



McCall Memorial Hospital *District*

McCALL MEMORIAL HOSPITAL DISTRICT

BOARD OF TRUSTEES MONTHLY MEETING

TUESDAY, JUNE 17, 2025; 7:30 am - 8:30 am

Administrative Conference Room; 1000 State St. McCall, ID 83638

For Microsoft Teams Link: [Click here to join the meeting](#)

Virtual Meeting ID: 252 726 450 726 and Passcode: hS3j9et2

Virtual Video Conference ID: 111 187 494 0

Phone Audio Only: [1 208-996-1717](#)

Phone Conference ID: 926 567 70#

AGENDA

1. Call to Order – Andy Laidlaw, Chair
2. Safety Together Mission Moment: Commitment to Safety – Amber Green, SLM COO/CNO
3. *ACTION* Approval of the May 20 Meeting Minutes – Andy Laidlaw, Chair
4. Monthly Budget Review – Marge Krahn, Treasurer
5. *ACTION* Approve Asset Disposal Transfer Form – Greg Sims, SLHS Finance
6. *ACTION* Approval of Director's and Officer's Insurance - Travis Leonard, Secretary
7. FY26 Funding Request– Marge Krahn, Treasurer & Amber Green, SLM COO/CNO
8. Housing Workgroup – Andy Laidlaw, Chair
ACTION Approval of Deed from Foundation – Steve Millemann, MMHD Legal Counsel
ACTION Approval of Lease Agreement – Steve Millemann, MMHD Legal Counsel
ACTION Approval of Joint Tenancy Agreement – Steve Millemann, MMHD Legal Counsel
ACTION Approval of Exercise of Option – Steve Millemann, MMHD Legal Counsel
ACTION Approval of Owners Representation – Andy Laidlaw, Chair
ACTION Approve Construction Payment Methodology – Andy Laidlaw, Chair
9. Health Services Agreement Workgroup – Mike Vineyard, Trustee
ACTION Approval of the June 4 Meeting Minutes– Andy Laidlaw, Chair
10. Public Information Campaign – Aana Vannoy, Trustee
ACTION Approval of June 5 Workgroup Meeting Minutes
11. Give Us a Vote – Update on State AG Complaint Submission-Andy Laidlaw, Chair & Steve Millemann, MMHD Legal Counsel
12. St. Luke's Reports
 - Ambulance Shelter Update – Ginger McCabe, SLHS VP System Operations
 - Financial Update - Kim Doman, SLHS Finance
 - McCall Operations Report – Amber Green, SLM COO/CNO
 - Population Health Area Report – Dennis Mesaros, VP Population Health
 - Community Board Report – Aana Vannoy
 - Quality Committee Report – Aana Vannoy
 - Foundation Board Report – Marge Krahn, Board Treasurer

13. New Business – Andy Laidlaw, Chair
14. Public Comment – Andy Laidlaw, Chair
15. Adjourn – Andy Laidlaw, Chair

Upcoming Meetings:

Next Board Meeting – Tuesday, July 15; 7:30 – 8:30 a.m.

MMHD Housing Workgroup Meeting – Wednesday, June 18; 9:00 – 10:00 a.m.

SLM Foundation Board – Wednesday, June 18; 2:00 – 4:00 p.m.

SLM Community Board – Thursday, June 26; 7:00 – 9:00 a.m.

Quality Committee – Thursday, June 19; 2:00 – 3:00 p.m.

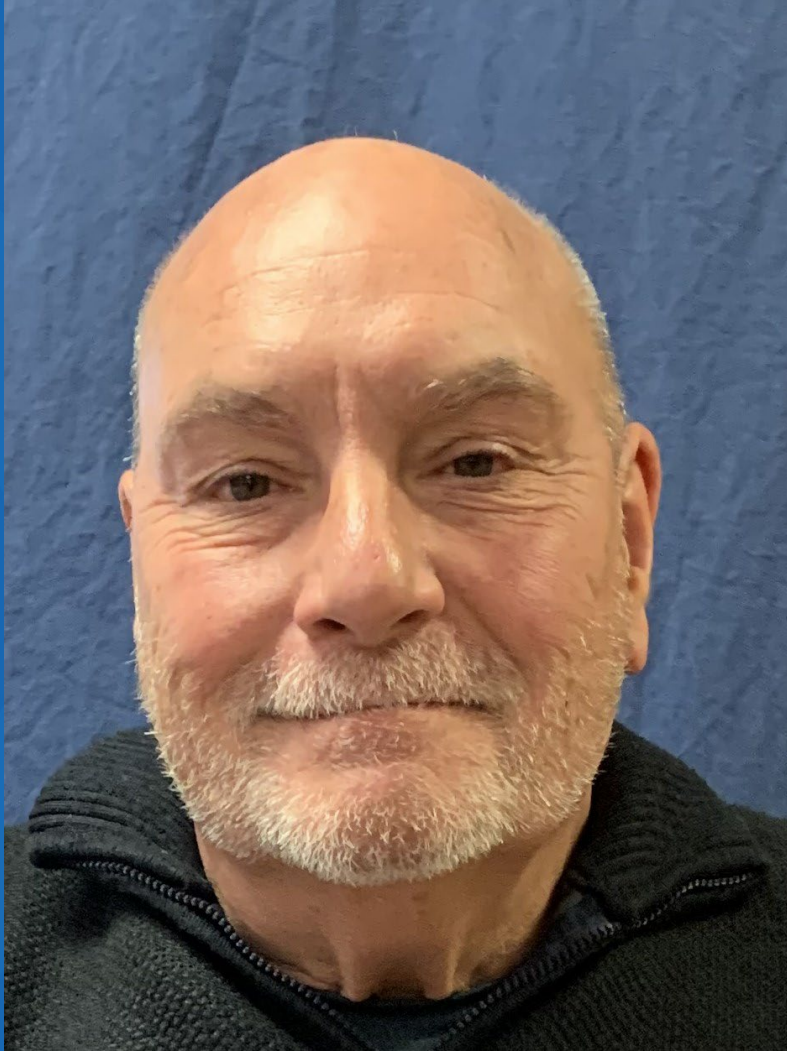
SLM Auxiliary Board – Friday, June 27; 3:00 – 5:00 p.m.

Safety Together Mission Moment

St. Luke's McCall Community Board

June 26, 2025





McCall Security Guard Story

Commitment to Safety

What is St. Luke's current workplace safety focus?

In alignment with our Safety Together journey, we're currently bringing together people, technology and processes as we innovate and plan the next phase of our work, which includes the following initiatives.

- A **history of violence administrative alert** will be implemented in myStLuke's/Epic in July .
- St. Luke's received a grant through the Idaho Department of Emergency Management to incorporate the **Evolv Weapons Detection System**, which indicates a potential weapon on a person's silhouette or in a bag/box, as part of the opening of the Center of Orthopedics and Sports Medicine (COSM).
- Operations leadership is collaborating with Human Resources to **reimagine our security staffing model and increase staff levels** to support our health care environments. The work includes ensuring our security leaders have **International Association of Healthcare Security & Safety Certification** for Workplace Violence Prevention, updating training of **K-9 units certified in weapons detection** and adding additional **drones to make proactive patrols** on campus.
- We're in the process of **scaling the Behavioral Response Team** across the health system to provide proactive expertise to our frontline teams in preventing and de-escalating crisis situations, which includes revisiting the current restraints policy. Additionally clinical teams will have access to lead psych RNs and a newly established CNA/mental health technician role that will embed expertise within the team.
- A **governance structure** is in the process of being put in place to ensure there is cross functional oversight, coordination and accountability to ensure a **sustained, systemwide approach** to keeping our workplace safe.



**McCALL MEMORIAL HOSPITAL DISTRICT
BOARD OF TRUSTEES MONTHLY MEETING MINUTES
TUESDAY MAY 20, 2025; 7:31 – 9:12 a.m.
ADMINISTRATIVE CONFERENCE ROOM & MICROSOFT TEAMS VIRTUAL MEETING**

TRUSTEES PRESENT: Andy Laidlaw, Chair, Travis Leonard, Secretary, Marge Krahn, Treasurer Steve Clements, Angela Staup, Mike Vineyard, and Aana Vannoy, Trustees

TRUSTEES ABSENT: None.

STANDING GUESTS: Mike Birkinbine, SLM Supply Chain, Laura Crawford SLM PR and Comm. Bus. Partner, Kim Doman, SLHS Finance, Sandee Gehrke, SLHS EVP COO, Amber Green, SLM COO/CNO, Jordan Heller, SLHS Legal Counsel, Alexa Hersel, SLM Exec. Asst., Hayley, Johnson, SLM Foundation Coord., Ginger McCabe, SLHS VP Ops., Dennis Mesaros, VP Pop. Health, and Jennifer Nevala, SLM Rehab Coord.

PUBLIC PRESENT: Tom and Tomi Grote

CALL TO ORDER – A quorum was present and Andy Laidlaw, Chair, convened the meeting at 7:31 a.m. The in-person trustee attendance included: Andy Laidlaw, Chair, Marge Krahn, Treasurer, and Aana Vannoy. In-person guests included: Amber Green, Alexa Hersel, Laura Crawford, and Jennifer Nevala. All others attended virtually.

SAFETY TOGETHER MISSION MOMENT – Jennifer Nevala, Inpatient Rehabilitation Coordinator, provided a mission moment on the new hospital's inpatient rehabilitation therapy department. The new space has improved patient care with new equipment, extra storage, and additional staff workstations.

APPROVAL OF MINUTES - Andy Laidlaw, Chair, referred to the April 15 and May 16 meeting minutes.

ACTION: MARGE KRAHN MOVED, SECONDED BY AANA VANNOY, TO APPROVE THE APRIL 15 & MAY 16, 2025, BOARD MEETING MINUTES, AS PRESENTED. THERE WAS NO DISCUSSION AND IT WAS UNANIMOUSLY APPROVED.

MONTHLY BUDGET REVIEW – Marge Krahn, Treasurer, noted that the monthly transfer of funds was completed to maintain the FDIC standards. She will be attending the Idaho State Tax Commission's budget and levy training session and continues to draft the FY26 budget.

WEBSITE UPDATE – Travis Leonard, Secretary, reported that the website is now live at: mmhd.info.

HOUSING WORKGROUP – Andy Laidlaw, Chair, noted that the development agreement and the Option Agreement extension were approved. Discussions with the Idaho Health Facilities Authority continue, as well as revisions to the Joint Tenancy Agreement with the SLM Foundation.

PUBLIC INFORMATION CAMPAIGN WORKGROUP - Aana Vannoy, Trustee, reported that the workgroup is drafting content for questions raised from the public.

ACTION: MARGE KRAHN MOVED, SECONDED BY AANA VANNOY, TO APPROVE THE MAY 15, 2025, PUBLIC INFORMATION CAMPAIGN WORKGROUP MEETING MINUTES, AS PRESENTED. THERE WAS NO DISCUSSION AND IT WAS UNANIMOUSLY APPROVED.

FY26 FUNDING REQUEST - Amber Green, SLM COO/CNO, presented the draft FY26 funding request. Marge Krahn, Treasurer, described the line items in the draft M&O budget.

AMBULANCE SHELTER UPDATE – Ginger McCabe, SLHS VP System Operations, provided an update on the ambulance shelter and living quarters project, which is progressing well. A discussion on projected increased lumber cost and contingency funds was held.

FINANCIAL UPDATE – Kim Doman, SLHS Finance, provided a financial update.

ST. LUKE'S McCALL OPERATIONS REPORT – Amber Green provided an operational update regarding staffing, housing, employee appreciation, quality scores, and new services. An update on the Area B construction was provided, and discussion was held on parking spaces. She also noted the SLM Foundation fundraising campaign to support remodeling the 3rd Street building for the outpatient therapy department that will move from the Lake Street Center.

