

**SECOND AMENDED AND  
RESTATED BY-LAWS**

**OF**

**VALLEY REGIONAL HOSPITAL, INC.  
A New Hampshire Non-Profit Corporation**

**Article I**

**Definitions, Purposes and Powers**

Section 1.1. Definitions. The Terms set forth below shall have the following meanings unless otherwise required by the context in which they may be used:

Articles of Association. The term "Articles of Association" shall mean the Articles of Incorporation or the Articles of Agreement of the Corporation filed in the office of the Secretary of State of New Hampshire, as the same maybe amended from time to time.

Board. The term "Board" or "Board of Trustees" shall mean the Trustees of the Corporation when acting as a body.

Board Committee. The term "Board Committee" shall mean a body whose members are elected by the Board and which may be authorized to exercise a designated portion of the authority of the Board when the Board is not in session.

By-Laws. The term By-Laws shall mean the By-Laws of the Corporation except where reference is specifically made to the By-Laws of another entity or unit.

Chairman. The term "Chairman" shall mean the Chairman of the Board as set forth in Article 6.5 hereof.

Corporation. The term "Corporation" shall mean Valley Regional Hospital, Inc. a New Hampshire non-profit corporation.

D-HH System. The term "D-HH System" means the integrated academic health system composed of various hospitals and other health care provider organizations and which is coordinated by Dartmouth-Hitchcock Health.

Employed Staff. The term "Employed Staff" shall mean those persons employed by the Corporation to provide executive, medical, nursing, paramedical, technical, business, management and other supportive services for the care of patients of the Hospital.

Hospital. The term "Hospital" shall mean the medical center, hospital,

intermediate care facility, skilled nursing facility, geriatric facility and/or any other health care facilities operated by the Corporation.

**Majority.** The term "Majority" shall mean more than fifty (50%) of the applicable total number.

**Material.** The term "Material" as used in Section 2.2 shall refer to a dollar amount that equals or exceeds the sum of Five Hundred Thousand Dollars (\$500,000.00).

**Medical Staff.** The term "Medical Staff" shall mean the formal organization (composed of all licensed physicians, dentists, other practitioners and health care personnel who are regularly privileged to admit, attend or consult with respect to patients of the Hospital) created and operated pursuant to the provisions hereof.

**Medical Staff By-Laws.** The term "Medical Staff By-Laws" shall mean the By-Laws, rules, regulations and procedures collectively setting forth the purposes, functions, organization and operation of the Medical Staff.

**Member.** The term "Member" shall mean Dartmouth-Hitchcock Health, as set forth in Article II hereof.

**Officer.** The term "Officer" shall mean one or more of the positions as provided in Article VI.

**Ratify.** The term "Ratify" shall mean the Member's power, acting through its Board of Trustees or its designee, to approve or disapprove an action of this Corporation as to which the Member has a Reserved Power described in Section 2.2 below, but it shall not constitute a grant of power to take action upon the Member's own initiative regarding actions of the Corporation described in Section 2.2.

**Reserved Powers.** The term "Reserved Powers" shall mean the Member's approval powers over actions of the Corporation which require Ratification by the Member, and the Member's powers to initiate certain actions of the Corporation, as set forth in Article II hereof. Unless expressly stated otherwise, all Reserved Powers held by the Member will be exercised through the Member's Board of Trustees or its designee.

**State.** The term "State" shall mean the State of New Hampshire unless otherwise specifically indicated.

**Trustee.** The term "Trustee" shall in all cases refer to persons serving as regular members of the Board with authority to vote and be counted in determining the existence of a quorum.

Section 1.2. Statement of Purpose. The purpose of the Corporation shall be to promote and advance charitable, educational, scientific, testing for public safety and educational purposes of the nature set forth pursuant to Section 501( c )(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any applicable future United States Internal Revenue Law, including, without limitation, the operation of Valley Regional Hospital as a member organization of the D-HH System.

Section 1.3. Powers. Except as limited by the Articles of Association or these By-Laws, the Corporation shall have and exercise such powers in furtherance of its purposes as are now or may hereafter be granted by the applicable laws of the State.

Section 1.4. Offices. The Corporation shall have and continuously maintain in the State a registered office and a registered agent (whose office shall be identical with such registered office) and may have such other offices within or without the State as the Board may from time to time determine.

## ARTICLE II

### **Member: Powers of Member**

Section 2.1. Member. The sole Member of the Corporation shall be Dartmouth-Hitchcock Health. The Member shall hold the Reserved Powers described in this Article II. The Member also will have the right to appoint without limitation up to one-third (1/3) of the Trustees serving on the Corporation's Board, as described in Article IV below.

Section 2.2. Reserved Powers to Ratify Certain Decisions of the Corporation's Board of Trustees. The following actions and undertakings by the Corporation's Board of Trustees must be approved by the Member before the actions and undertakings are commenced:

- a. Nominees to Corporation Board of Trustees; Size of Board. The nomination of individuals to serve on the Corporation's Board, as described in Article IV below, and the establishment of the total number of Trustees for the Corporation's Board for any upcoming period of time;
- b. Operating and Capital Budgets. The final adoption (and any subsequent revision) of the annual consolidated operating and capital budget of the Corporation, and any proposed action (other than those addressed by paragraphs (c) and (d) below) which may result in a Material unbudgeted expense;
- c. Indebtedness. The incurrence of any unbudgeted indebtedness or other borrowings (such as capital leases) that exceed the sum of Five Hundred Thousand Dollars (\$500,000.00);

d. Disposition of Assets. Unless contemplated by an approved budget, a proposal to sell, convey, assign, or lease, or grant a mortgage or other lien or encumbrance on, assets of the Corporation or its affiliates in excess of Five Hundred Thousand Dollars (\$500,000.00), as measured by net book value;

