at all times be a minimum of at least five (5) Directors who are not of the same immediate family or related by blood or marriage. The number of Directors may be increased or diminished by action of a majority of the Board of Directors at any regular or special meeting at which a quorum of Directors is present, except that no such action shall be effective to remove any Director then in office.

**Section 3. Voting.** Each Director shall have the full right to vote and participate in the management and affairs of the Corporation.

**Section 4. Appointment.** The Directors of the Corporation's Board of Directors shall be appointed by the Sole Member, ~~Catholic Medical Center~~CMC Healthcare System. A majority of the Directors on the Board of Directors shall be members of the Board of Directors of Catholic Medical Center or persons who hold a position as an officer of Catholic Medical Center.

**Section 5. Term of Office.** Each Director shall continue in office for a term of three years and until reelected for another term until his or her successor shall have been appointed and shall have been qualified, or until his or her death, resignation or removal in the manner provided herein. Directors shall not be able to serve more than two (2) consecutive complete terms, with a maximum length of service of eight (8) years except for *ex officio* members if an individual was appointed to fill a vacancy on the Board of Directors prior to being duly elected to serve as a Director pursuant to these By-Laws.

**Section 6. Quorum and Manner of Acting.** A quorum of the Directors shall be required to transact any business. A majority of the total number of Directors then holding office shall constitute a quorum for the transaction of business at any meeting except where otherwise provided by statute, the Corporation's Articles of Agreement or these By-Laws. Less than a quorum may adjourn the meeting. At all meetings of the Board of Directors, each Director present shall have one (1) vote. At all meetings of the Board of Directors, all questions, the manner of deciding which is not specifically regulated by statute, by these By-Laws or by the Corporation's Articles of Agreement, shall be determined by a majority of the Directors present at the meeting.

**Section 7. Place of Meeting.** The Board of Directors may hold its meetings and have one or more offices at such places within the State of New Hampshire as the Board from time to time may determine or, in the case of meetings, as shall be specified or fixed in the respective notices or waivers of notice thereof.

**Section 8. Books and Records.** The correct and complete books and records of account and minutes of the proceedings of the Board of Directors shall be kept by management of the Corporation in a manner approved by the Secretary of the Corporation.

**Section 9. Regular Meetings.** Regular meetings of the Board of Directors shall be held at such places and at such times as the Board shall from time to time by resolution determine. Notice of regular meetings need not be given.

**Section 10. Special Meetings; Notice.** Special meetings of the Board of Directors shall be held whenever called by the Chair, or by the Secretary at the request of any three (3) Directors at the time being in office. Written notice of each such meeting shall be given to each Director either (i) by mail addressed to such Director at his or her residence or usual place of business at least five (5) days before the day on which the meeting is to be held, or (ii) by facsimile, in person or by telephone, not later than forty-eight (48) hours prior to the time of such meeting. Every such notice shall state the time and place of the meeting, and shall state the agenda of items to be discussed at such meeting. No business other than that specified in the agenda contained in the notice for the meeting shall be transacted at any special meeting of the Board of Directors, without the unanimous written consent of each of the Directors. Notice of any meeting of the Board need not be given to any Director, however, if waived by him or her in writing or by facsimile, whether before or after such meeting be held, or if he or she shall be

present at such meeting unless his or her attendance at the meeting is expressly for the purpose of objecting to the transaction of any business because the meeting is not lawfully convened; and any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the Directors shall be present thereat without objection that the meeting is not lawfully convened.

**Section 11. Executive Session.** Upon the call of the Chair of the Board of Directors, the Board of Directors shall meet in executive session. Such meeting shall be a special meeting of the Board and as such shall be called and held in accordance with Section 10 of this Article. The Board may conduct any lawful business of the Corporation at such meeting.

**Section 12. Attendance.** Directors who miss three consecutive meetings of the Board or are not present for at least 75% of regular or special Board meetings in a calendar year shall be considered to have resigned from the Board and the Board may, in its discretion, choose to accept or decline to accept the resignation. Attendance records shall be maintained by the Recording Secretary of the Board. When the attendance record of a Director indicates that if the Director is absent from one more Board meeting, the Director will be unable to fulfill the attendance requirement, then the Recording Secretary shall so inform the Chair. The Chair will then inform the Director that absence from one more Board meeting, in that calendar year, will be considered as a submission of resignation by that Director from the Board.