POPULATION HEALTH REPORT – Dennis Mesaros, SLHS VP Population Health, reported on recent legislative updates and the nationwide measles outbreak.

SLM COMMUNITY BOARD & SLM QUALITY COMMITTEE – No reports.

FOUNDATION BOARD – Marge Krahn, Board Treasurer, noted SLM Foundation board member changes.

HEALTH SERVICES AGREEMENT WORKGROUP - Mike Vineyard, Trustee, provided an update on the last workgroup meeting and a discussion ensued regarding the request for a nonbinding advisory vote and the potential dissolution process. He noted that the next workgroup meeting will take place on June 4.

ACTION: STEVE CLEMENTS MOVED, SECONDED BY TRAVIS LEONARD, TO APPROVE THE MAY 6, 2025, HEALTH SERVICES AGREEMENT WORKGROUP MEETING MINUTES, AS PRESENTED. THERE WAS NO DISCUSSION AND IT WAS UNANIMOUSLY APPROVED.

NEW BUSINESS & PUBLIC COMMENT – No comments.

Hearing no other comments or updates, the board adjourned at 9:12 a.m.

Respectfully submitted,

Travis Leonard, MMHD Board Secretary

:ah

11:14 AM

06/03/25

McCall Memorial Hospital District Balance Sheet Detail

Accrual Basis

As of May 31, 2025

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
ASSETS										5,607,682.28
Current Assets										5,607,682.28
Checking/Savings										2,940,976.57
IDF- Cash Sweep										2,667,194.82
Transfer	05/20/2025				Funds Transfer	X	IDF- Checking...	3,781.75		2,670,976.57
Deposit	05/31/2025				Interest	X	Interest Income	5,672.10		2,676,648.67
Total IDF- Cash Sweep								9,453.85	0.00	2,676,648.67
IDF- Checking-3112										23,071.51
Check	05/03/2025	ACH		Verizon	Memo:DBT C...	X	Office Supplies		35.93	23,035.58
Bill Pmt -Check	05/06/2025	564		Column Software P...	Memo:CHEC...	X	Accounts Paya...		32.34	23,003.24
Check	05/06/2025	565		United States Post ...	Memo:CHEC...	X	Postage and D...		73.00	22,930.24
Check	05/08/2025			Go Daddy	DBT CRD 15...	X	Office Supplies		62.34	22,867.90
Check	05/09/2025			Go Daddy	DBT CRD 11...	X	Office Supplies		95.88	22,772.02
Bill Pmt -Check	05/15/2025	566		Lamm and Compan...	Memo:CHEC...	X	Accounts Paya...		250.00	22,522.02
Bill Pmt -Check	05/15/2025	567		Millemann, Pembert...	Memo:CHEC...	X	Accounts Paya...		9,372.65	13,149.37
Transfer	05/15/2025				Funds Transfer	X	IDF- Money M...	710.24		13,859.61
Deposit	05/20/2025				Deposit Paye...	X	-SPLIT-	7,917.14		21,776.75
Transfer	05/20/2025				Funds Transf...	X	IDF- Cash Sw...		3,781.75	17,995.00
Bill Pmt -Check	05/21/2025	568		Column Software P...			Accounts Paya...		11.36	17,983.64
Bill Pmt -Check	05/21/2025	569		Column Software P...			Accounts Paya...		10.49	17,973.15
Deposit	05/31/2025			Idaho First Bank	INTEREST D...	X	Interest Income	3.03		17,976.18
Total IDF- Checking-3112								8,630.41	13,725.74	17,976.18
IDF- Money Market-4931										250,710.24
Transfer	05/15/2025				Funds Transf...		IDF- Checking...		710.24	250,000.00
Deposit	05/15/2025			Idaho First Bank	INTEREST D...	X	Interest Income	710.92		250,710.92
Total IDF- Money Market-4931								710.92	710.24	250,710.92
US BANK- 1033										0.00
Total US BANK- 1033										0.00
Total Checking/Savings								18,795.18	14,435.98	2,945,335.77
Accounts Receivable										451,637.74
Accounts Receivable										451,637.74
Payment	05/20/2025			Valley County Warr...			Undeposited F...		69.21	451,568.53
Payment	05/20/2025			Valley County Warr...			Undeposited F...		219.24	451,349.29
Payment	05/20/2025			Valley County Warr...			Undeposited F...		428.62	450,920.67
Payment	05/20/2025			Valley County Warr...			Undeposited F...		6,955.39	443,965.28
Total Accounts Receivable								0.00	7,672.46	443,965.28
Total Accounts Receivable								0.00	7,672.46	443,965.28
Other Current Assets										2,215,067.97
Account for Credit Transfer										0.00
Total Account for Credit Transfer										0.00
Prepaid Items										663,798.98
Total Prepaid Items										663,798.98
Sales Tax Receivable										27,312.28
Total Sales Tax Receivable										27,312.28
Delinquent Taxes Receivable										32,000.00
Total Delinquent Taxes Receivable										32,000.00
Taxes Receivable, Net										1,491,956.71
Total Taxes Receivable, Net										1,491,956.71
Undeposited Funds										0.00
Payment	05/20/2025			Valley County Warr...		X	Accounts Rec...	69.21		69.21
Payment	05/20/2025			Valley County Warr...		X	Accounts Rec...	219.24		288.45
Payment	05/20/2025			Valley County Warr...		X	Accounts Rec...	428.62		717.07
Payment	05/20/2025			Valley County Warr...		X	Accounts Rec...	6,955.39		7,672.46
Deposit	05/20/2025			-MULTIPLE-	Deposit Paye...	X	IDF- Checking...		7,672.46	0.00
Total Undeposited Funds								7,672.46	7,672.46	0.00
Total Other Current Assets								7,672.46	7,672.46	2,215,067.97
Total Current Assets								26,467.64	29,780.90	5,604,369.02
Fixed Assets										0.00
Land										0.00
Total Land										0.00
Building Improvements										0.00
Total Building Improvements										0.00
Advance for Tenant Improvements										0.00
Total Advance for Tenant Improvements										0.00
Accumulated Depreciation										0.00
Total Accumulated Depreciation										0.00
Furniture and Equipment										0.00
Total Furniture and Equipment										0.00

11:14 AM

06/03/25

McCall Memorial Hospital District Balance Sheet Detail

Accrual Basis

As of May 31, 2025

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Medical Equipment										0.00
Total Medical Equipment										0.00
Total Fixed Assets										0.00
Other Assets										0.00
Cascade Property Loan										0.00
Total Cascade Property Loan										0.00
Security Deposits Asset										0.00
Total Security Deposits Asset										0.00
Total Other Assets										0.00
TOTAL ASSETS								26,467.64	29,780.90	5,604,369.02
LIABILITIES & EQUITY										5,607,682.28
Liabilities										1,518,586.19
Current Liabilities										1,518,586.19
Accounts Payable										0.00
Accounts Payable										0.00
Bill	05/06/2025	70E4...		Column Software P...			Legal Notices		10.49	10.49
Bill	05/06/2025	70E4...		Column Software P...			Legal Notices		10.49	20.98
Bill	05/06/2025	70E4...		Column Software P...			Legal Notices		11.36	32.34
Bill Pmt -Check	05/06/2025	564		Column Software P...	Memo:CHEC...		IDF- Checking...	32.34		0.00
Bill	05/15/2025	712721		Millemann, Pembert...			Legal Fees		9,372.65	9,372.65
Bill	05/15/2025	60607		Lamm and Compan...			Accounting		250.00	9,622.65
Bill Pmt -Check	05/15/2025	566		Lamm and Compan...	Memo:CHEC...		IDF- Checking...	250.00		9,372.65
Bill Pmt -Check	05/15/2025	567		Millemann, Pembert...	Memo:CHEC...		IDF- Checking...	9,372.65		0.00
Bill	05/21/2025	70E4...		Column Software P...			Legal Notices		11.36	11.36
Bill Pmt -Check	05/21/2025	568		Column Software P...			IDF- Checking...	11.36		0.00
Bill	05/21/2025	70E4...		Column Software P...			Legal Notices		10.49	10.49
Bill Pmt -Check	05/21/2025	569		Column Software P...			IDF- Checking...	10.49		0.00
Total Accounts Payable								9,676.84	9,676.84	0.00
Total Accounts Payable								9,676.84	9,676.84	0.00
Credit Cards										0.00
Total Credit Cards										0.00
Other Current Liabilities										1,518,586.19
A/P (Audit)										3,494.00
Total A/P (Audit)										3,494.00
Deferred Taxes										0.00
Total Deferred Taxes										0.00
Owed to St Lukes Bank Error										0.00
Total Owed to St Lukes Bank Error										0.00
Payroll Liabilities										0.00
Total Payroll Liabilities										0.00
Unavailable Property Taxes										1,515,092.19
Total Unavailable Property Taxes										1,515,092.19
Total Other Current Liabilities										1,518,586.19
Total Current Liabilities								9,676.84	9,676.84	1,518,586.19
Long Term Liabilities										0.00
Total Long Term Liabilities										0.00
Total Liabilities								9,676.84	9,676.84	1,518,586.19
Equity										4,089,096.09
Sinking Fund										1,498,172.00
Total Sinking Fund										1,498,172.00
Opening Balance Equity										0.00
Total Opening Balance Equity										0.00
Fund Balances										1,005,691.02
Total Fund Balances										1,005,691.02
Net Income										1,585,233.07
Total Net Income								9,943.99	6,630.73	1,581,919.81
Total Equity								9,943.99	6,630.73	4,085,782.83
TOTAL LIABILITIES & EQUITY								19,620.83	16,307.57	5,604,369.02

McCall Memorial Hospital District

Balance Sheet

As of May 31, 2025

	May 31, 25	Apr 30, 25
ASSETS		
Current Assets		
Checking/Savings		
IDF- Cash Sweep	2,676,648.67	2,667,194.82
IDF- Checking-3112	17,976.18	23,071.51
IDF- Money Market-4931	250,710.92	250,710.24
Total Checking/Savings	2,945,335.77	2,940,976.57
Accounts Receivable		
Accounts Receivable	443,965.28	451,637.74
Total Accounts Receivable	443,965.28	451,637.74
Other Current Assets		
Prepaid Items	663,798.98	663,798.98
Sales Tax Receivable	27,312.28	27,312.28
Delinquent Taxes Receivable	32,000.00	32,000.00
Taxes Receivable, Net	1,491,956.71	1,491,956.71
Total Other Current Assets	2,215,067.97	2,215,067.97
Total Current Assets	5,604,369.02	5,607,682.28
TOTAL ASSETS	5,604,369.02	5,607,682.28
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
A/P (Audit)	3,494.00	3,494.00
Unavailable Property Taxes	1,515,092.19	1,515,092.19
Total Other Current Liabilities	1,518,586.19	1,518,586.19
Total Current Liabilities	1,518,586.19	1,518,586.19
Total Liabilities	1,518,586.19	1,518,586.19
Equity		
Sinking Fund	1,498,172.00	1,498,172.00
Fund Balances	1,005,691.02	1,005,691.02
Net Income	1,581,919.81	1,585,233.07
Total Equity	4,085,782.83	4,089,096.09
TOTAL LIABILITIES & EQUITY	5,604,369.02	5,607,682.28