e. Auditing Firm. The appointment of a firm of independent public accountants to conduct an independent audit of the consolidated financial statements of the Corporation and its affiliates;

f. Research Policies. The adoption or material revision of all policies of the Corporation relating to academic and research programs or affiliations;

g. Strategic Plans. The adoption or material revision of all strategic initiatives or plans of the Corporation;

h. Clinical Service or Programs. The decision to eliminate or add any health care service or program, change any licenses, or otherwise make a change to the operating character of the Corporation, but only to the extent that such actions could have a material adverse impact on the finances of, or the delivery of care by, the Corporation or the D-HH System;

i. Exercise of Corporation Reserved Powers. The proposed exercise by the Corporation's Board of the reserved powers that it holds over its affiliates, if any;

j. Material Strategic Relationships. The proposed establishment (whether by contract, joint venture or subsidiary entity) of a "Material Strategic Relationship," defined as the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance, proprietary health plan product (e.g., a so-called "narrow network") or similar arrangement entered into with an organization that is not a member of the D-HH System;

k. Merger/Change of Control; Acquisition. A vote of the Corporation's Board to: (a) merge or consolidate the Corporation into another entity or other change of control transaction; (b) acquire substantially all of the assets of another entity which may have a material effect on the D-HH System; or (c) sell or lease substantially all of the assets of the Corporation to any person or entity;

l. Closure; Dissolution; Designation. Any decision to close, liquidate and dissolve the Corporation, or any decision to close, sell, lease or significantly change the operating character or designation of the Corporation (e.g., loss or abandonment of CAH designation); and

m. Amendments of Articles of Agreement and Bylaws. The approval of any amendment or repeal of the Corporation's Articles of Agreement or Bylaws.

Section 2.3. Reserved Powers to Initiate or Enforce Actions by the Corporation. In addition to the Reserved Powers described in Section 2.2 above, the Member, acting through its Board of Trustees or its designee, will have the right to initiate the

following actions to be taken or directed by the Corporation:

a. Removal of Corporation Trustees. Following consultation with the Chair of the Corporation's Board, the Member may remove any Trustee of the Corporation's Board if the Member determines, in its reasonable good faith discretion, that such removal is in the best interests of the D-HH System. In making the foregoing determination, the Member will consider the impact of such removal on the Corporation and the communities it serves.

b. Corporation President and Chief Executive Officer. Following consultation with the Chair of the Corporation's Board and consideration of any evaluation or recommendation by the Corporation's Board, the Member acting through the D-HH System CEO or his or her designee will retain sole authority to hire, evaluate, compensate and terminate the President and Chief Executive Officer of the Corporation.

c. Participation in System Programs and Initiatives. The Corporation will participate in, and fulfill the requirements of, D-HH System-wide programs and initiatives designed to benefit members such as the Corporation, including but not limited to group purchasing, IT system integration, quality improvement measures, and shared corporate services. The Member will determine the locations from which such services are provided based on assessments of cost and service quality. The Member may assess all participating D-HH System members, including the Corporation, a fee or other reasonable charge for such programs or initiatives provided that such fee or other charge is assessed proportionately against all D-HH System members to whom such programs or initiatives are available.

d. Participation in System Strategies. To the extent applicable and determined by the Member to be in the best interest of the D-HH System, the Corporation will participate in D-HH System-wide strategies, delivery networks, products (including risk-based reimbursement arrangements) and other similar initiatives consistent with the D-HH System strategic plan(s) and designed to further the establishment of a sustainable health delivery system that is value-based and promotes population health.

e. Changes in Clinical Services. The Member may initiate change(s) in the clinical services provided by the Corporation if those changes are necessary to implement the D-HH System strategic plan and D-HH System-wide objectives, or to improve the financial position of the Corporation in connection with the Member's approval of the Corporations operating and capital budgets under Section 2.2(b) above. The Member will evaluate the impact of the proposed change(s) on: (i) the ability of the Corporation to meet the health needs of the communities in its service area; (ii) the ability of the Corporation to continue to qualify as a critical access hospital after the proposed change(s) in clinical services; (iii) the quality and efficiency with which the Corporation can deliver health services; and (iv) the Corporation's charitable purpose. The Member will afford the Corporation the opportunity to address the proposed change and provide any additional information, and will consider any such input in good faith. After completion of the evaluation

process, the Corporation agrees to implement the proposed change(s) in accordance with a mutually agreed-upon schedule.

f. Reallocation of D-HH System Resources. The Member will have the responsibility and power to propose in any consolidated annual budget or five-year capital plan of the Corporation an allocation of operating margin for use within the D-HH System, provided that such allocation is consistent with the financial principles attached described in the Integration Agreement among the Corporation, the Member and Valley Regional Health Care, Inc. effective as of December 6, 2022 (the “Integration Agreement”). Such proposal will be part of the VRH budget process, thus requiring approval by the Corporation’s Board and approval by the Member as described in Section 2.2 above.

g. D-HH System Expenses. The cost of the services which the Member will perform on behalf of the D-HH System members and the D-HH System shall be reasonable and will be fairly allocated among the D-HH System members. To effect such allocation of expenses, D-HH will have the authority and responsibility to propose in each annual consolidated operating budget of the Corporation an assessment to cover the Corporation’s share of the operating expenses of the Member and reasonable contingency amounts for its activities. In determining the amount of each assessment, the Member will take into consideration the System services directly utilized by the Corporation, the System-wide services which benefit the Corporation generally, and the Corporation’s financial condition. Such proposed assessment will be part of the annual Corporation consolidated operating budget process and subject to the approvals described above.