A Director not attending at least 60% of committee meetings in a calendar year shall be considered to have resigned from that committee and from the Board and the Board may, in its discretion, choose to accept or decline to accept the resignation. Attendance records shall be maintained by the Recording Secretary of the Committee. When the attendance record of a Director indicates that if the Director is absent from one or more committee meeting, the Director will be unable to fulfill the 60% attendance requirement, then the Recording Secretary shall so inform the Chair of the Committee. The Chair of the Committee shall then inform the Chair of the Board. The Chair of the Board will inform the Director that absence from one more committee meeting in that calendar year will be considered as a submission of resignation by that Director from that Committee and the Board.

**Section 13. Resignations.** Any Director of the Corporation may resign at any time by giving written notice to the Chair of the Board of Directors or to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 14. Removal of Directors.** Any Director may be removed, with cause, at any time, by a majority vote of the Directors and the written approval of the sole Member, at a duly called meeting of the Board of Directors of the Corporation, or by the sole Member. The sole Member may remove a Director at any time, with or without cause.

**Section 15. Vacancies.** Any vacancy in the Board of Directors caused by death, resignation or removal shall be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for appointment to the Board of Directors.

**Section 16. Compensation.** Directors shall not receive any compensation for attendance at regular or special meetings or for services rendered to the Corporation, but may be reimbursed for actual expenses incurred incidental to services performed for the Corporation.

**Section 17. Directors' Participation in Meeting By Telephone.** A Director may participate in a meeting of the Board of Directors by means of conference telephone or similar communication equipment enabling all Directors participating in the meeting to hear one another. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

**Section 18. Directors' Action Without Meeting.** If all the Directors entitled to vote and then holding office severally or collectively consent in writing to any action taken or to be taken by the Corporation, then such action shall be valid as though it had been authorized at a meeting of the Board of Directors. The Secretary shall file such consent or consents with the minutes of the meetings of the Board of Directors.

#### **ARTICLE IV**

##### **COMMITTEES OF BOARD OF DIRECTORS**

**Section 1. Designation; Vacancies.** Except as otherwise provided herein, the Chair of the Board of Directors may designate such number of persons, including Directors and non-Directors, as he or she may from time to time determine, to constitute a committee for a specified purpose, each committee member of which, shall continue to be a member thereof at the pleasure of the Chair of the Board of Directors. The Board of Directors shall have power at any time to change the members of any committee, to fill vacancies, and to discharge any committee.

**Section 2. Powers.** Each committee appointed by the Board of Directors shall be subject to the Board of Directors and report to the Board of Directors as directed by the Board of Directors. No committee shall have authority to act on its own behalf or on the Corporation's behalf without the prior written direction of the Board of Directors. No committee shall have authority to bind the Corporation in any manner without the prior written approval of the Board of Directors.

**Section 3. Procedure; Meetings; Quorum.** Each committee shall make its own rules of procedure and shall meet at such times and at such place or places as may be provided by such rules or by resolution of the committee. A majority of the whole number of the members of each committee shall constitute a quorum at any meeting thereof, and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. The Board

of Directors shall have power at any time to change the members of any committee, to fill vacancies, and to discharge the committee.

**Section 4. Compensation.** Directors serving on the committees of the Board of Directors shall not receive any compensation for their services as members of such committees, but may be reimbursed for actual expenses incurred incidental to services performed for the Corporation.

**Section 5. Committee Chairs.** Only Directors who are also members of the Board of Directors of Catholic Medical Center may serve as the Chair of a committee of the Board of Directors of the Corporation. Except as indicated elsewhere, committee Chairs shall be appointed annually by the Chair of the Alliance Ambulatory-Health Services Board.<sup>4</sup> The Chair of the Board may also appoint interim committee Chairs in the event that a vacancy arises between annual meetings.

## **ARTICLE V**

### **OFFICERS**

**Section 1. Number.** The officers of the Corporation shall include the Chair of the Board, the Vice Chair, the President, the Treasurer and the Secretary who shall be the registered agent and such other officers as the Board of Directors may from time to time deem appropriate. One person may hold the offices and perform the duties of more than one of said officers.

**Section 2. Election, Term of Office, Qualifications and Nominations.** The officers shall be elected by the Board of Directors for such terms as the Board of Directors deems fit in its discretion. Each officer shall hold office for such term as provided in Article III, Section 5, or until the death, resignation, or removal of such officer. Each officer must be a director or officer of Catholic Medical Center. Nominations for such officers must be submitted to and recommended to the Sole Member by the Nomination Committee of the Board of Directors of Catholic Medical Center.

