

**SECOND AMENDED AND RESTATED BYLAWS
OF McCALL MEMORIAL HOSPITAL DISTRICT**

**ARTICLE I
NAME**

The name of the District is the McCall Memorial Hospital District, and it is sometimes referred to in these Bylaws as the Corporation.

**ARTICLE II
PURPOSE**

The purposes for which the Corporation was formed are those set forth in the petition initiating its formation, namely, for the purpose of providing for the betterment of public health and the necessary care and treatment of persons requiring medical services, including as necessary, the construction, maintenance, and improvement of public hospitals, as defined below, within the District, as well as fulfillment of those duties as established by Idaho law at Section 39-1318, Idaho code, et seq. as presently enacted or hereafter amended.

**ARTICLE III
DEFINITIONS**

1. Board: The word "Board" as used in this action shall mean the Board of Trustees of the District.
2. Healthcare Services Agreement: An Agreement entered into by and between St. Luke's McCall, Ltd ("SLM") and the District, on or about February 5, 2016, as the same may be amended from time to time, pursuant to which SLM will provide healthcare services to the District.
3. Hospital District or District: The McCall Memorial Hospital District.
4. Lease-Option Agreement: An Agreement entered into by and between St. Luke's McCall, Ltd ("SLM"), the St. Lukes Health System ("SLHS") and the District, on or about February 5, 2016, as the same may be amended from time to time, pursuant to which the District has leased the District's hospital and related buildings, fixtures, equipment and the property on which the hospital is located to SLM.
5. Medical Clinic: A "Medical Clinic" means a place devoted primarily to the maintenance and operation of facilities for outpatient medical, surgical and emergency care of acute and chronic conditions or injury.
6. Qualified Elector: A "Qualified Elector" of a District is a person qualified to vote at general elections in this state, and who has been a bona fide Resident of the District for at least thirty (30) days prior to any election in the District.

7. Public Hospital: A "Public Hospital" means a hospital which is owned by the District or which is privately owned but located on land owned by the District and provides Healthcare Services to the public, including charity care and care for indigents.

8. Resident: "Resident," for voting purposes, shall be the principal or primary home or place of abode of a person. Principal or primary home or place of abode is that home or place in which his or her habitation is fixed and to which a person, whenever he or she is absent, has the present intention of returning after a departure or absence there from, regardless of the duration of absence.

9. St. Luke's Health System: St. Luke's Health System, Ltd., an Idaho nonprofit corporation ("SLHS").

10. St. Luke's McCall: St. Luke's McCall, Ltd, an Idaho nonprofit corporation ("SLM").

ARTICLE IV BOARD OF TRUSTEES

1. Qualifications of Members: The Board of Trustees shall consist of seven (7) Residents of the Hospital District who shall be elected or appointed as provided herein. No person shall be qualified to serve as a trustee of the Hospital District unless he or she shall be a Resident of the Hospital District and a Qualified Elector of the state of Idaho.

2. Oaths and Bonds of Members: The members of the board shall qualify by filing with the clerk of the board of county commissioners their oaths of office, and corporate surety bonds at the expense of the Hospital District in an amount not to exceed one thousand dollars (\$1,000) each, the form thereof to be fixed and approved by the board of county commissioners conditioned for the faithful performance of their duties as trustees.

3. Biennial election of board members--Terms of office: Biennial elections shall be held on the third Tuesday of May in 2011, and on the third Tuesday of May every second year thereafter.

At the 2011 biennial election and each sixth year thereafter there shall be elected two (2) members of the board to serve for a term of six (6) years; at the 2013 biennial election and each sixth year thereafter there shall be elected two (2) members of the board to serve for terms of six (6) years; at the 2015 biennial election and each sixth year thereafter there shall be elected by the Qualified Electors of the District three (3) members of the board to serve for a term of six (6) years.

Nominations may be filed with the Secretary of the Board not later than the sixth Friday preceding the election for which the nomination is made, and if a nominee does not withdraw his or her name before the first publication of the notice of election his or her name shall be placed on the ballot. The county clerk shall provide for holding such elections and shall appoint judges to conduct it; the county clerk shall give notice of election by publication and shall arrange such other details in connection therewith as the Board may direct. The returns of the election shall be certified to and shall be canvassed and declared by the board of county commissioners. The candidate or candidates according to the number of members of the Board to be elected,

receiving the most votes shall be elected. Any new member of the Board shall qualify in the same manner as members of the first Board qualify.