### **ARTICLE III**

#### **Meetings of the Member**

Section 3.1. Annual Meeting. The annual meeting of the Member for the election of trustees to the Board and for the transaction of such other business as may properly come before the meeting shall be held at the principal business office of the Corporation as herein set forth, or at such other place within the State of New Hampshire or by videoconference as may be designated by the caller of the meeting, on the third Monday in January of each such calendar year, unless such day is a legal holiday, in which case such meeting shall be held at such hour on the first day thereafter which is not a legal holiday.

Section 3.2. Special Meetings. Except as otherwise specifically provided by law or by the Articles of Association, special meetings of the Member may be called by the Chairman, the President, or a majority of the Trustees, or by the Member, and shall be held at the principal business office of the Corporation or by videoconference as herein set forth, at such time as is stated in the notice calling such meeting, or at such other place and day or time as the Board may determine and state in such notice.

Section 3.3. Notice of Meetings; Waiver. Written or printed notice stating the place, day

and hour of any meeting of the Member and in case of a special meeting of the Member the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the officer or persons calling the meeting, to the secretary of the Member. Such further or earlier notice shall be given as may be required by law. Waiver by the Member of notice of a meeting by attendance at the meeting, unless such attendance is to object to the notice herein required, or in writing signed thereby, whether before or after the time stated therein, shall be equivalent to the giving of such notice. No notice shall be necessary for any adjourned meeting.

Section 3.4. Voting by Member. Unless there shall be filed with the Secretary of the Corporation a notice to the contrary, the chairperson, President and Chief Executive Officer or designee, Treasurer or Secretary of the Member shall be entitled to cast the vote of the Member upon any action for which a meeting of the Corporation shall have been duly called, to waive any notice required and to take such action as may be required on behalf of the Member without the endorsement of a proxy therefor.

Section 3.5. Action by the Member by Written Consent. Any action which might be taken at a formal meeting may be taken without a meeting if consent in writing (setting forth the action so taken) shall be signed by any officer who would be entitled to vote for the Member at a formal meeting pursuant to Section 3.4 above.

## ARTICLE IV

### Board of Trustees

Section 4.1. General Powers. Subject to the Reserved Powers of the Member, all of the business and affairs of the Corporation shall be directed by the Board in a manner consistent with these By-Laws and other applicable law. The Board shall make appropriate delegations of authority to the Officers of the Corporation, and, to the extent permitted by law, by appropriate resolution, the Board may authorize one or more Board Committees to act on its behalf when it is not in session.

Section 4.2. Number, Nomination, Election, Tenure and Qualifications. There shall be not less than thirteen (13) nor more than twenty-four (24) elected Trustees on the Board, almost all of whom also will serve as Trustees of Mt. Ascutney Hospital and Health Center (“MAHHC”). The Board will be composed as follows:

- a. The Corporation’s Chief Executive Officer (who also serves as the MAHHC Chief Executive Officer) and the Corporation’s Medical Staff President each will serve on the Board *ex officio* with voting rights.
- b. Subject to the Member’s Reserved Powers, up to seven (7) Trustees will be nominated by the Board;
- c. Subject to the Member’s Reserved Powers, up to seven (7) Trustees

will be nominated by MAHHC; and

d. Up to one-third (1/3) of the Board will be appointed by the Member, following consultation with the Board chairs of the Corporation and MAHHC, respectively. The Member's Chief Executive Officer or designee will serve on the Board *ex officio* with voting rights, and will be included among the one-third (1/3) of Member appointees to the Board.

Nominated Trustees shall be elected by the Member at its annual meeting for terms commencing on the day next following such election and, except as provided herein, continuing for three (3) years thereafter and until their respective successors shall have been elected and qualified. No Trustee, other than those serving in an *ex-officio* capacity, may serve in excess of three (3) successive terms without a lapse of one year after the third such continuous term. Notwithstanding the foregoing, if a Trustee is also an Officer of the Corporation and the Trustee's term expires prior to the expiration of his/her term of office, then the term of the Trustee shall be extended to be coextensive and coterminous with the term of office.

Section 4.3. Staggered Terms. Elected Trustees shall be divided into three (3) classes substantially equal in number with terms expiring at intervals of one year. To this end, initial Trustees or new and successor Trustees may be elected for terms of less than three (3) years.

Section 4.4. Increase or Decrease in Number of Members of the Board. The maximum and minimum number of Trustees may be increased or decreased from time to time by the Board, subject to the Reserved Powers of the Member, but no decrease shall have the effect of shortening the term of any incumbent.

Section 4.5. Regular Meetings. An annual meeting of the Board shall be held at any time immediately following the annual meeting of the Corporation and within thirty (30) days thereof for the purpose of electing officers and members of Board Committees and for the transaction of such other business as may come before the meeting. The Board shall provide by resolution, for the holding of additional regular meetings to the end that at least one regular meeting shall be scheduled within each forty-five (45) day period. The Board may, by resolution prescribe the time and place for the holding of regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings. If the Board does not prescribe the time and place for the holding of regular meetings, such regular meetings shall be held at the time and place specified by the President in the notice of each such regular meeting.

Section 4.6. Special Meetings. Special meetings of the Board may be called by or at the direction of the Chairman or the written request of one-third of the Trustees, such meeting to be held at such time and place as shall be designated in the notice thereof.

Section 4.7. Notice. Except as otherwise provided herein, notice of the time and place of any meeting of the Board shall be given in writing at least five (5) days previously thereto. Any Trustee on the Board may waive notice of any meeting. The attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting, except where

a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless required by statute.