**Section 3. Removal.** Any officer may be removed, by a two-thirds (2/3) majority of the Board of Directors, whenever the Board of Directors believes that the best interests of the Corporation will be served by such action.

**Section 4. Resignations.** Any officer may resign at any time by giving written notice to the Chair of the Board of Directors, to the President or to the Secretary. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5. Vacancies.** A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for election or appointment to such office.

**Section 6. The Chair of the Board.** The Chair of the Board shall be elected from among the Directors and shall be a member of the CMC Board of Directors. The Chair of the Board shall, if present, preside at all meetings of the Board of Directors. Except where by law the signature of the President is required, the Chair of the Board shall possess the same power as the President to sign all certificates, contracts and other instruments of the Corporation which may be authorized by the Board of Directors. The Chair of the Board shall, in general, perform all duties incident to the office of Chair of the Board, subject, however, to the direction and control of the Board of Directors, and such other duties as from time to time may be assigned to him or her by the Board of Directors. Employees of the Corporation are ineligible to serve as the Chair of the Board.

**Section 7. The Vice Chair of the Board.** The Vice Chair of the Board shall be elected from among the Directors and shall be a member of the CMC Board of Directors. The Vice Chair of the Board shall discharge all of the responsibilities of the Chair of the Board in the event that the Chair is unavailable or unable to discharge the responsibilities set forth herein.

**Section 8. The President.** The President shall be the President of Catholic Medical Center; provided, however, that in the event that the Member wishes to appoint a different individual as President of the Corporation, then such individual must be interviewed by and must report on a regular basis to the President of Catholic Medical Center. The President shall be the chief executive and administrative officer of the Corporation and shall have general and active supervision and direction over the day-to-day business and affairs of the Corporation and over its several officers, subject, however, to the direction and control of the Board of Directors. The President shall have the authority to name and to delegate such executive powers and management responsibilities to an executive officer so named by the President who will report and be directly responsible to the President. The President shall have the authority to sign or countersign all certificates, contracts and other instruments of the Corporation as authorized by the Board of Directors, and shall perform all such other duties as from time to time may be assigned to him or her by the Board of Directors. The responsibilities of the President and further terms and conditions related to the exercise of such office may be set forth in such an Employment Agreement as is authorized by the Board of Directors.

**Section 9. The Secretary.** The Secretary shall keep or cause to be kept in books provided for the purpose the minutes of the meetings of the Board of Directors; shall see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law; and in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board of Directors or by the President.



**Section 10. The Treasurer.** The Treasurer shall be the financial officer of the Corporation; shall have charge and custody of, and be responsible for, all funds of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; shall receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever; and in general, shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors or by the President.

## **ARTICLE VI**

### **CONTRACTS, CHECKS, NOTES, ETC.**

**Section 1. Execution of Contracts.** All contracts and agreements authorized by the Board of Directors, and all checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall, unless otherwise directed by the Board of Directors, or unless otherwise required by law, be signed by any one of the following officers: Chair of the Board of Directors, President, Chief Financial Officer, Chief Operating Officer, Treasurer or Secretary. The Board of Directors may, however, authorize any two of said officers to sign checks, drafts and orders for the payment of money in excess of specified amounts, and may designate officers and employees of the Corporation other than those named above, or different combinations of such officers and employees, who may, in the name of the Corporation, execute checks, drafts, and orders for the payment of money on its behalf.

**Section 2. Loans.** No loans shall be contracted on behalf of the Corporation and no negotiable paper shall be signed in its name unless authorized by resolution of the Board of Directors. When authorized by the Board of Directors, any officer may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation and, when authorized so to do, may pledge, hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority may be general or confined to specific instances, provided, however, that any transaction in the amount of \$1,000,000 (one million) or greater must have the prior review and approval of the CMC Board of Directors before it can be consummated. Notwithstanding the foregoing or anything herein to the contrary, under no circumstances is the Corporation to make any loans of money or property to any Directors or officers of the Corporation.

## ARTICLE VII

### CONFLICT OF INTEREST

Any possible conflict of interest on the part of any Director or officer or employee, or a member of the immediate family of any such person, of the Corporation shall be disclosed in writing to the Corporation's Board of Directors. The possible conflict of interest shall be made of record through complete and full written disclosure to the Board of Directors when such individual has an interest that involves a specific issue before the Board of Directors.