11:00 AM

06/03/25

Accrual Basis

McCall Memorial Hospital District Profit & Loss Budget vs. Actual

October 2024 through May 2025

	Oct '24 - May 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Forgone Income	57,113.00	57,113.00	0.00	100.0%
Property Tax Income				
M & O Fund	100,000.00	100,000.00	0.00	100.0%
Sinking Fund	1,321,397.00	1,321,397.00	0.00	100.0%
Interest and Penalties	11,826.23	6,000.00	5,826.23	197.1%
Total Property Tax Income	1,433,223.23	1,427,397.00	5,826.23	100.4%
Sales Tax	112,848.45	0.00	112,848.45	100.0%
Personal Property Tax Replace	5,196.40	0.00	5,196.40	100.0%
Interest Income	41,426.89	1,440.00	39,986.89	2,876.9%
Total Income	1,649,807.97	1,485,950.00	163,857.97	111.0%
Expense				
Remitted to SLHS	0.00	0.00	0.00	0.0%
Legal Notices	269.80	420.00	-150.20	64.2%
Bank Service Charges	25.00			
Office Supplies	1,705.91	225.00	1,480.91	758.2%
Contract Service Fees				
Accounting	7,500.00	8,250.00	-750.00	90.9%
Total Contract Service Fees	7,500.00	8,250.00	-750.00	90.9%
General Liability Insurance	0.00	2,341.00	-2,341.00	0.0%
Capital Expenditure				
Workforce Housing Project	0.00	1,600,000.00	-1,600,000.00	0.0%
Ambulance Shelter & Living Qtrs	0.00	42,835.00	-42,835.00	0.0%
Total Capital Expenditure	0.00	1,642,835.00	-1,642,835.00	0.0%
Legal Fees	55,674.45	30,000.00	25,674.45	185.6%
Postage and Delivery	73.00	200.00	-127.00	36.5%
Property Tax	2,640.00	6,433.00	-3,793.00	41.0%
Total Expense	67,888.16	1,690,704.00	-1,622,815.84	4.0%
Net Ordinary Income	1,581,919.81	-204,754.00	1,786,673.81	-772.6%
Other Income/Expense				
Other Income				
Fund Balance Carryover	0.00	0.00	0.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	1,581,919.81	-204,754.00	1,786,673.81	-772.6%

Hospital District Asset Disposal Request

Situation:

The facility recommends disposal of tangible personal property owned by the Hospital District.

Background:

Item being disposed:

Description of asset: Acuson X300 Portable Ultrasound Unit

Asset tag #: 100000030097

Model/Serial #: S311346

Location of the property:

☐ Hospital

Hospital Department: _____

☒ Clinic

Clinic Name: _____

Meadows Valley Family Medicine – New Meadows

☐ Other

Other Name/Location: _____

Reason for disposal:

☐ Trade – newer technology available or needed

☐ Trade – end of life (to include those with high repair costs)

☐ Sell outright – newer technology available or needed

☐ Sell outright – end of life

☐ Dispose – end of life (to include those with high repair costs)

☐ Dispose – no longer used

☒ Dispose – transfer to another St. Luke's facility

☐ Lost – cannot locate the asset

☐ Stolen – have proven the item was taken

Assessment:

Book Value of asset: \$0.00

If applicable

Trade in Value: \$0.00

If applicable

Gain/Loss on disposal \$0.00

Recommendation:

Approve the disposal of the asset listed above and inclusion of any gain or loss from disposal of the asset on the annual statement of rents.

Approval:

Approved (Y___ N___) by (McCall___ Elmore___) Taxing District Board:

Signature: _____

Title: _____

Approval Date: _____

Date Issued: 5/19/2025

Admitted Insurance Indication for Management Liability

To: FIG Financial Insurance
Attn: Jason Bergquist **10% Commission**

Policy Period: 6/30/2025 - 6/30/2026
Renewal of: EPPE684806
Quote Expires: Lesser of 30 days or current expiration

From: Angela Slach
aslach@chris-leef.com / 913-735-8356

RE: **McCall Memorial Hospital District**
P.O. Box 1283
Mc Call, ID 83638

Insurer: Great American Insurance Co., Admitted
Form: Claims Made
Minimum Earned Premium: N/A

In accordance with your request, and based upon the information submitted, we are pleased to offer the following indication subject to receipt, review and acceptance of the following:

- ➔ **-Written Request to Bind**
- Completed, signed/dated Administrative Fee Agreement.

Premium Summary:

Terms include coverage for: **Non-Profit Directors & Officers**

Premium:	\$2,127.00
Fee:	\$275.00
Total:	\$2,402.00

**** ADMITTED - NO TAXES - \$275 FEE APPLIES
IN ADDITION TO THE PREMIUM -
SIGNED FEE AGREEMENT IS REQUIRED ****

Note: All policy fees are fully earned. No flat cancellations.

Terms and Conditions:

Prior & Pending Litigation Date: 06/30/2022

Aggregate Limit(s) of Liability for each Policy Year:

- (a) \$ 1,000,000 for all Claims other than Claims for Employment Practices Wrongful Acts.
(b) \$ 10,000 Donor Data Loss Crisis Fund Sublimit of Liability. This limit is part of and not in addition to the Limit of Liability provided for in 3(a).
(c) \$ 1,000,000 for all Claims for Employment Practices Wrongful Acts. This limit is:
☐ part of and not in addition to the Limit of Liability provided for in 3(a).
☒ separate from and in addition to the Limit of Liability provided for in 3(a).
(d) \$500,000 FLSA Defense Sublimit of Liability. This limit is part of and not in addition to the Limit of Liability provided for in 3(c).

Retentions:

Insuring Agreement A:	\$ 0	Each Claim
Insuring Agreements B and/or C:	\$ 10,000	Each Claim

Policy Forms and Endorsements:

D16100-G (01/09)	Non-Profit Executive Protection and Employment Practices
D16102 (03/24)	Declarations
D16323 (02/21)	Idaho Amendatory Endorsement
D16505 (01/09)	Medical Malpractice Exclusion
D16548 (01/16)	Sublimit of Coverage For Telephone Consumer Protection Act Claims
D16712(13) (11/16)	Great American Nonprofit Eagle Endorsement
D16723 (01/09)	Cost of Defense Subject to the Limit of Liability and Retention
DTCOV (02/15)	Terrorism Coverage Endorsement Cap on Loss from Certified Acts
IL7324 (08/12)	Economic and Trade Sanctions Clause
DTDIS (09/20)	Policyholder Disclosure Offer of Terrorism Coverage

ALL OTHER TERMS AND CONDITIONS APPLY PER FORM

UNLESS OTHERWISE SPECIFIED, THIS OFFER IS CONSIDERED VALID FOR 30 DAYS OR UNTIL THE CURRENT POLICY EXPIRES, WHICHEVER IS LESS. THE INSURANCE INDICATION WILL BE TERMINATED AND SUPERSEDED UPON DELIVERY OF A REVISED INDICATION, THE FORMAL QUOTATION OR POLICY(IES) ISSUED TO REPLACE IT.

THIS INDICATION IS ISSUED BASED UPON THE INSURER'S AGREEMENT TO OFFER TERMS AND IS ISSUED BY THE UNDERSIGNED WITHOUT ANY LIABILITY WHATSOEVER AS AN INSURER. THIS INDICATION MAY BE WITHDRAWN OR AMENDED BY THE INSURER AT ANY TIME PRIOR TO BINDING.

All insurance is negotiated by and placed through McGowan & Company, Inc.



CHRIS-LEEF GENERAL AGENCY, INC.

P.O. BOX 3747 • SHAWNEE MISSION, KS 66203

(913) 631-1232 (800) 548-0491

In California: Chris-Leef General Insurance Agency/License # 0I81028

www.chris-leef.com

Administrative Fee Agreement

A reasonable, fully earned, administrative fee of \$275 is in addition to the premium and not included in the commission nor required by the Insurer. The Insured is under no obligation to purchase any insurance product provided by Chris-Leef General Agency, Inc.

Chris-Leef General Agency, Inc. has applied this administrative fee for procuring this coverage through our markets. This fee is for the current policy period.

Please note this fee may or may not be applicable to your state surplus lines taxes.

Signing below effects acknowledgement and acceptance.

Mccall Memorial Hospital District

Named Insured

Signature of Insured

Date

McCall Memorial Hospital District

Fiscal Year 2026 Funding Request

6.17.25



Proposed FY26 Levy

\$1.5M

- M&O
- ~\$125,000

- Sinking Fund
- ~\$1,375,000
- Workforce
Housing

Draft M&O Budget

	Proposed for FY26
Legal Notices	750
Legal Services	100,000
Bank Service Charges	200
Insurance	2,402
Property Tax	3,000
Office Supplies	
Cell Phone	750
Website	2,000
Other supplies	50
P.O. Box	200
Postage	200
Contract Service Fees	
Accounting (annual audit)	5,500
Lamm CPA	3,000
Public Information Campaign Costs	25,000
Grand Totals:	118,052



SPECIAL WARRANTY DEED

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the **ST. LUKE'S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the "**Grantor**") whose current address is 1000 State Street, McCall, Idaho 83638, does hereby by these presents transfer, convey and demise to the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the "**Grantee**"), whose current address is 1000 State Street, McCall, ID 83638, and its successors and assigns forever, an undivided fifty percent (50%) interest in that certain parcel of property located in McCall, Valley County, Idaho which is described in the attached **Exhibit A** (the "**Property**").

Together with all and singular the tenements, appurtenances and hereditaments thereunto belonging or in any way appertaining to the Property and all of Grantor's estate, title and interest in and to the said undivided fifty percent (50%) interest in the Property, except as otherwise reserved herein.

Grantor makes no covenants or warranties with respect to title, express or implied, other than that previous to the date of this instrument Grantor has not conveyed the Property, or any portion thereof or interest therein, to any person other than Grantee and that such Property is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor, subject to any and all easements, restrictions, agreements and encumbrances of record or appearing on the land as of the date of this instrument, and the following reversionary rights, interests, and encumbrances in favor of Grantor and Grantee:

1. The Use of the Property. Grantor and Grantee shall cause to be constructed and completed multi-family housing units on the Property solely designated for the primary use of healthcare workforce housing or participation in the McCall Local Housing Program ("Workforce Housing"), together with common area, open space, pedestrian pathways connecting to the City of McCall's Railroad Pathway and adjoining park area dedicated to the use of the public, collectively, the "Improvements."
2. The Restrictive Covenant. The use of the Property and Improvements for Workforce Housing as herein described shall be maintained in perpetuity, unless a proposed change in use is initiated by the Grantor's Board of Directors and shall have first obtained the approval of the McCall Memorial Hospital District. This covenant shall be binding on all successors in interest of the Grantor or Grantee, including but not limited to persons who obtain an interest in the Property by lease, by conveyance, or by operation of law.
3. Right of Reversion. Grantor and Grantee agree that in the event of the formal dissolution of the McCall Memorial Hospital District ("District"), the District's interest in the Property and Improvements shall revert to Grantor, PROVIDED, that,

thereafter, any modification of the Restrictive Covenant shall require the prior written approval of the Board of County Commissioners of Valley County.

(signatures and acknowledgements on following pages)

ST. LUKE'S MCCALL FOUNDATION, INC.

By: _____
William Colpo, President

Dated: _____, 2025

STATE OF IDAHO,)
(ss.
County of Valley.)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared William Colpo, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
My Commission Expires: _____

MCCALL MEMORIAL HOSPITAL DISTRICT

By: _____
ANDREW LAIDLAW, Board Chair

Dated: _____, 2025

STATE OF IDAHO)
 (ss.
County of Valley)

On this _____ day of _____, 2025 before me, the undersigned, a Notary Public in and for said state, personally appeared ANDREW LAIDLAW, the Board Chair of the McCall Memorial Hospital District, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of the McCall Memorial Hospital District, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
My Commission Expires: _____

EXHIBIT A

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

LEASE AGREEMENT

between

IDAHO HEALTH FACILITIES AUTHORITY,

and

MCCALL MEMORIAL HOSPITAL DISTRICT

June __, 2025

LEASE AGREEMENT

This LEASE AGREEMENT is entered into effective June ___, 2025 (the “Effective Date”), between the IDAHO HEALTH FACILITIES AUTHORITY, an independent public body politic and corporate constituting a public instrumentality of the State of Idaho, and MCCALL MEMORIAL HOSPITAL DISTRICT, a duly constituted hospital district pursuant to the provisions of Chapter 13, Title 39, Idaho Code, as amended (the “District” or “Lessor”). Jointly the Authority and District may be referred to herein as the “Parties”.