Section 4.8. Quorum. A Majority of the Trustees shall constitute a quorum for the transaction of business at any meeting of the Board, unless otherwise specifically provided by law, the Articles of Association or these By-Laws. Attendance shall be either in person or by telephonic or radio connection whereby the non-present Trustee and those Trustees present in person all hear and may speak to and be heard on the matters raised therein. If less than a Majority of the Trustees are present at such meeting, a Majority of the Trustees present may adjourn the meeting from time to time without further notice until a quorum shall be present.

Section 4.9. Manner of Acting

4.9-1. Formal Action by Board. Unless otherwise herein or by statute provided, the act of the Majority of the Trustees present and voting at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by the Articles of Association, these By-Laws or the resolutions of the Member. Trustees may not vote by proxy.

4.9-2. Action by Board by Written Consent. No action of the Board shall be valid unless taken at a meeting at which a quorum is present, except that any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by all Trustees. Email or other electronic transmissions intended to constitute the consent and signature of the sender and otherwise complying with New Hampshire RSA 294-E will constitute a writing for the purpose of this provision.

Section 4.10. Resignations and Removal. Any Trustee may resign from the Board at any time by giving written notice to the Chairman, the President or the Secretary, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Trustee may be removed from office at any time by the affirmative vote of two-thirds (2/3rds) of the Trustees present and voting (except the Trustee in question) without assigning, or the existence of, any cause for such removal, or by the Member pursuant to Section 2.3(a) above.

Section 4.11. Vacancies. Any vacancy occurring in the membership of the Board shall be filled by the Member. A Trustee elected to fill a vacancy shall be elected for the unexpired term of such Trustee's predecessor in office.

Section 4.12. Attendance. Each Trustee shall be required to attend at least seventy-five

percent (75%) of all meetings per year of the Board duly convened pursuant to these By-Laws, unless excused by the Chairman. Any such Trustee who fails to meet this minimum requirement of attendance shall be deemed to have resigned such position effective the last meeting thereof during such year.

Section 4.13. Compensation. Trustees shall not receive any stated salaries for their services, but, by resolution of the Board, a reasonable amount may be allowed as reimbursement of expenses incurred in attending to their authorized duties; provided however, that subject to the provisions herein concerning duality of interest, nothing herein contained shall be construed to preclude any Trustee from serving the Corporation in any other capacity and receiving compensation therefor.

Section 4.14. Procedure. The Board may adopt its own rules of procedure, which shall not be inconsistent with the Articles of Association, these By-Laws or applicable law.

Section 4.15. Executive Sessions. In order for the Board to enter executive session, the Chair may declare an executive session or a motion to do so may be made, seconded and passed by a majority vote. No voting member of the Board will be disqualified from voting on the motion except in the case of a known conflict of interest. The Chair shall determine who will be excluded from the executive session. Minutes of an executive session shall be recorded, but kept in a separate binder. Access to the minutes of executive sessions will be limited to those Trustees who were not excluded from the executive session, and others as approved by the Chair. Only upon motion and vote in executive session will any action taken in executive session be repeated in open session and recorded in the minutes thereof.

## ARTICLE V

### Board Committees

#### Section 5.1. Board Committees.

- 5.1-1. Composition and Election. Board Committees may be created and abolished by resolution of the Board. If a Board Committee is created, the resolution creating it shall designate the persons who are to serve as the members of the Board Committee, one of whom may be designated as chairman of such Board Committee.
- 5.1-2. Powers and Functions. The resolution creating a Board Committee shall designate the authority and the functions of the Board Committee.
- 5.1-3. Combination of Board Committees. If the Board determines that any one or more of the Board Committees should not exist, the Board shall assign the functions of such Board Committee to a new or existing Board Committee or shall reassume same.

Section 5.2. Qualifications and Tenure. Each Board Committee shall consist of two (2) or more persons, a majority of whom shall be Trustees. Unless otherwise provided by the Articles of Association or these By-Laws, the remaining members of such a Board Committee need not be Trustees. The designation of one or more of such Board Committees and the delegation thereto by resolution of authority shall not operate to relieve the Board, or any individual Trustee, of any responsibility imposed by law upon it or such Trustee. Each member of a Board Committee shall hold office until the next annual meeting following the election and until such member's successor as a member of the Board Committee is elected, unless such member shall sooner cease to be a member of the Committee or shall resign or be removed from the Board Committee. Where deemed feasible, continuity in membership over a period of several years may be advisable for certain Board Committees.

Section 5.3. Consulting Members. The Board may from time to time appoint one or more persons as consulting members of a Board Committee to hold office at the pleasure of the Board.

Section 5.4. Meetings. Meetings of a Board Committee may be called by, or at the direction of, the Chairman, the President, the chairman of the Board Committee, or a Majority of the members of the Board Committee then in office, to be held at such time and place as shall be designated in the notice of the meeting. At its first meeting of the year, each Board Committee shall adopt a tentative schedule of meetings to be held during the year.

Section 5.5 Notice. Notice of the time and place of any meeting of a Board Committee shall be published in writing by the chairman of the Board Committee at least five (5) days previously thereto. Any member of a Board Committee may waive notice of any meeting. The attendance of a member of a Board Committee at any meeting shall constitute a waiver of notice of such meeting, except where a member of a Board Committee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of a Board Committee need be specified in the notice or waiver of notice of such meeting unless required by statute.

Section 5.6. Quorum. A Majority of the members of a Board Committee, but not less than two (2) members thereof, shall constitute a quorum for the transaction of business at any meeting of the Board Committee, unless otherwise specifically provided by the Articles of Association or these By-Laws. Attendance shall be either in person or by telephonic or radio connection whereby the non-present member and those members present in person all hear and may speak to and be heard on the matters raised therein. If less than a Majority of the members of the Board Committee are present at such meeting, a Majority of the members of the Board Committee present may adjourn the meeting from time to time, without further notice, until a quorum shall be present.