A transaction involving a Director or officer, or a member of the immediate family of any such person, shall be prohibited unless it is in the best interests of the Corporation, the transaction is for goods or services in the ordinary course of business of the Corporation for the actual or reasonable value (or a discounted value) of the goods or services, the transaction is fair to the Corporation and the appropriate actions as set forth herein are taken. When the transaction involving a director or officer, or a member of the immediate family of any such person, exceeds Five Hundred Dollars (\$500.00) but is less than Five Thousand Dollars (\$5,000.00) in a fiscal year, the transaction must be approved by affirmative votes (and those affirmative votes must equal or exceed any quorum requirement specified herein) from at least two-thirds (2/3) of the Disinterested Directors (as hereinafter defined) without the participation, voting or presence of any director or officer with a financial interest in the transaction or a Director or officer who has had a pecuniary benefit transaction with the Corporation in the same fiscal year. When the transaction involving a Director or officer, or a member of the immediate family of any such person, is in an amount equal to or greater than Five Thousand Dollars (\$5,000) in a fiscal year, then: (i) the two-thirds vote of the Disinterested Directors set forth in the preceding sentence is required; and (ii) the Corporation must publish notice of the transaction in a newspaper of general circulation in the community in which the Corporation's principal office is located, Manchester, or a newspaper of general circulation throughout the State of New Hampshire prior to consummation of the transaction; and (iii) the Corporation must provide written notice of the transaction to the Office of the Director of Charitable Trusts within the Office of the New Hampshire Attorney General prior to consummation of the transaction. The minutes of the meeting in which a transaction is discussed pursuant to this Article VII shall reflect that a disclosure was made, the abstention from voting and the actual vote itself.

Every new Director will be advised of this policy upon assuming the position of Director and shall sign a statement acknowledging an understanding of and agreement to the Conflict of Interest Policy as set forth in this Article VII. The Board of Directors will comply with all requirements of New Hampshire law concerning conflicts of interest related to non-profit entities and such New Hampshire requirements are incorporated into and made a part of this Article VII. For the purposes of these By-Laws, a "Disinterested Director" is a Director who does not have a financial interest in the transaction under consideration and has not been involved in a different transaction subject to this Article VII within the same fiscal year.

Under no circumstances is the Corporation to make any loans of money or property to any Directors or officers of the Corporation. The Corporation shall not sell, lease for a term of greater than five (5) years, purchase or convey any real estate or interest in real estate to or from a Director or officer without the prior approval of the probate court after a finding that the sale or lease is fair to the Corporation.

#### **ARTICLE VIII**

##### **FISCAL YEAR**

The fiscal year of the Corporation shall be fixed by the Board of Directors and will correspond to the fiscal year of the Sole Member.

#### **ARTICLE IX**

##### **WAIVER OF NOTICE**

Whenever any notice is required to be given to the Member or any Director by these By-Laws or the Articles of Agreement or the laws of the State of New Hampshire, a waiver of the notice in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to giving the notice.

#### **ARTICLE X**

##### **AMENDMENT OF BY-LAWS**

The power to alter, amend or repeal these By-Laws or to adopt new By-Laws, shall be vested in the Board of Directors upon the approval of such alteration, amendment or repeal by the Sole Member.

#### **ARTICLE XI**

##### **INDEMNIFICATION**

The Directors and Officers of the Corporation shall not be personally liable to the Corporation or its Member or Members for monetary damages for any breach or alleged breach of fiduciary duty as a Director or Officer, or both, except with respect to:

1. Any breach of the Director's or Officer's duty of loyalty to the Corporation or its Member or Members;
2. Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of the law; or

3. Any transaction from which the Director or Officer derived any improper personal benefit.

## ARTICLE XII

### TAX EXEMPT STATUS

These By-laws of the Corporation shall at all times be so construed and limited as to enable the Corporation to qualify and to continue qualifying as a voluntary charitable corporation duly organized and existing pursuant to the provisions of Chapter 292 of the Revised Statutes Annotated of the State of New Hampshire, as amended, and as a tax exempt charitable organization organized and operated for any purpose for which an organization may be exempt pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

ATTEST:

I, the undersigned Secretary of the Corporation, hereby attest that the foregoing is a true, complete and accurate set of the By-Laws of the Corporation as revised on December 21, 2006.

  
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Jeff Eisenberg, Secretary

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