In any election for a member of the Board, if after the deadline for filing a declaration of intent as a write-in candidate, it appears that only one (1) qualified candidate has been nominated for a trustee's position, it shall not be necessary for the candidate to stand for election, and the Board of Trustees of the District shall declare such candidate elected as a trustee, and the Secretary of the Board of the District shall immediately make and deliver to such person a certificate of election.

4. Election Procedures: All elections shall be held in accordance with Title 39, Chapter 13 and Title 34, Chapter 14 of the Idaho Code.

5. Meetings: The Board shall meet regularly on the third Tuesday of each month, at St. Luke's McCall Hospital or at such other time as the Board designates. Special meetings may be held as often as the needs of the District require, on notice to each Board member and the general public, as provided by the Idaho Open Meeting Law.

6. Quorum: Four (4) members of the Board shall constitute a quorum at any meeting.

7. Vacancies: Any vacancy on the Board shall be filled by the remaining members or member of the Board, the appointee to act until the next biennial election, when the vacancy shall be filled by election. If the Board shall fail, neglect or refuse to fill any vacancy within thirty (30) days after the same occurs, the board of county commissioners of the county in which the District is situated shall fill such vacancy.

8. Removal of Members: The court having jurisdiction of the District shall have the power to remove members of the Board for cause shown on petition, notice and hearing.

9. Compensation of Members. Each member of the Board shall receive the amount of his or her actual and necessary expenses incurred in the performance of his or her official duties as authorized by the Board of Trustees. No member of the Board shall receive any compensation as an employee of the District or otherwise, other than that herein provided, and no member of the Board shall be interested in any contract or transaction with the District except in his or her official representative capacity.

10. Powers of Board: For and on behalf of the District the Board shall have the powers described at Idaho Code Section 39-1331, and as may otherwise be provided in Title 39, Chapter 13 Idaho Code, as the same may be amended, or otherwise by law.

11. Duties of Board: The Board shall manage the District in accordance with these Bylaws, applicable law and the District's contractual obligations. Without limiting the foregoing, the Board's duties shall include but not be limited to the following specific duties:

(a) The Board shall keep and maintain the District in good standing under and shall comply with the terms of the Healthcare Services Agreement.

(b) The Board shall keep and maintain the District in good standing under and shall comply with the terms of the Lease-Option Agreement.

ARTICLE V OFFICERS

1. Officers: The Board of Trustees shall choose one (1) of its members as chairman of the Board and president of the District, and shall elect a secretary and treasurer of the Board and of the Hospital District. The secretary and treasurer may be one person and need not be members of the Board. Such other offices may be created as the Board desires not otherwise inconsistent with these Bylaws.

(a) Term of Office: Each officer's term of office shall be two (2) years; in the event the Secretary or Treasurer is not a Board member, their term of office shall be at will, subject to the pleasure of the Board, or on such other terms as the Board authorizes.

(b) Indemnification Against Liability: The provisions of the Idaho Tort Claims Act regulating tort claims against governmental entities and their officers and employees shall be utilized as the first recourse in the event of a claim.

In addition, and secondarily, the District will indemnify and hold harmless each person who shall serve at any time hereafter as a trustee or officer of the District from and against any and all claims and liabilities to which such person shall become subject by reason of his or her having heretofore or hereafter been a trustee or officer of the District, or by reason of any action alleged to have been heretofore or hereafter taken or omitted by him or her as such trustee or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own negligence or willful misconduct.

The rights accruing to any person under the foregoing provisions of this Article shall not exclude any other right to which he or she may be lawfully entitled, nor shall anything herein contained restrict the right of the District to indemnify or reimburse such person in any proper case even though not specifically herein provided for. The District, its trustees and officers, shall be fully protected in taking any action or making any payment under this Article IV(3), or in refusing so to do, in reliance upon the advice of counsel.