Section 5.7. Manner of Acting.

5.7-1. Formal Action by a Board Committee. Unless otherwise herein or by statute provided, the act of a Majority of the members of a Board Committee present and voting at a meeting at which a quorum is present shall be the act of the Board Committee, unless the act of a greater number is required by the Articles of Association, these By-Laws or by resolution of the Board. Committee members may not vote by proxy.

5.7-2. Action by a Board Committee by Written Consent. No action of a Board Committee shall be valid unless taken at a meeting at which the quorum is present, except that any action which may be taken at a meeting of a Board Committee may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by all members of the Board Committee. Email or other electronic transmissions intended to constitute the consent and signature of the sender and otherwise complying with New Hampshire RSA 294-E will constitute a writing for the purpose of this provision.

Section 5.8. Resignations and Removal. Any member or consulting member of a Board Committee may resign therefrom at any time by giving written notice to the Chairman or to the Secretary and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any member of a Board Committee may be removed from office at any time by the Board, in its sole discretion, without assigning or the existence of, any cause pursuant to a resolution adopted by a Majority of all the other members of the Board. Any consulting member of a Board Committee may be removed from office at any time by the authority appointing him, in its sole discretion, without assigning any cause.

Section 5.9. Vacancies. Any vacancy occurring in the membership of a Board Committee and any membership thereon to be filled by reason of an increase in the number of members of the Board Committee shall be filled by the Trustees.

Section 5.10. Compensation. Members or consulting members of a Board Committee, as such, shall not receive any stated salaries for their services, but, by resolution of the Board, a reasonable amount may be allowed as reimbursement of expenses incurred in attending to their authorized duties; provided, however, that, subject to the provisions herein concerning duality of interest, nothing herein contained shall be construed to preclude any member or consulting member of a Board Committee from serving the Corporation in any other capacity and receiving compensation therefor.

Section 5.11. Procedure. Except as by resolution adopted by the Board, each Board Committee shall elect a chairman who will preside at all meetings of the respective committee. The chairman for each Board Committee may appoint a vice-chairman for such Board Committee. A Board Committee may adopt its own rules of procedure which

shall not be inconsistent with the Articles of Association, these By-Laws or applicable law.

## ARTICLE VI

### Officers

Section 6.1 Officers. The Officers of the Corporation shall be a Chairman, a President and Chief Executive Officer (the "President"), a Treasurer and a Secretary. The Corporation may, at the discretion of the Board, have additional officers, including, without limitation, one or more Vice-Chairmen, one or more Assistant Secretaries, and one or more Assistant Treasurers. Officers other than the Secretary and/or Treasurer must be members of the Board. Any two or more offices may be held by the same person, except the offices of President and Treasurer. The duties of certain offices are set forth herein. When the incumbent of an office is unable to perform the duties thereof or when there is no incumbent of an office (both such situations referred to hereafter as the "absence" of the officer), the duties of the officer shall, unless otherwise provided by the Board, be performed by the next officer set forth in the following sequence: Chairman, Vice-Chairman (in the order of their designation, or, if no designation, in the order of their election), President, Treasurer and Secretary.

Section 6.2. Election and Tenure. The President will be nominated by a committee of the Board chaired by the Board Chair and including representatives of the D-HH System, provided that the Member's Chief Executive Officer has the opportunity to interview and recommend any candidate and the committee's nomination is approved by both the Board and the Member's Chief Executive Officer. All other Officers shall be elected from those placed in nomination by the Board at its annual meeting. If the election of Officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each Officer other than the President shall hold office from the date of such Officer's election until the next annual meeting of the Board and until such Officer's successor shall have been duly elected and qualified, but, in no event, in excess of three (3) years from election, unless such Officer shall sooner resign or be removed. The President shall hold office co-terminous with his or her employment by the Corporation.

Section 6.3. Resignations and Removal. Any Officer may resign at any time by giving written notice to the President or to the Secretary, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Officer other than the President may be removed by two-thirds (2/3rds) vote of those members of the Board present and voting (except the Officer in question if he/she is a member of the Board) without assigning, or the existence of, any cause for such removal. The President may be removed by the Member pursuant to Section 2.3(a) above.

Section 6.4. Vacancies. Subject to the Reserved Powers of the Member and the process described in Section 6.2 with respect to the President, a vacancy in any office may be filled by the Board for the unexpired portion of the term.

Section 6.5. Chairman. The Chairman shall be selected from among the Trustees on the Board and shall be Chairman of and preside at all meetings of the Board. The Chairman shall perform such other duties as may be assigned thereto by the Board.

Section 6.6. Vice-Chairman. If elected, one or more Vice-Chairmen shall be selected from among the Trustees on the Board, and in the absence of the Chairman, the Vice-Chairman (in order of their designation, or if not designation, in the order of their election) shall perform the duties of the Chairman.

Section 6.7. President. Subject to the Reserved Powers of the Member, the President shall be the Chief Executive Officer of the Corporation having general overall supervision of all of the business and affairs of the Corporation, and will report jointly to the Corporation's Board and to the Member's Chief Executive Officer or designee. If no Executive Vice-President is elected, the President shall also be the chief administrative officer of the Corporation and perform the duties described therefor herein. In the absence of both the Chairman and any Vice-Chairman, the President shall preside at all meetings of the Board. Unless a member of all Board Committees of the Corporation, the President shall be consulting member thereof, including, without limitation, all committees of the medical staff and all committees or organizations which are auxiliary to, associated or affiliated with, or conducted under, the auspices of the Corporation. The President may sign, with the Secretary or any other authorized by the Board, any deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these By-Laws or by statute, to some other officer or agent of the Corporation; and in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time. Subject to the Reserved Powers of the Member, the President's performance shall be reviewed jointly by the Board Chair and the Member's Chief Executive Officer, and his/her compensation shall be set by the Board's Executive Committee, which will include representatives of the D-HH System including the Member's Chief Executive Officer or designee. The President's compensation must receive the final approval of the Member's Chief Executive Officer.