WITNESSETH:

WHEREAS, the Idaho Health Facilities Authority (the “Authority” or “Lessee”) is authorized by Sections 39-1441 *et seq.* of the Idaho Code, as amended (the “Act”), to acquire, construct, reconstruct, renovate, improve, replace, maintain, repair, operate, lease as lessee or lessor and regulate one or more “health facilities” (as defined in the Act); and

WHEREAS, the Act further authorizes the Authority to lease health facilities for such periods and upon such terms or conditions as shall be determined by the Authority for the purposes of financing or refinancing the costs of or facilitating the construction and management of any health facility; and

WHEREAS, the Authority is not authorized by statute to operate health facilities as a business, and will need to enter into a management or lease agreement with a third party to manage and lease the Project (as defined below).

WHEREAS, the District is authorized pursuant to Sections 39-1331, 39-1339 and 39-1358, Idaho Code, as amended, to enter into a lease of real or personal property as lessor or lessee with the Authority; and

WHEREAS, the District owns an undivided 50% interest in certain property which is described in **Exhibit A** (the “Land”); and

WHEREAS, the St. Lukes McCall Foundation, Inc. (the “Foundation”) owns the other undivided 50% interest in the Land; and

WHEREAS, the District, in cooperation with the Foundation, desires to construct workforce housing for McCall area nurses, doctors and other healthcare workers on the Land, as further defined below (the “Project”); and

WHEREAS, the District, with the consent of the Foundation, desires to enter into this Lease Agreement (the “Lease Agreement”) to (i) secure the assistance and expertise of the Authority in the construction and management of the Project and, potentially, (ii) finance the costs of the construction and improvement of some or all of the Project; and

WHEREAS, the Authority also anticipates entering into a similar lease agreement with the Foundation;

WHEREAS, the Foundation and the District anticipate entering into a Joint Tenancy Agreement setting forth their plans for the Land and the Project, including the involvement of the Authority;

WHEREAS, the District has contributed, and may elect to contribute additional, available funds to pay a portion of the costs of the Project; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I

Definitions

Section 101. The following terms, except where the context indicates otherwise, shall have the respective meanings set forth below.

“Act” means the Idaho Health Facilities Authority Act, constituting Sections 39-1441 *et seq.* of the Idaho Code, as amended.

“Annual Planning Service Fee” means the annual fee required to be paid by the District to the Authority pursuant to Section 404 hereof.

“Authority” means the Idaho Health Facilities Authority and its successors or assigns.

“Authorized Representative” means, in the case of the Authority, the Executive Director or the Associate Executive Director thereof, in the case of the District, the Chairman of the Board of Trustees of the District, and when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document.

“Consent” means the acknowledgment and consent granted by the Foundation to the District, authorizing its co-tenant District to enter into the Lease Agreement.

“District” means the McCall Memorial Hospital District, duly constituting a hospital district pursuant to Chapter 13, Title 39, Idaho Code, as amended.

“Foundation” means the St. Luke’s McCall Foundation, Inc., an Idaho non-profit corporation, owner of an undivided 50% interest in and to the Property.

“Environmental Law” means any federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future as such statutes, regulations and ordinances may be amended from time to time, including but not limited to the statutes listed below:

Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 *et seq.*

Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.

Clean Air Act, 42 U.S.C. § 7401 et seq.

Federal Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. § 1251 et seq.

Federal Insecticide, Fungicide, and Rodenticide Act (Federal Pesticide Act of 1978), 7 U.S.C. § 136 et seq.

Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.

Safe Drinking Water Act, 42 U.S.C. § 300f et seq.

“Hazardous Substances” means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Environmental Law.

“Improvements” means the Units which are constructed on the Property and the associated site infrastructure.

“Initial Planning Service Fee” means the initial fee of the Authority in the amount of [\$_____], required to be paid by the District to the Authority upon the execution of this Lease Agreement, or as provided in Section 404.

“Land” means the real property described in Exhibit A and all associated appurtenances and easements, together with all additions to and substitutions for, the Land, less such real estate, interests in real estate and other rights relating to the Land released pursuant to Section 701 hereof.

“Lease Agreement” means this Lease Agreement between the Authority and the District and any amendments and supplements hereto.

“Lease Term” means the period beginning on the Effective Date of this Lease Agreement and ending May 31, 2035, subject to the renewal provisions below.

“Project” means the following:

a. Description of Project. The Project consists of thirty-eight (38) two and three bedroom townhomes (the “Units”). All of the thirty-eight (38) Units in the Project will be workforce housing units for rent to St. Luke’s McCall healthcare workers (i.e. employees or independent contract worker). All Units will meet the McCall City Code requirements for “Local Housing Units” under the City’s Local Housing Program. Unit rents will be structured such that eligible tenants will pay no more than 30% of their household income to support housing expenses (including rent and utilities). To the extent that there is not a healthcare worker ready and willing to rent a vacant Unit, then the Unit may be rented to a non-healthcare worker who meets the required profile under the City of McCall’s Local Housing Program. The Project, however, is intended to qualify as a health facility under the Act. Short-term rentals, as defined in the McCall

City Code, as amended, will not be allowed. The Project will be constructed in Phases, as funds become available from the District and/or the Foundation or financing which the District and/or Foundation may in the future elect to pursue through the Authority.

- b. “Property” means the Land and the Improvements.

ARTICLE II

Representations

Section 201. The Authority. The Authority represents that the Authority is an independent public body politic and corporate constituting a public instrumentality of the State of Idaho, is duly organized and existing under the laws of the State of Idaho, is authorized pursuant to the Act to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder, and has duly authorized the execution and delivery of this Lease Agreement.

Section 202. The District. The District represents that:

(a) The District is a hospital district organized and existing under the laws of the State of Idaho and has power to enter into this Lease Agreement and by proper action by its Board has duly authorized the execution and delivery of this Lease Agreement.

(b) Neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Lease Agreement, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a Party or by which it is bound or constitutes a default under any of the foregoing.

(c) The District has good and marketable title to an undivided 50% interest in the Land, in fee simple absolute, free and clear of all liens and encumbrances, except Permitted Encumbrances.

(d) The Foundation, by execution of the Consent, attached hereto as Exhibit “B” hereby ratifies and consents to the District executing the Lease Agreement and granting the Authority the leasehold interest in the Property described herein.

(e) Neither the District nor, to the best knowledge of the District, any other person has stored, disposed or released in, on or about the land any Hazardous Substances the removal or remediation of which is or could be required, or the maintenance of which is prohibited or penalized, by any applicable Environmental Laws, and the Land is free from all such Hazardous Substances; and (ii) the District has not made any promises of indemnification to any party regarding Hazardous Substances which may be located on the Land.

ARTICLE III

Demising Clause, Term and Termination, Rent

Section 301. Lease of Property. The District hereby demises and leases the Property to the Authority and the Authority hereby leases the Property from the District.

Section 302. Term. The Term of this lease shall commence on the Effective Date of this Lease Agreement and shall end at midnight on May 31, 2035, provided, unless terminated by either

of the Parties by written notice of termination delivered to the other Party, the Term shall be automatically extended for successive ten (10) year Terms (not to exceed a total of 98 years).

Section 303. Termination. This Lease may be terminated without cause by either Party as follows:

(a) The District, subject to the consent of Foundation, may terminate this Lease, with or without cause, by providing the Authority with a written Notice of Termination not less than 180 days prior to the date of termination.

(b) The Authority may terminate this Lease by providing the District with a Written Notice of Termination not less than 360 days prior to the date of termination.

(c) The Authority agrees that upon the termination of this Lease Agreement it will surrender the Property to the District free and clear of all liens and encumbrances, other than Permitted Encumbrances and encumbrances created as a result of an act or failure to act by the District.

Section 304. Rent. In recognition of the fact that the services to be provided by the Authority are essential to the success of the Project and the District will retain the control over and right of use of the Property, the Authority will not pay the District monetary compensation for the Lease.

ARTICLE IV

Scope of Leasehold Interest, Purpose of Lease, Fees

Section 401. Scope and Purpose. Subject to the District's direction and approval, and such further agreements or amendments of this Lease Agreement as may be entered into by the Parties, the services which the Authority may provide to the District and activities in which the Authority may engage shall include, by way of example and not limitation, the following:

a) Facilitating and/or entering into contracts for the development and construction of the Project, including provisions for insurance, surety bonds, and similar standard construction requirements;

b) Facilitating and/or entering into contracts for the management of the Property and the Units, including but not limited to the subleasing of the Units to eligible tenants;

c) Providing a mechanism for the management and disbursement of funds provided by the District and Foundation for the development and construction of the Project and income derived from the subleasing of the Units and from the City's Local Housing payments;

d) Providing financing for completion of the Project in the event that the District and/or Foundation elect to pursue such financing; and/or

e) Such other and additional functions and services as the District and IHFA determine will further the goals and purposes of the District related to the Project.

Section 402. Authority of District. It is understood and agreed that the District, subject to the consent of the Foundation, shall retain the ultimate control over and must approve any

contracts, subleases, licenses, or other agreements into which the Authority proposes to enter in furtherance or fulfillment of its above-stated services and activities.

Section 403. Collaboration, Additional Agreements. The District and Authority shall confer regularly with each other and the Foundation regarding the Project and the Authority's aforesaid services and activities and shall, as mutually deemed necessary and appropriate, amend this Lease Agreement or enter into supplemental agreements, subject to the consent of the Foundation, to further the District's and Authority's mutual goal of completing the Project.

Section 404. IHFA Fees. Prior to the Effective Date, Authority will provide to the District for District approval a schedule of any fees, including the Annual Planning Service Fee and the Initial Planning Service Fee which Authority intends to charge for its services. The final execution of this Lease is contingent on the District and the Authority reaching agreement on any such fees. Should the Authority and District agree, the Effective Date may occur prior to final agreement of the parties regarding the amount of any such fees.

Section 405. Taxes, Insurance and Maintenance. The District will promptly pay all taxes and government charges relating to or stemming from the District's interest in the Property when due. The District and the Foundation shall, at their own expense or through a property management entity, maintain the Property. The District will insure its interest in the Property in a commercially reasonable manner. These commitments of the District shall be subject to all statutory and constitutional constraints on the District's legal ability to commit funds beyond those available in its current budget year; and, neither this Section nor any other Section of this Lease shall be interpreted as a commitment or covenant by the District which is inconsistent with such constraints.

Section 406. Nonsectarian Use. The District agrees that no part of the Property shall be used primarily for sectarian instruction or study or primarily as a place for devotional activities or religious worship if such use would violate the First Amendment of the United States Constitution or Article I, Section 4 or Article 21, Section 19 of the Idaho Constitution , or any other provisions of federal or state law.

ARTICLE V

Covenants of Authority

Section 501. Limitation on Use. The Authority covenants that it shall use or permit the use of the Property only for the purposes contemplated in this Lease Agreement and pursuant to collaboration with and the ultimate direction of the District, subject to the consent of the Foundation.

Section 502. District Access. The Authority agrees that the District shall have free, unlimited and unrestricted access, ingress and egress into and about the Land.