(c) Each officer shall exercise their authority and discharge their duties in accordance with Idaho Code §30-3-85, as the same may be amended. In accordance with Idaho Code §30-3-85(2), in carrying out their duties, the officers are entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Hospital District who the officer reasonably believes to be reliable and competent in the matters presented; or, (ii) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

2. Chairman of the Board / President: The Chairman of the Board / President shall be the principal executive officer of the Hospital District. Subject to the direction and control of the Board, he/she shall be in charge of the business and affairs of the Hospital District; he/she shall, when present, preside at all meetings of the Board. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Hospital District or a different mode of execution is expressly prescribed by the Board, he/she may execute for the Hospital District any contracts or other instruments which the Board has authorized to be executed, and he/she may accomplish such execution either individually or with the secretary or any other officer thereunto authorized by the Board, according to the requirements of the form of the instrument; and, in general, he/she shall discharge all duties incident to the office of Chairman of the Board and President and such other duties as may be prescribed by the Board. The President, with the approval of the Board, shall designate the two District Board members who will serve on the Community Board of SLM.

3. Secretary:

(a) The Secretary shall maintain a record of all its proceedings, minutes of all meetings, statements of property tax valuations, certificates, contracts, bonds given by employees and all corporate acts which shall be open to inspection by all owners of real property in the District as well as to all other interested parties.

(b) The Secretary shall be responsible for countersigning all drafts or warrants on the District's treasury that have been legally authorized and appropriated. If the Secretary is unavailable, the Treasurer or President may countersign the subject document. He or she shall likewise perform such other duties as are delegated by the Board.

4. Treasurer:

(a) The Treasurer shall keep, or cause to be kept, strict and accurate accounts of all moneys received by and disbursed for and on behalf of the District in permanent records. He or she shall file with the Board of Trustees of the District, at the expense of the District, a corporate fidelity bond in an amount to be fixed by the Board of Trustees, in any case not less than Ten Thousand and No/100 Dollars (\$10,000.00), conditioned on the faithful performance of the duties of his or her office. A financial statement shall be provided for the Board's review, at such time as are directed by them, but at least monthly.

(b) The Treasurer of the Hospital District shall keep, or cause to be kept, accounts for such District, to place to the credit of such District all moneys received by him or her from the collector taxes, or from any other officer charged with the collection of taxes as the proceeds of taxes levied by the Board or from any other sources and of all other moneys belonging to such District and to pay over all moneys belonging to the District by legally drawn warrants or orders of the District Officer entitled to draw the same.

(c) The Treasurer shall be responsible for or shall cause the payment, endorsement, and administration of duly issued warrants as provided by 39-1347 through 39-1352, Idaho Code, as the same may be amended. In the event that the Treasurer's signature is required on a document and the Treasurer is unavailable, then the Secretary or President may sign in the Treasurer's place.

(d) The Treasurer shall likewise perform or cause to be performed such other duties as are delegated by the Board.

ARTICLE VI COMMITTEES

1. The Board may create such committees as it may deem necessary to promote the purposes and carry on the work of the Corporation. The power to form special committees and appoint their members rests with the Board.

2. An Executive Committee is hereby created for the purpose of exercising the powers of the Board as a whole, as necessary and prudent, during the periods between scheduled or special meetings of the Board of Trustees, save and except for the Amendment of Bylaws and the designation or re-designation of the officers of the Board itself. All such actions shall be subject to either prior express authorization or delegation by the Board, or subsequent ratification, as the case may be. No actions shall be effective unless and until sanctioned.

The Executive Committee shall be chaired by the Chairman of the Board of Trustees and shall include the Secretary / Treasurer and such other persons as may be appointed by the Chairman of the Board of Trustees, each to exercise one (1) vote in conjunction with the committees' deliberations.

ARTICLE VII SEAL AND AUDIT

1. Seal: The Board shall adopt a seal. The seal of the Corporation shall be as more particularly shown in the following impression:

2. Audit: The Board shall cause an audit to be made of all financial affairs of the District during each fiscal year, which audit shall be made within one hundred twenty (120) days following the end of the fiscal year. A financial statement shall be certified by the person making such audit, which shall be published in the Central Idaho Star-News in one (1) issue, not more than thirty (30) days following the audit. Such audit shall be made by registered accountant or certified public accountant, who is not otherwise employed by the District.

ARTICLE VIII AMENDMENT

The Bylaws may be amended, repealed, or altered in whole or in part by a majority vote of the Board at any regular or special meeting of the Board.

These Second Restated and Amended Bylaws were approved by the Board of Trustees of the McCall Memorial Hospital District at its 15 March, 2016 Meeting.

R. Derek Williamson
R. DEREK WILLIAMSON,
CHAIRMAN

Dated: March 15, 2016

ATTEST:

Travis Leonard
SECRETARY

Dated: March 15, 2016