Section 6.8. Treasurer. The Treasurer shall, subject to the direction of the President, have charge and custody of and be responsible for all funds and securities of the Corporation; and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or Board.

Section 6.9. Secretary. The Secretary shall, subject to the direction of the President, see to it that minutes of the meetings of the Member, the Board and Board Committees are prepared and filed with the records of the Corporation, assure that all notices are given in accordance with the provisions of these By-Laws and as required by law, be custodian of the corporate records and of the seal of the Corporation, assure that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the

Corporation under its seal authorized in accordance with the provisions of these By-Laws, and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or Board.

Section 6.10. Assistant Treasurers and Assistant Secretaries. If elected, the Assistant Treasurers and the Assistant Secretaries shall perform such duties as shall be assigned to them respectively by the Treasurer or Secretary and by the President or the Board.

Section 6.11. Compensation. The salaries or other compensation of the Officers shall be fixed from time to time by the Board. No Officer shall be prevented from receiving such salary or other compensation by reason of the fact that such officer is also a member, Trustee on the Board or consulting director on the Board.

Section 6.12. Bonds of Officers. The Board may secure the fidelity of any or all of such Officers by bond or otherwise, in such terms and with such surety or sureties, conditions, penalties or securities as shall be required by the Board.

Section 6.13. Delegation. The Board may delegate temporarily the powers and duties of any Officer, in case of such Officer's absence or for any other reason, to any other Officer, and may authorize the delegation by any Officer of any such Officer's powers and duties to any agent or employee, subject to the general supervision of such Officer.

## **ARTICLE VII**

### **Medical Staff**

Section 7.1. Organization. The Board shall organize physicians, dentists and other professionals granted privileges in the Hospital into a medical staff in accordance with such By-Laws, rules regulations and procedures (herein collectively "Medical Staff By-Laws") as the Board shall deem appropriate to cause such medical staff, as an effective administrative unit, to discharge the functions and responsibilities assigned to it by the Board.

Section 7.2. Medical Staff By-Laws and Rules. There shall be Medical Staff By-Laws setting forth purposes, functions, organization and operation of the medical staff. The medical staff shall have the initial responsibility to formulate, adopt and recommend, and thereafter to periodically review and recommend, changes to the Board regarding Medical Staff By-Laws and amendments thereto which shall be effective when approved by the Board. These Bylaws, when adopted by the Board of Trustees, create a mutually binding agreement between the Medical Staff and the Board of Trustees, which may not be unilaterally amended by either party.

Section 7.3. Medical Staff Membership and Clinical Privileges.

7.3-1. Assignment by the Board. The Board shall delegate to the Medical Staff in the first instance and the Medical Staff shall investigate and evaluate, all matters relating to medical staff membership, staff category and

departmental assignments, privileges, prerogatives and corrective action. Based upon such investigation and evaluation, the medical staff shall adopt and forward to the Board, via the President, specific written professional recommendations supported and documented in a manner that will allow the Board to take informed action.

- 7.3-2. Action by the Board. Final action on all matters of the nature referred to in this section shall be taken by the Board after considering the medical staff recommendations; provided that the Board shall act in any event if the medical staff fails to adopt and submit any such recommendation within a reasonable period of time as determined by the Board or as may be more specifically defined within the Medical Staff By-Laws. Such Board action without a medical staff recommendation shall be based on the same kind of documented investigation and evaluation of qualifications as is required for medical staff recommendations.
- 7.3-3. Criteria for Board Action. In acting on matters of the nature referred to in this section, the Board shall consider patient care criteria, including, without limitation, the needs of the community, the purposes, dedication, needs, functions, priorities and capabilities of the Hospital, the existing capabilities and balance of capabilities of the medical staff as a whole, the personal and professional qualifications of members and applicants (including, without limitation, licensure, training, experience, demonstrated competence, reliability, responsibility, character, ethics, physical, mental and emotional condition and stability, and previous performance and contribution as a team participant within institutional settings), such additional criteria as may be specified in the Medical Staff By-Laws, and the medical staffs professional recommendations and supporting information with respect thereto. No aspect of medical staff membership nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, creed, color or national origin, or on any basis unrelated to patient care criteria (as defined above).
- 7.3-4. Terms and Conditions of Staff Membership and Clinical Privileges. The terms and conditions of membership in the medical staff, and of the exercise of clinical privileges, shall be as specified in the Medical Staff By-Laws or as more specifically defined in the notice of individual appointment. Only practitioners appropriately licensed with clinical privileges in the Hospital granted as herein contemplated shall participate in patient care within the Hospital and any affiliate or subsidiary. All members of the medical staff shall be obliged to observe all ethical principles promulgated for general application to the member's profession and such additional ethical principles as may be adopted by the Board for application within the Hospital.

7.3-5. Corrective Action. The Board, the President and such other agencies of the Hospital or medical staff as may be specified in the Medical Staff By-Laws or Board resolutions shall have authority to initiate corrective action with respect to the membership, privileges or prerogatives of any practitioner or other health care professional providing patient care related services. Such corrective action may include, without limitation, the denial, termination, modification, suspension or reduction of membership, privileges or prerogatives, which corrective action may be made immediately effective, but shall be subject to the hearing and appellate review procedures to the extent provided pursuant hereto and shall not become final until confirmed by the Board.