ARTICLE VI

Amendment of Lease Agreement

Section 601. This Lease Agreement may be amended only by means of a written amendment executed by the Parties subsequent to the Effective Date, with appropriate authorization from their Boards and the consent of the Foundation.

ARTICLE VII

Right to Assign and Sublet

Section 701. Except as may be provided otherwise in the Lease Agreement, the Authority shall have the right to sublet Units to eligible tenants, or to a third party to facilitate subletting to eligible tenants, and to assign this Lease Agreement, pursuant to a process and agreements to be approved by the District and the Authority, subject to the consent of the Foundation.

ARTICLE VIII

Default

Section 801. Definition. The occurrence of the following shall constitute a default and breach of this Agreement. Any failure by a Party to observe and perform any of the provisions or covenants of this Agreement to be performed by such Party within thirty (30) days after written notice by the Party alleging the default specifying such alleged failure. Provided, however, that, if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, the Party shall not be deemed to be in default if it shall, within such period, commence such cure and thereafter diligently prosecute the same to completion

Section 802. Default Remedies. In the event of an uncured default, as defined above, the non-defaulting Party shall be entitled to exercise any and all remedies provided at law or in equity, including but not limited to injunctive relief, specific performance and all remedies available under Idaho law for a breach of contract cause of action.

Section 803. Mediation. In the event of an uncured default, as defined above, it shall be a required prerequisite to the initiation by either Party of judicial action to engage in Mediation conducted by a mutually acceptable Mediator. If the Parties are unable to agree on a Mediator, then the Parties shall engage in mediation with a mediator selected by the District Court of the Fourth Judicial District of the State of Idaho, in and for the County of Valley. The Mediation shall continue until the Mediator declares that continuation of the mediation has no reasonable prospect of leading to a resolution of the dispute. The costs of the mediation shall be divided equally between the Parties.

ARTICLE IX

Miscellaneous

Section 901. Release, Hold Harmless. To the extent permitted by law, the District releases the Authority and indemnifies and holds harmless the Authority, its officers, members, employees or agents from liability for any and all losses, injuries, claims or damages to persons or property, demands and expenses, including legal expenses, of whatsoever kind and nature and by whomsoever made, arising during the existence of this Lease Agreement. It is expressly understood and agreed that any covenant, undertaking or agreement of the Authority expressed or implied by this Lease Agreement shall bind only the Land, and that no liability or responsibility is

assumed by, nor shall at any time be enforceable against, the Authority, all such liability, if any, being waived as to the Authority.

Section 902. Partial Invalidity. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 903. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows:

If to the Authority:
PO Box 8867 Boise, Idaho 83707
Attention: Executive Director

If to the District:
1000 State Street, McCall, ID 83638
Attention: Board Chairman

With a Copy to the Foundation:
1000 State Street, McCall, ID 83638
Attention: Executive Director

The Authority and the District may, by notice hereunder, designate any further or different addresses to which future notices, certificates or other communications shall be sent. Any Party sending a notice of default shall attempt to communicate it by telephone to the other parties at the same time or prior to mailing written notice.

Section 904. Counterparts. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 905. Pecuniary Liability. No provision, covenant or agreement contained in this Lease Agreement or breach thereof shall constitute or give rise to a pecuniary liability of the Authority or a charge upon its general credit. In making such covenants, agreements or provisions, the Authority has not obligated itself, except with respect to the Property and the application of the revenues therefrom, as provided in this Lease Agreement.

Section 906. Applicable Law. This Lease Agreement shall be governed and construed in accordance with the laws of the State of Idaho.

Section 907. Recordation. This Lease Agreement and every assignment and modification hereof or an appropriate and sufficient memorandum thereof shall be recorded in the office of the County Clerk and Recorder of the County of Valley, Idaho.

Section 908. Liens, Encumbrances. There shall be no liens allowed to be placed on, nor any secured interests (i.e. deeds of trust, mortgages, or other security interests) granted in, the Property or any Lot or Unit except by written agreement of the Parties and in strict compliance with Idaho statutes and constitutional provisions.

Section 909. Succession. This Agreement binds and inures to the benefit of the Parties hereto, as well as their successors and assigns, including entities gaining ownership or control of the District's assets in the case of dissolution of the District.

Section 910. Attorney's Fees and Costs. In the event that any judicial action arises regarding the legal consequence, interpretation, application, default or enforcement of this Agreement, then the prevailing party in such dispute shall be entitled to recover its reasonable attorney's fees and costs incurred, including reasonable attorney's fees and costs incurred on appeal.

[The following page is the signature page.]

MCCALL MEMORIAL HOSPITAL DISTRICT

By: _____
Andrew Laidlaw, Board Chair

Dated: _____

STATE OF IDAHO)
 (ss.
County of Valley)

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for said state, personally appeared Andrew Laidlaw, the Board Chair of the McCall Memorial Hospital District, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of the McCall Memorial Hospital District, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
My Commission Expires:_____

IDAHO HEALTH FACILITIES AUTHORITY

By: _____
Printed Name: _____
Its: _____

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of June, 2025, before me, a Notary Public in and for said state, personally appeared _____, known or identified to me to be the _____, of the IDAHO HEALTH FACILITIES AUTHORITY (the “Authority”) and the person(s) who executed the above instrument on behalf of the Authority, and acknowledged to me that such Authority executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for _____
My Commission Expires: _____

EXHIBIT A
LEGAL DESCRIPTION

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

EXHIBIT B

CONSENT TO LEASE AGREEMENT

WHEREAS, St. Luke's McCall Foundation, Inc., an Idaho non-profit corporation ("Foundation") transferred, by Warranty Deed, to McCall Memorial Hospital District, a duly organized Idaho Hospital District ("District") an undivided 50% interest in real property described in the Warranty Deed recorded as Instrument No. _____ on June __, 2025 (the "Warranty Deed"); and

WHEREAS, the District as owner of an undivided interest in the Property has no power to lease the entire Property or a specific portion of the Property without the consent of the Foundation;

WHEREAS, District desires to lease a portion of the Property to the Idaho Health Facilities Authority, an independent public body politic and corporate constituting a public instrumentality of the State of Idaho (the "Authority") consistent with the purposes and restrictions listed in the Warranty Deed.

NOW, THEREFORE, for good and valuable consideration, including the continued reversionary rights of the Foundation as stated in the Warranty Deed, the Foundation does hereby declare its consent to the District's lease of its 50% undivided interest to the Authority as described in the Lease Agreement between the District and Authority.

This Consent to Lease Agreement is subject to the restrictions and limitations described in the Warranty Deed.

IN WITNESS WHEREOF, the undersigned has executed this Consent to Lease Agreement as of this __ day of June, 2025.

FOUNDATION:

ST. LUKE'S MCCALL FOUNDATION, INC.,
an Idaho nonprofit corporation

By: _____
William Colpo
President

JOINT TENANCY AGREEMENT

THIS AGREEMENT is entered into effective the date of the last signature below (the “**Effective Date**”) by and between **ST. LUKE’S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the “**Foundation**”) whose current address is 1000 State Street, McCall, Idaho 83638, and the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the “**District**”), whose current address is 1000 State Street, McCall, ID 83638. The Foundation and the District are jointly referred to herein as the “**Parties**”.

RECITALS

The Foundation and the District are co-owners of certain real property which is legally described in the attached **Exhibit A** (the “**Property**”). The Foundation purchased the Property from the McCall-Donnelly School District on February 1, 2024.

The Foundation and the District share a common goal of providing affordable housing for the local healthcare workforce (the “**Project**”), recognizing through cooperation that the Parties can more fully and effectively provide more healthcare workforce housing than the Foundation or District could provide separately.

The Foundation and District entered into a Memorandum of Understanding on December 4, 2023, regarding the Property and the construction and management of the healthcare workforce housing thereupon, (the “**MOU**”), which is attached hereto as **Exhibit B**.

The Foundation and District entered into an Option Agreement on May 29, 2024 (the “**Option**”), which is attached hereto as **Exhibit C**, whereby the Foundation granted the District the option to acquire a 50% interest in the Property.

The term of the Option was extended to June 30, 2025, by means of that certain First Amendment to Option Agreement which is attached hereto as **Exhibit D**.

The Option was exercised by the District pursuant to the terms of the Option, as amended, on June ___, 2025.

The Foundation transferred to the District a 50% undivided interest in the Property by means of that certain Special Warranty Deed which is attached hereto as **Exhibit E** (the “**Special Warranty Deed**”). The Parties desire to provide for the orderly administration of their rights and responsibilities to each other and to others and to delegate authority and responsibility for the intended management of the Property and the development and construction management of the Project. The Parties will continue to collaborate and cooperate in good faith in executing such Amendments to this Agreement as are mutually deemed necessary and appropriate over the passage of time.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged by the Parties' signatures below, the Parties agree as follows:

1. The Parties' Ownership Interests in the Property.

a. Nature of Relationship Between Parties. The Parties hereby acknowledge and agree that it is their intention to be, and to act as, joint tenants with respect to the Property. Nothing contained in this Agreement shall be deemed to create a partnership, joint venture, agency, or similar arrangement between the Parties or any other business entity in which the Parties are equity owners, and no Parties shall have the right or power to pledge the credit or otherwise bind the other Party except as expressly set forth herein. Parties hereby represent and warrant to, and covenant with one another, that they have not, are not, and, except as expressly set forth in Sections 1.b. or 1.e.(i) herein, will not otherwise directly or indirectly act as partners or members of a common business entity or otherwise give the appearance to the general public that they were, are, or will be partners or members of a common business entity.

b. Initial Ownership Interests. The Foundation and District are each owners of undivided 50% ownership interests in the Property. These interests, as they may be adjusted pursuant to the terms of this Agreement, are referred to herein as the "**Ownership Interests**". By agreement of the Parties, and provided that doing so is compliant with applicable Idaho constitutional and statutory provisions, the Parties' Ownership Interests may be converted to ownership in a joint entity in which ownership of the Property is vested.

c. Intention Regarding Ownership Interests. The Parties intend that their Ownership Interests shall reflect their actual investments in and expenditures on the Property and the Project (the "**Investments**"), including by way of example and not limitation: (i) the cost of acquisition of the Property, (ii) the cost of obtaining the land use entitlements for the Project, (iii) the cost of engaging the Idaho Health Facilities Authority ("IHFA") to assist with the development, management and, potentially, financing of the Project, (iv) the cost of design and construction of the Project and its infrastructure, (v) the cost of management and upkeep of the Property and the Project, (vi) the insurance premiums for the Property, (vii) the professional fees associated in connection with the above, and (viii) all other costs not enumerated above which relate to or stem from the ownership of the Property and/or development of the Project. As of the Effective Date, the Parties agree that their respective Investments are equal. Subject to available funding, it is the intention of the Parties that their Investments continue to be equal throughout the development of the Project.

d. Acknowledgement of Uncertainty Regarding Prospective Investments: The Parties acknowledge the following:

i. The District is a Taxing District which, by law (specifically including but not limited to Article VIII, Section 3 of the Idaho Constitution), cannot commit funds to the Project or the Property beyond funds on hand and funds which will be available within the fiscal year in which they are committed. As such, the Foundation acknowledges that the District has made no promises nor contractual commitments to make property tax levies for or provide funds for the Project beyond funds on hand and funds which will be available within the current fiscal year. No provisions of this Agreement shall be deemed or interpreted to create any District indebtedness or liability of any kind or in any manner exceeding in any given year the income and revenue provided to the District for such year.

ii. The Foundation is wholly dependent on charitable donations to create funds to expend on the Project, beyond its current funds on hand. The District acknowledges

that the Foundation cannot and has not made any promises or contractual commitments to provide a specified amount of funds for the Project.

iii. The Project, or individual Units (as defined below) will be constructed as funds become available.

e. Periodic Reconciliation of Ownership Interests. Periodically, but not less than annually, commencing on or before June 1, 2026, the Parties shall review, disclose and confirm their Investments, both cumulatively and for the prior year. In the event that there is more than a five per cent (5%) discrepancy between the Parties' respective cumulative Investments, then the Parties shall reconcile their respective Ownership Interests pro rata according to their respective cumulative Investments, unless the Parties concur that doing so is unnecessary or inappropriate. Such reconciliation shall be effected in such manner as is mutually agreed upon by the Parties and compliant with applicable Idaho statutes and constitutional provisions. The manner of reconciliation may, by way of example and not limitation, include any of the following:

i. The formation of a joint entity which owns the Property and in which entity the Parties' respective interests are adjusted according to their pro rata Investments;

ii. Agreements and conveyances between the Parties and the IHFA, in form and substance mutually agreeable to the Parties and IHFA; or,

iii. Conveyances between the Parties.

f. Conversion to Ownership of Individual Units in the Project. As is described in more detail below, the Project consists of up to thirty-eight (38) two and three bedroom townhomes (the "**Units**") configured in ten (10) buildings. The Units will be placed on lots identified and described on Final Subdivision Plats for the Property, in phases (the "**Lots**"). As Final Subdivision Plats are recorded, the Parties shall have the option of assigning fee ownership interests of the individual Lots to the Parties, individually, if the Parties determine that doing so better facilitates the terms and intents of this Agreement.