7.3-6. Procedure. The procedure to be followed by the medical staff and the Board in acting on matters of medical staff membership, staff category and departmental assignments, privileges, prerogatives and corrective action may be further specified in the Medical Staff By-Laws and Board resolutions.

#### Section 7.4. Fair Hearing Procedures.

7.4-1. Medical Staff. The Board shall require that any action (except with respect to actions relating to temporary privileges, applications submitted by practitioners who are not then members of the medical staff or other actions for which specific provision is made in the Medical Staff By-Laws) taken by officials or agencies of the medical staff or the Hospital, the effect of which would be to deny, terminate, suspend or otherwise significantly diminish an individual practitioner's membership, privileges or prerogatives, shall be accomplished in accordance with the hearing and appellate review procedures adopted by the Board and as set forth in the Medical Staff By-Laws. Such procedures shall assure fair treatment and afford opportunity for the presentation of all pertinent information. The Board may also, in its discretion, cause any action, the effect of which would be the denial in whole or in part of an initial application for membership submitted by a practitioner who is not then a member of the medical staff, to be accomplished in accordance with hearing and appellate review procedures adopted by the Board if and to the extent that such provision is specifically included within the Medical Staff By-Laws or otherwise specifically authorized by the Board.

7.4-2. Medico-Administrative Officials. From time to time, the Hospital may engage one or more physicians or dentists as medico-administrative officials under such terms and conditions as are specified in an engagement agreement. The engagement agreement must require that any such medico-administrative official be a member of the medical staff and that his membership be processed and his privileges be delineated as provided herein. Unless otherwise provided in the engagement agreement,

neither the medical staff membership or privileges of a medico-administrative official shall be terminated without the same hearing and appellate review opportunities as are provided for other members of the medical staff. The term "medico-administrative official "shall mean practitioner engaged by the Hospital on a full-time or part-time basis to perform duties, which, although partially administrative, include clinical responsibilities (e.g., direct medical care or supervision of the professional activities of other practitioners).

## ARTICLE VIII

### Quality of Professional Services

Section 8.1. Board Responsibility. The Board shall require after considering the recommendations of the medical staff and other health care professionals providing patient care services, the periodic assessment of the quality and efficiency of patient care in the Hospital. The Board, through the President, shall provide whatever administrative assistance is reasonably necessary to support and facilitate the implementation and ongoing operation of these review and evaluation activities.

Section 8.2. Accountability of Medical Staff and Other Professionals to Board. The medical staff and other health care professionals providing patient care services shall conduct activities that contribute to the assessment, preservation and improvement of the quality and efficiency of patient care provided in the Hospital and shall report and be accountable to the Board therefore. Such activities shall include making recommendations to the Board concerning:

- A. Definition of the clinical privileges which may be appropriately granted within the Hospital and within each department, consistent with the patient care criteria set forth herein;
- B. Allocation of the Hospital's resources through utilization review procedures;
- C. Contemporaneous review and evaluation of patient care practices through defined functions of the medical staff, the other health care professional services and the Hospital administration;
- D. Retrospective review and evaluation of the quality of patient care through a valid and reliable patient care evaluation procedure;
- E. Provision of continuing professional education, shaped primarily by the needs identified through the review and evaluation activities outlined above; and
- F. Such other matters as the Board, after considering the advice of the medical staff, the other health care professionals and the Hospital administration, may deem necessary for the assessment, preservation and improvement of the quality

and efficiency of patient care.

## **ARTICLE IX**

### **Miscellaneous**

Section 9.1. Administrative Committees. In addition to Board Committees provided hereunder and to the medical staff committees provided pursuant to the Medical Staff By-Laws, the President shall, to the extent not limited by resolution of the Board, be authorized to appoint administrative committees to advise the President with respect to the particular administrative functions specified in the appointment of the administrative committee. The President shall report all such appointments to the Board at its next meeting succeeding such appointments.

Section 9.2. Contracts. The Board may authorize any officer or agent of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 9.3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or an Assistant Treasurer, if any, and countersigned by the President.

Section 9.4. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in one or more such banks, trust companies or other depositories as the Board may from time to time designate, upon such terms and conditions as shall be fixed by the Board. The Board may from time to time authorize the opening and keeping, with any such depository as it may designate, of general and special bank accounts and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these By-Laws, as it may deem necessary.

Section 9.5. Gifts. Subject to such approvals, if any, as the Member may require, the Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for and consistent with the general purposes, or for and consistent with any specific purpose, of the Corporation.

Section 9.6. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep records of the actions of the Corporation, which records shall be open to inspection by the Members and Trustees at any reasonable time.

Section 9.7. Annual Operation Report. The President, with the prior review of the Board, shall cause an annual report to be submitted to the Member no later than one hundred fifty (150) days after the close of each fiscal year of the Corporation. Such

annual report shall include without limitation the following identified elements:

- A. The organization chart for the Corporation's current fiscal year and a listing of those persons serving as (i) Trustees and consulting directors on the Board and Board Committees; (ii) officers; and (iii) officers of the medical staff and members of medical staff committees;
- B. The table of contracts, leases, association memberships and other agreements for the Corporation's current fiscal year;
- C. The legal audit report, if any, for the Corporation's immediately preceding fiscal year as prepared by the legal auditors;
- D. The audited financial statements for the Corporation's immediately preceding fiscal year and the commentary report prepared by the financial auditors in conjunction therewith;
- E. The previously approved long range plan, three-year capital budget and one-year operating budget applicable to the Corporation's current fiscal year; and
- F. The latest accreditation report received by the Corporation from the Centers for Medicare and Medicaid Services (CMS) or other certifying or accrediting body performing the functions of CMS, together with a summary of the steps taken or to be taken to correct the deficiencies noted herein, if any.