2. The Project.

a. Description of Project. The Project consists of thirty-eight (38) two and three bedroom townhomes Units. The Project is depicted on the Preliminary Site Plan which is attached as **Exhibit F**. All Units in the Project will be workforce housing units for rental to St. Luke's McCall healthcare workers (i.e. employees or independent contract worker). As is described in the below-referenced Development Agreement, all Units will meet the McCall City Code requirements for "Local Housing Units" under the City's Local Housing Program. Unit rents will be structured such that eligible tenants will pay no more than 30% of their household income to support housing expenses (including rent and utilities). To the extent that there is not a healthcare worker ready and willing to rent a vacant Unit, then the Unit may be rented to a non-healthcare worker who meets the required profile under the City of McCall's Local Housing Program. Short-term rentals, as defined in the McCall City Code, as amended, will not be allowed. There shall be no material change in the aforesaid proposed land uses except by the written approval of both Parties.

b. Plans and Approvals. The Parties agree to develop the Project in accordance with and to be bound by the following plans and documents, or such modifications and amendments thereof as are mutually acceptable to the Parties and, as necessary, approved by the City of McCall (the "**City**"):

i. Attachments 1-16 to the APPLICATIONS FOR PLANNED UNIT DEVELOPMENT GENERAL PLAN APPROVAL, PRELIMINARY PLAT APPROVAL, DESIGN REVIEW, SCENIC ROUTE REVIEW AND DEVELOPMENT AGREEMENT submitted to the City on November 26, 2024 (the “**Applications**”);

ii. The additional information submitted to City Engineer Morgan Stroud on December 12, 2024, as specifically identified in that certain e-mail from Steven J. Millemann to Morgan Stroud, dated December 12, 2024;

iii. The McCall City Council’s Findings of Fact, Conclusions of Law and Decision for the Project (PUD-24-03, SUB-24-07, DA-24-02), dated _____, 2025;

iv. The McCall Joint Planning and Zoning Commission’s Findings of Fact, Conclusions of Law and Decision for DR-24-27, SR-24-10, dated February 4, 2025;

v. The Development Agreement between the Foundation and the City, dated _____, 2025;

vi. The Development Agreement between the Foundation and the Payette Lakes Recreational Sewer and Water District, dated _____, 2025;

vii. The Project Application(s) for Building Permit(s), the Building Permits themselves issued by the City for the Units and all plans attached thereto;

viii. All other local, state or federal permits which may be issued for the Project and all documents and plans submitted with or in support of such permits;

ix. The Final Subdivision Plat and Final PUD Development Plan for the Project and all plans and documents submitted to the City with or in support of the said Plat and Plan; and,

x. All terms and conditions imposed by the City on the approvals of the Final Subdivision Plat and Final PUD Development Plan.

The aforesaid plans and documents shall be referred to herein as the “**Project Plans and Approvals**”.

c. Dedication of Units. As is provided in the Development Agreement for the Project, a Restrictive Covenant consistent with the description of the “Local Housing Units” in Section 2.a. above and approved by the McCall City Planner will be recorded against each Unit platted in the First Platting Phase of the Project, as defined in the Applications, at or prior to the recordation of the Final Plat for the First Platting Phase. If a Building Permit is issued for any Unit before a final plat is recorded for the First Platting Phase, then prior to the issuance of the first Building Permit for any Unit, the Restrictive Covenant shall be recorded against the entire First Platting Phase property. Contingent on the recordation of the aforesaid Restrictive Covenant, the sum of \$20,000 per Unit shall be paid to the Parties or their ownership entity by the City at the time of issuance of the Building Permit for the Unit.

3. **Management of the Property and Project.**

a. Engagement of the Idaho Health Facilities Authority (“IHFA”). IHFA was created by the Idaho Health Facilities Authority Act (Idaho Code Section 39-1441 et. seq.) to assist in the development and maintenance of public health, healthcare, hospital and related facilities. The Parties will engage IHFA to assist in the development and management of the Project, and will enter into leases (“Leases”) for their respective interests in the Property to IHFA.

The respective Leases will enable IHFA's involvement without the Parties ceding control of the Project. The Parties will collaborate on the terms of the Leases to assure consistency and continuity as to IHFA's involvement, and, to the extent necessary, each Party will provide, subject to this Agreement, the necessary consent to the other Party's Lease with IHFA. The termination of the Leases, or any one of the Leases, shall not cause the termination of this Agreement and this Agreement shall remain in full force and effect notwithstanding any such event. In the Parties' discretion, IHFA's involvement may include, by way of example and not limitation:

- i. Facilitating contracts for site development and construction of the Units;
- ii. Facilitating contracts for the management of the Property and the Units;
- iii. Providing a mechanism for the management of funds provided by the Parties for site development and construction of Units and income derived from the rentals of the Units and the City's Local Housing payments;
- iv. Providing financing for completion of the Project; and/or
- v. Such other and additional functions as the Parties and IHFA determine will further the goals and purposes of the Project.

The Parties, except where charged specifically to a Lot owned solely by an individual Party, will share in the fees charged by IHFA for its services in proportion to their Ownership Interests.

b. Decision Making. The Parties have utilized a consensus based decision making process in the decisions made prior to the Effective Date regarding the development and management of the Property and Project, and the Parties intend to maintain that decision-making process going forward. Thus, the agreement of both Parties on all decisions regarding the development and management of the Project and the Property, the role, scope of authority, and responsibility of IHFA shall be required, except to the extent the Parties provide otherwise in a duly executed written amendment to this Agreement and except for the following:

- i. Each of the Parties shall exercise complete and sole discretion as to what amount of funds, if any, are expended on the Property or the Project by that Party.
- ii. In the event that ownership of individual Lots is assigned to and held by a Party individually, then the Party owning the Lot shall have the right to direct that funds being provided by that Party, net of common Project costs and expenses, be applied to the construction of the Unit(s) of its Lot(s).
- iii. In the event that the Parties are unable to reach agreement on a decision regarding the development or management of the Project or Property, then the Parties shall engage IHFA to assist the Parties in reaching consensus and shall work in good faith with IHFA to accomplish consensus. If despite such good faith efforts, consensus cannot be reached, then the Property shall be partitioned as provided by Title 6, Chapter 5 of the Idaho Code with the partition reflecting each Party's Investment and Ownership Interest in the Property and Project, to the extent reasonably possible.

The Parties shall establish the mechanics of their decision making process regarding the development and management of the Project and the Property. The Parties may elect to utilize a Joint Working Group comprised of one or more Board members from the Foundation and District and an IHFA representative to make recommendations to the Parties' respective Boards.

c. Payment of Expenses. For so long as the Parties' Ownership Interests in the Property, either as owners of undivided interests or owners of individual Lots, remain equal, and subject to the limitations placed on the District under the terms of Article VIII, Section 3 of the Idaho Constitution and applicable Idaho statutes, all expenses and costs required for the development and management of the Property and the Project shall be divided equally between the Parties. In the event that the Ownership Interests of the Parties are adjusted as provided in Section 1.e. above, then, subject to the same constitutional and statutory limitations as aforesaid, the said expenses and costs shall be allocated to the Parties in proportion to their Ownership Interests and interest in the individual Lot.

d. Disposition of Income from the Project. Income derived from the Project (i.e. rental income from the Units, revenue, or condemnation awards), net of the payment of expenses of management of the Property and Project, shall be paid or credited to the Parties in proportion to their Ownership Interests.

e. Liens, Security Interests. There shall be no liens or encumbrances allowed to be placed on or against, nor any secured interests (i.e. deeds of trust, mortgages, or other security interests) granted in, the Property or any Lot or Unit except by written agreement of the Parties and in strict compliance with Idaho statutes and constitutional provisions.

4. Documents. The Parties each agree to perform such act as may be reasonably necessary to carry out the terms of this Agreement including executing documents as may be required under this Agreement or may be reasonably required to effect the intent of the joint tenancy with respect to the Property.

5. Possession. The Parties intend to own and lease the property for the explicit purposes stated herein. No Party shall have the right to occupy or use the Property at any time during the term of the Leases.

6. Default.

a. Definition. The occurrence of the following shall constitute a default and breach of this Agreement.:

i. Any failure by a Party to observe and perform any of the provisions or covenants of this Agreement to be performed by such Party within thirty (30) days after written notice by the Party alleging the default specifying the alleged failure. Provided, however, that, if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, the Party shall not be deemed to be in default if it shall within such period commence such cure and thereafter diligently prosecute the same to completion.

b. Default Remedies. Subject to the provisions of Section 3.b.(iii), in the event of an uncured default, as defined above, the non-defaulting Party shall be entitled to exercise any and all remedies provided at law or in equity, including but not limited to injunctive relief, specific performance and all remedies available under Idaho law for a breach of contract cause of action.

c. Mediation. In the event of an uncured default, as defined above, it shall be a required prerequisite to the initiation by either Party of judicial action to engage in Mediation conducted by a mutually acceptable Mediator. If the Parties are unable to agree on a Mediator, then the Parties shall engage in mediation with a mediator selected by IHFA. The Mediation shall continue until the Mediator declares that continuation of the mediation has no reasonable prospect

of leading to a resolution of the dispute. The costs of the mediation shall be divided equally between the Parties.

7. **Assignment.** The rights and obligations of the Parties granted herein may not be assigned by either Party, except pursuant to the agreement of the other Party.

8. **Succession.** Subject to the covenants and restrictions in the Special Warranty Deed, this Agreement binds and inures to the benefit of the Parties hereto, as well as their successors and assigns, including entities gaining ownership or control of the District's assets in the case of dissolution of the District.

9. **Attorney's Fees and Costs.** In the event that any judicial action arises regarding the legal consequence, interpretation, application, default or enforcement of this Agreement, then the prevailing party in such dispute shall be entitled to recover its reasonable attorney's fees and costs incurred, including reasonable attorney's fees and costs incurred on appeal.

10. **Modification or Amendment.** This Agreement may be modified only by means of an executed and acknowledged written document signed by the Parties.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

13. **Foundation Approval.** This Agreement was approved by the Board of Directors of the Foundation and the undersigned was authorized to execute this Agreement on behalf of the Foundation at a meeting of the Board of Directors held on _____, 2025.

13. **District Approval.** This Agreement was approved by the Board of Trustees of the District and the undersigned was authorized to execute this Agreement on behalf of the District at a meeting of the Board of Trustees held on _____, 2025.

11. **Preparation of Agreement.** The District has retained the law firm of Millemann Pemberton & Holm LLP to prepare the initial draft of this Agreement. The Parties acknowledge the aforementioned law firm represents only the District in this matter. The Foundation has retained the law firm of Parsons Behle & Latimer to advise it in this matter. The terms of this Agreement shall neither be construed in favor of, nor adverse to either party based upon any presumption that either party exclusively drafted the Agreement.

12. **Counterparts.** This Agreement may be executed in counterparts, each of which, when taken together, shall be deemed one fully-executed original.

13. **Recordation.** A Notice of Joint Tenancy Agreement, executed by the Parties, shall be recorded with the Office of Recorder of Valley County, Idaho.

IN WITNESS WHEREOF, this Agreement has been executed effective as of the date of the last signature below.

[SIGNATURES AND ACKNOWLEDGEMENTS ON FOLLOWING PAGES]

ST. LUKE'S MCCALL FOUNDATION, INC.

By: _____
William Colpo, President

Dated: _____, 2025

STATE OF IDAHO,)
(ss.
County of Valley.)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared William Colpo, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
My Commission Expires: _____

MCCALL MEMORIAL HOSPITAL DISTRICT

By: _____
ANDREW LAIDLAW, Board Chair

Dated: _____, 2025

STATE OF IDAHO)
 (ss.
County of Valley)

On this _____ day of _____, 2024 before me, the undersigned, a Notary Public in and for said state, personally appeared ANDREW LAIDLAW, the Board Chair of the McCall Memorial Hospital District, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of the McCall Memorial Hospital District, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
My Commission Expires:_____

EXHIBIT A

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into effective the date of the last signature below by and between the **ST. LUKE'S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the "**Foundation**") and the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the "**District**"). The Foundation and the District are jointly referred to herein as the "**Parties**".

RECITALS

The Foundation was formed to facilitate and oversee the cultivation, receipt, and administration of all types of donations and gifts to the Foundation and St. Luke's McCall hospital for the benefit of the health and wellness of people and communities in the service area of St. Luke's McCall Hospital so as to obtain, maintain and enhance the health care facilities and services provided by the Hospital, which was previously known as the McCall Memorial Hospital and is referred to herein as the "**Hospital**".

The District was created under Idaho law to acquire, construct, improve, provide and maintain facilities and services for the care and treatment of persons requiring medical services, with the power to purchase, acquire, dispose of and encumber such real and personal property and make such contracts and purchases as may be necessary or convenient for its purposes, and to furnish all other services as may be necessary for the care of the sick, injured or disabled.

The Hospital is leased from the District and operated by St. Luke's McCall, Ltd., an Idaho nonprofit corporation ("**SLM**"), pursuant to a Lease-Option Agreement and Health Care Services Agreement entered into by and between the District, SLM and its member, the St. Luke's Health System, Ltd., an Idaho nonprofit corporation ("**SLHS**").

Workforce housing is a critical need of SLM in its continued mission to provide quality healthcare services to the Hospital's service area, with approximately 40 open, unfilled positions at the Hospital and a severe shortage of available housing for the existing and prospective SLM workforce.

The District and the Foundation share a common goal of providing housing for the SLM workforce.

The Foundation has entered into a Purchase and Sale Agreement with the McCall Donnelly School District (the "**School**") to acquire certain property which is identified in the attached Exhibit A (the "**Property**"), with the goal of developing workforce housing on the Property (the "**Project**").

The Foundation and the District desire to work jointly and collaboratively on the Project and wish to memorialize the terms of their preliminary agreement to do so.

AGREEMENT

1. The Foundation will proceed with the acquisition of the Property.

2. Within one hundred and twenty (120) days of acquisition, the Foundation will grant to the District an option to acquire an ownership interest in the Property, which initially shall be no greater than an undivided one-half (1/2) interest or include no more than one-half (1/2) of the Property's platted parcel or parcels (the "**Option**"). The terms of the Option Agreement shall include, but may not be limited to, the following:

a. That the consideration for the Option shall be the sum of One Hundred Dollars and no/100 (\$100.00).

b. That the Option Purchase Price shall be approximately \$485,899.00, which Option Purchase Price is equal to one-half (1/2) of the sum of: (i) the total consideration paid by the Foundation to the School for the acquisition of the Property, and (ii) the total out-of-pocket costs accrued prior to the acquisition by the Foundation's investigation of the feasibility of successfully completing the Project.

c. That the term of the Option shall be one (1) year.

d. That the exercise of the Option by the District shall be conditioned on the following:

(i) That the District and the Foundation reach agreement on a plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for the Project;

(ii) That the District and the Foundation reach agreement on the delineation of the property which the District will receive, which may take the form of a platted parcel or parcels, an undivided one-half (1/2) interest in the Property or such other form as is mutually acceptable to the Parties;

(iii) That the District and the Foundation reach agreement on a plan for the financing of the Project, with mutual agreement on the means for raising such financing, and how the cost of developing the Property and constructing the workforce housing will be allocated between the Parties;

(iv) That the District and the Foundation reach agreement on the management of the workforce housing which is constructed on the Property;

(v) That the District and the Foundation reach agreement on a model for the ultimate disposition (i.e., leasing or sale) of the workforce housing which is constructed on the Property or the disposition of the Property if the Project does not proceed which, in either case, complies with applicable Idaho statutes and constitutional provisions, including but not limited to Idaho Code §39-1358;

(vi) Such other conditions as are deemed appropriate and prudent by the Parties; and,

(vii) That the aforesaid agreements and other mutually acceptable terms and conditions be memorialized in a Definitive Purchase Agreement between the Parties.

e. That, if the District fails to exercise the Option within the term provided in the Option Agreement, the Parties shall be relieved of any further rights or responsibilities under the terms of the Agreement, which shall be of no further legal consequence: and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District.

f. That, upon execution of the Option Agreement by the Parties a Notice of Option Agreement, in form and substance acceptable to the Parties, shall be recorded with the Office of Recorder of Valley County, Idaho.

3. If the Parties are unable to reach agreement on the terms of the Option Agreement, as aforesaid, within one hundred and twenty (120) days following the Foundation's acquisition of the Property, absent the agreement of the Parties to the contrary, the Parties shall be relieved of any further rights or responsibilities under this Memorandum of Understanding, which shall be of no further legal consequence, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District related to this Memorandum of Understanding.

4. Once the Option Agreement has been entered into by the Parties, they shall jointly undertake the preparation of such plans, plats and applications as are required by the McCall City Code or the Payette Lakes Recreational Water and Sewer District to obtain the preliminary entitlements for the Project, as follows:

a. The Parties shall agree on the plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for such development. If the Parties are unable to agree on such plan, applications and permits within one hundred and twenty (120) days following the execution by the Parties of the Option Agreement, then, absent agreement between the Parties to the contrary, the Parties shall be relieved of any further rights or responsibilities under this Memorandum of Understanding or the Option Agreement, which shall be of no further legal consequence, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District related to this Memorandum of Understanding.

b. Assuming agreement is reached on the plan for the development of the Property, as aforesaid, the District shall provide its legal counsel to represent the parties in the preparation, submittal and processing with the City of McCall of all required land use applications and shall be responsible for payment of the legal fees incurred therefor. The Parties acknowledge that the District's legal counsel has also represented the Foundation on other matters; and, the Parties waive any claim that such representation or legal counsel's representation of the District constitutes any conflict of interest as to legal counsel's representation of the Parties, as aforesaid. The Foundation has retained separate legal counsel to represent and advise the Foundation as to this Memorandum

of Understanding and will continue to do so as to the negotiation of the Option Agreement and all other agreements entered into by and between the Parties.

c. The Parties shall retain such professionals as are reasonably required to develop the aforesaid land use applications and associated plans and plats. The Parties will agree on which of the Parties will retain designated professionals.

d. The Parties shall each be responsible for one-half (1/2) of the actual total out-of-pocket cost of preparing the aforesaid land use applications and associated plans and plats and the presentation of such applications to the City of McCall, and its Planning and Zoning Commission and City Council, and the Payette Lakes Recreational Water and Sewer District; provided, the District shall be entitled to a credit against its share of the said cost in an amount equal to one-half (1/2) of the legal fees charged by its counsel for work on the Project associated with such preparation and presentation of land use applications to the Payette Lakes Recreational Water and Sewer District, the City of McCall and other entities having some authority over the Project or its financing or management for the mutual benefit of the Parties, and does not include time spent on drafting this Memorandum of Understanding or negotiating the District's rights or obligations relative to the Foundation.

e. Upon request from the Foundation, the District shall reimburse the Foundation for one-half of any additional out of pocket costs of ownership of the Property which are incurred by the Foundation between the date of the execution of the Option Agreement and the date of the District's exercise of the Option. Such costs shall include, by way of example and not limitation, the cost of liability insurance for the Property and, although not expected, any property taxes or other assessments levied on the Property, but shall not include interest, cost of living adjustments or any costs associated with debt service.

f. The Parties will continue to collaborate through the Joint Workgroup which has been established by the Parties, with final actions by the Foundation and District Boards as needed on recommendations of the Workgroup.

5. The Parties will jointly collaborate with the Idaho Health Facilities Authority and SLM/SLHS on potential models for the financing and management of the Project.

6. Under no circumstances shall this Memorandum of Understanding be interpreted to (i) require the District to expend funds in an amount which is in excess of the funds which are available to the District within the current fiscal year or (ii) create any legal obligation on the part of the District to levy any property taxes in any subsequent fiscal year.

7. This Memorandum of Understanding was approved by the Board of Directors of the Foundation and the undersigned was authorized to execute this Memorandum of Understanding on behalf of the Foundation at a meeting of the Board of Directors held on 11-26, 2023.

8. This Memorandum of Understanding was approved by the Board of Trustees of the District and the undersigned was authorized to execute this Memorandum of Understanding on behalf of the District at a meeting of the Board of Trustees held on 11/21/23, 2023.

ST. LUKE'S MCCALL FOUNDATION, INC.

By: John Westwater
JOHN WESTWATER, President

Dated: 12-04, 2023

MCCALL MEMORIAL HOSPITAL DISTRICT

By: AD
ANDREW LAIDLAW, Board Chair

Dated: 11/27/23, 2023

Exhibit A – Legal Description

For property commonly known as 4.8 acres TBD Mission Street, McCall, ID 83638

To be used with purchase contract between McCall Donnelly School District and St. Luke's McCall Foundation and/or assigns.

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

Buyer:

Seller:

OPTION AGREEMENT

THIS AGREEMENT is entered into effective the date of the last signature below (the “**Effective Date**”) by and between **ST. LUKE’S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the “**Foundation**”) whose current address is 1000 State Street, McCall, Idaho 83638, and the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the “**District**”), whose current address is 1000 State Street, McCall, ID 83638. The Foundation and the District are jointly referred to herein as the “**Parties**”.

RECITALS

The Foundation owns certain real property which is legally described in the attached **Exhibit A** (the “**Property**”). The Foundation purchased the Property from the McCall-Donnelly School District (the “**School**”) on February 1, 2024, with the goal to develop workforce housing for the existing and prospective local hospital workforce (the “**Project**”).

The Foundation and the District share a common goal of providing housing for the local hospital workforce and entered into a Memorandum of Understanding on December 4, 2023, regarding the Property, (the “**MOU**”), which is attached hereto as **Exhibit B**.