Section 9.8. Annual Fiscal Report. The President, with the prior review of the Board, shall cause an annual fiscal report to be submitted to the Member after the close of each fiscal year of the Corporation. Such annual fiscal report must conform to accounting standards promulgated by the American Institute of Certified Public Accountants and shall include, without limitation, the following identified elements concerning the Corporation:

- A. A statement of support, revenue and expenses and changes in fund balances;
- B. A statement of functional expenses;
- C. Balance sheets for all funds; and
- D. The audited financial statements for the Corporation's immediately preceding fiscal year and the commentary report thereto prepared by the financial auditors, if any, in conjunction therewith.

Section 9.9. Fiscal Year; Accounting Election. Except as the Board shall determine otherwise, and subject to the Reserved Powers of the Member, the fiscal year of the Corporation shall end on September 30.

Section 9.10. Seal. The Board may provide a corporate seal for use by the Corporation.

Section 9.11. Notice.

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9.11-1. Effective Date. Any notice required or permitted to be given pursuant to the provisions of the Articles of Association, these By-Laws or applicable law, shall be in writing, shall be sufficient and effective as of the date personally delivered or, if sent by mail, on the date deposited with the United States Postal Service, prepaid and addressed to the intended receiver at such receiver's last known address as shown in the records of the Corporation.

9.11-2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Articles of Association, these By-Laws or applicable law, a waiver thereof in writing signed by persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 9.12. Indemnification of the Member, Trustees Officers and Others. The Corporation shall indemnify its Member, Trustees, Officers and committee members and its former Trustees, Officers and committee members, and their respective heirs, executors and administrators, against all judgments and assessments and reasonable costs and expenses, including attorney's fees, incurred by or imposed upon them in connection with any action, suit or proceeding to which they may be made a party or with which they shall be threatened by reason of their being or having been the Member or Trustees, Officers or committee members of the Corporation, except with respect to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of their duties as Member, Trustee, Officer or committee member. The Corporation shall have the right, but not the duty, to assume the defense of such Member, Trustee, Officer or committee member or former Trustee, Officer or committee member in any such action, suit or proceeding. In the event that the Corporation does not assume the defense, the Corporation's liability for indemnification in the event of a proposed settlement of the action, suit or proceeding shall be conditioned upon the Corporation's express written approval of the settlement. The foregoing right of indemnification shall not be deemed exclusive of any rights to which any Member, Trustee, Officer or committee member may otherwise be entitled as a matter of law or contract. By resolution of the Board, the Corporation may under comparable terms and limitations, indemnify members of the medical staff and employees and agents of the Corporation with respect to activities within the scope of their duties as members of Board Committees, members of Hospital Committees, or officers or other officials of the medical staff.

Section 9.13. Additional Organizations. Subject to the Reserved Powers of the Member, the Board may authorize the formation of such auxiliary, associated and affiliated organizations as would, in the opinion of the Board, assist in the fulfillment of the purposes of this Corporation. Unless formed as separate legal entities such organizations shall be subject to these By-Laws and all authorizations, irrespective of their terms, shall be revocable at any time in the discretion of the Board.

Section 9.14. Duality of Interests. No contract or other transaction between the Corporation and one or more of the Trustees on the Board or Officers, or between the

Corporation and any other corporation, firm, association or other entity in which one or more of the Trustees or Officers or members of their immediate family, (an "Interested Party") are directors, officers, or employees, or in which they have a significant financial or influential interest, shall be entered into by the Board unless all of the following conditions are met:

A. The relevant and material facts as to such Interested Party's interest in such contract or transaction are disclosed in advance, to the Board; and

B. The contract or transaction is for goods or services or benefits provided in the ordinary course of business and is fair and reasonable to the Corporation at the time such contract or transaction is authorized; and

C. The Board authorizes such contract or transaction by a vote at least two-thirds (2/3rds) of the members of the Board other than the Interested Party at a meeting at which a quorum is present, and such Interested Party is not counted in determining the presence of a quorum or in determining the two-thirds vote; and

D. Such Interested Party does not participate in the discussion and is not present at such time as the vote is taken.

Section 9.15. Rules. The Board may adopt, amend or repeal rules (not inconsistent with these By-Laws) for the management of the internal affairs of the Corporation and the governance of its officers, agents, board committees, administrative committees, employees, medical staff, patients and visitors.

Section 9.16. Third Parties. The By-Laws shall not inure to the benefit of or create any rights in favor of third parties.

Section 9.17. Voting of Corporation's Interests in Other Entities. Unless otherwise ordered by the Board, the President, the Secretary and the Treasurer, or any of them, shall have full power and authority on behalf of the Corporation to attend, to vote and to grant proxies to be used at any meeting of shareholders of any corporation or to otherwise exercise rights and powers of the Corporation with respect to any entity in which the Corporation may hold stock or otherwise be a member. The Board may confer like powers upon any other person or persons.

Section 9.18. Vote by Presiding Officer. The person acting as presiding officer at any meeting held pursuant to these By-Laws shall, if a voting member thereof, be entitled to vote on the same basis as if not acting as presiding officer.

Section 9.19. Gender and Number. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural thereof.

Section 9.20. Articles and Other Headings. The articles and other headings contained in these By-Laws are for reference purposes only and shall not affect the meaning or

interpretation of these By-Laws.

## **ARTICLE X**

### **Amendments to By-Laws**

The power to alter, amend or repeal the By-Laws or to adopt new By-Laws shall be vested in the Board, subject to the Reserved Powers of the Member; provided, however, without limitation, that these By-Laws shall be reviewed by the Member and Board at least once every two (2) years to determine if further amendment is indicated.

Adopted: January 1986  
Amended: January 2002  
Amended: January 2013  
Amended: January 2015  
Amended: January 2018

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