Pursuant to the MOU, the Foundation agreed to grant the District an option to acquire a one-half ownership interest in the Property.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties’ signatures below, the Foundation hereby gives and grants to the District an exclusive and irrevocable option to purchase an undivided one-half (1/2) ownership interest in the Property or one-half (1/2) of the Property’s platted parcel or parcels (the “**Option**”) for the price and on the terms and conditions hereinafter set forth, as follows:

1. Option Property Purchase Price. In the event that the District exercises the Option, the purchase price for the one-half interest in the Property shall be FOUR HUNDRED EIGHTY-FIVE THOUSAND EIGHT HUNDRED NINETY-NINE AND NO/100 DOLLARS (\$485,899.00) (the “**Option Purchase Price**”). The Option Purchase Price shall be paid as follows:

- (a) Earnest Money Deposit: The District shall pay the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) upon execution of this Option Agreement.
- (b) Closing Payment: The District shall pay the balance of FOUR HUNDRED EIGHTY-FIVE THOUSAND, SEVEN HUNDRED, NINETY-NINE AND NO/100 DOLLARS (\$485,799.00) in cash at closing.

2. Option Term. The District shall have one year from the effective date of this Option Agreement to exercise the Option (the “**Option Term**”), unless the Option is terminated earlier pursuant to Paragraph 9. If the District does not exercise the Option pursuant to Paragraph 4 within the Option Term, and no extension to the Option Term is otherwise agreed to by the Parties pursuant to Paragraph 12, the Option shall expire without further notice and without further action by either Party. In such case, the Parties shall be relieved of any further rights or responsibilities under the terms of this Option Agreement and/or the MOU, the District shall forfeit any rights to or in the Property pursuant to this Option and/or the MOU, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion,

without further involvement by the District (the “**Legal Consequences of Termination**”).

3. Prerequisite Conditions to Exercise of Option. As a condition precedent to the District’s right to exercise the Option, the Parties must enter into a mutually acceptable Definitive Purchase Agreement that includes, but may not be limited to, the following:

- (a) A plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for the Project;
- (b) The delineation of the interest in or portion of the Property which the District will receive, which may take the form of a platted parcel or parcels, an undivided one-half (1/2) interest in the Property or such other form as is mutually acceptable to the Parties;
- (c) A plan for financing the Project, with mutual agreement on the means for raising such financing, and how the cost of developing the Property and constructing the workforce housing will be allocated between the Parties;
- (d) A plan for the management of the workforce housing which is constructed on the Property;
- (e) A model for the ultimate disposition (i.e., leasing or sale) of the workforce housing which is constructed on the Property or the disposition of the Property if the Project does not proceed which, in either case, complies with applicable Idaho statutes and constitutional provisions, including but not limited to Idaho Code §39-1358; and,
- (f) Such other conditions deemed appropriate and prudent by the Parties.

(the “**Definitive Purchase Agreement**”). The memorialization of the Definitive Purchase Agreement is a prerequisite to the District’s ability to exercise the Option. Upon the execution of this Option Agreement, the parties shall work in good faith to timely reach agreement on the conditions above and memorialize the Definitive Purchase Agreement, to ensure the District’s ability to exercise the Option within the Option Term. Absent a subsequently executed agreement between the Parties providing to the contrary, if the Parties fail to execute a Definitive Purchase Agreement within the Option Term, the Option shall expire without further notice and without further action by either Party, and shall further result in the Legal Consequences of Termination.

4. Exercise of Option. To exercise the Option, the District must provide written notice addressed to the Foundation at the following address 1000 State Street, McCall, Idaho 83638 (the “**Notice**”). The Notice must refer to this Option Agreement, declare an intent to exercise it, include a copy of the Definitive Purchase Agreement, and be received by the Foundation on or before the expiration of the Option Term. Failure by the District to so exercise the Option shall result in the termination and nullification of the Option, without further notice and without further action by either party, and shall further result in the Legal Consequences of Termination.

5. Notice of Option. Within thirty (30) days after the Effective Date of this Agreement, the Parties shall execute a Notice of Option in the form attached hereto as **Exhibit C** and shall record the same in the Office of Recorder of Valley County, Idaho.

6. Terms of Closing: Upon the Foundation’s receipt of the District’s properly executed

OPTION AGREEMENT - 2

Notice pursuant to Paragraph 4, closing shall occur as specified in the Definitive Purchase Agreement and as follows:

- (a) The Parties shall jointly agree upon a local title company to act as the closing agent and to issue a title commitment for the property being acquired by the District which is acceptable in form and substance to the District;
- (b) The Parties shall share equally in the cost of the title insurance and all standard closing costs. Each party shall pay their own legal fees;
- (c) Closing shall occur not later than 60 (sixty) days after the Foundation receives the Notice, unless otherwise agreed to in writing by the Parties; and,
- (e) Title to the Property will be transferred to the District free and clear of all monetary liens, claims or encumbrances, save and except only such exceptions to title as are accepted by the District.

7. Foundation Covenants. The Foundation covenants and agrees as follows:

- (a) The Foundation will not commit any waste of the Property during the Option Term.
- (b) The Foundation will not grant or create any lien, encumbrance, lease, option, license, easement, right of first refusal or sales contract against the Property which would interfere with the District's exercise of the Option or purchase of the Property under the Option without the District's prior written consent. If any such lien, encumbrance, lease or other right is granted or created by, through or under the Foundation, then the Foundation shall be obligated to terminate, payoff and/or satisfy such encumbrance before final closing of the District's purchase of the above referenced interest in the Property, so that title to the Property will be transferred to the District free and clear of any monetary liens, claims or encumbrances, save and except only such exceptions to title as are accepted by the District.
- (c) The Foundation shall pay all ad valorem real estate taxes and assessments imposed on the Property through the date of final closing of the District's purchase of the above referenced interest in the Property prior to any delinquency.

8. Termination. This Option Agreement shall terminate in the event of the occurrence of any of the following:

- (a) The termination of the MOU;
- (b) The District's failure to timely exercise the Option according to the terms of this Option Agreement; or,
- (c) The termination by the District of the Option Agreement and relinquishment of all rights hereunder.

(**"Termination of the Option Agreement"**). Termination of the Option Agreement shall result in the termination and nullification of the Option, without further notice and without further action by either party, and shall further result in the Legal Consequences of Termination.

9. Assignment. The rights and obligations of the Parties granted herein may not be assigned by either Party, except pursuant to the agreement of the other Party.

10. Succession. This Option Agreement binds and inures to the benefit of the Parties hereto, their heirs and successors, and shall constitute a covenant burdening and running with the Property until the Option is either timely exercised, expires at the end of the Option Term, or is otherwise terminated pursuant to Paragraph 8.

11. Attorney's Fees and Costs. In the event that any dispute arises regarding the legal consequence, interpretation, application or enforcement of this Option Agreement, then the prevailing party in such dispute shall be entitled to recover its attorney's fees and costs incurred, including attorney's fees and costs incurred on appeal.

12. Modification or Amendment. This Option Agreement may be modified only by means of a subsequently executed and acknowledged written document signed by the Parties.

13. Foundation Approval. This Option Agreement was approved by the Board of Directors of the Foundation and the undersigned was authorized to execute this Agreement on behalf of the Foundation at a meeting of the Board of Directors held on April 28, 2024.

14. District Approval. This Option Agreement was approved by the Board of Trustees of the District and the undersigned was authorized to execute this Agreement on behalf of the District at a meeting of the Board of Trustees held on May 21, 2024.

15. Preparation of Agreement. The District has retained the law firm of Millemann Pemberton & Holm LLP to prepare this Option Agreement. The Parties acknowledge the aforementioned law firm represents only the District in this matter. The Foundation has retained independent legal counsel to advise it in this matter. The terms of this Option Agreement shall neither be construed in favor of, nor adverse to either party based upon any presumption that either party exclusively drafted the Option Agreement.

IN WITNESS WHEREOF, this Option Agreement has been executed effective as of the date of the last signature below, with the intent that it shall be recorded in the Office of Recorder of Valley County, Idaho.

[SIGNATURES AND ACKNOWLEDGEMENTS FOLLOW]

EXHIBIT A

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

EXHIBIT B

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into effective the date of the last signature below by and between the **ST. LUKE'S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the "**Foundation**") and the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the "**District**"). The Foundation and the District are jointly referred to herein as the "**Parties**".

RECITALS

The Foundation was formed to facilitate and oversee the cultivation, receipt, and administration of all types of donations and gifts to the Foundation and St. Luke's McCall hospital for the benefit of the health and wellness of people and communities in the service area of St. Luke's McCall Hospital so as to obtain, maintain and enhance the health care facilities and services provided by the Hospital, which was previously known as the McCall Memorial Hospital and is referred to herein as the "**Hospital**".

The District was created under Idaho law to acquire, construct, improve, provide and maintain facilities and services for the care and treatment of persons requiring medical services, with the power to purchase, acquire, dispose of and encumber such real and personal property and make such contracts and purchases as may be necessary or convenient for its purposes, and to furnish all other services as may be necessary for the care of the sick, injured or disabled.

The Hospital is leased from the District and operated by St. Luke's McCall, Ltd., an Idaho nonprofit corporation ("**SLM**"), pursuant to a Lease-Option Agreement and Health Care Services Agreement entered into by and between the District, SLM and its member, the St. Luke's Health System, Ltd., an Idaho nonprofit corporation ("**SLHS**").

Workforce housing is a critical need of SLM in its continued mission to provide quality healthcare services to the Hospital's service area, with approximately 40 open, unfilled positions at the Hospital and a severe shortage of available housing for the existing and prospective SLM workforce.

The District and the Foundation share a common goal of providing housing for the SLM workforce.

The Foundation has entered into a Purchase and Sale Agreement with the McCall Donnelly School District (the "**School**") to acquire certain property which is identified in the attached Exhibit A (the "**Property**"), with the goal of developing workforce housing on the Property (the "**Project**").

The Foundation and the District desire to work jointly and collaboratively on the Project and wish to memorialize the terms of their preliminary agreement to do so.

AGREEMENT

1. The Foundation will proceed with the acquisition of the Property.

2. Within one hundred and twenty (120) days of acquisition, the Foundation will grant to the District an option to acquire an ownership interest in the Property, which initially shall be no greater than an undivided one-half (1/2) interest or include no more than one-half (1/2) of the Property's platted parcel or parcels (the "**Option**"). The terms of the Option Agreement shall include, but may not be limited to, the following:

a. That the consideration for the Option shall be the sum of One Hundred Dollars and no/100 (\$100.00).

b. That the Option Purchase Price shall be approximately \$485,899.00, which Option Purchase Price is equal to one-half (1/2) of the sum of: (i) the total consideration paid by the Foundation to the School for the acquisition of the Property, and (ii) the total out-of-pocket costs accrued prior to the acquisition by the Foundation's investigation of the feasibility of successfully completing the Project.

c. That the term of the Option shall be one (1) year.

d. That the exercise of the Option by the District shall be conditioned on the following:

(i) That the District and the Foundation reach agreement on a plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for the Project;

(ii) That the District and the Foundation reach agreement on the delineation of the property which the District will receive, which may take the form of a platted parcel or parcels, an undivided one-half (1/2) interest in the Property or such other form as is mutually acceptable to the Parties;

(iii) That the District and the Foundation reach agreement on a plan for the financing of the Project, with mutual agreement on the means for raising such financing, and how the cost of developing the Property and constructing the workforce housing will be allocated between the Parties;

(iv) That the District and the Foundation reach agreement on the management of the workforce housing which is constructed on the Property;

(v) That the District and the Foundation reach agreement on a model for the ultimate disposition (i.e., leasing or sale) of the workforce housing which is constructed on the Property or the disposition of the Property if the Project does not proceed which, in either case, complies with applicable Idaho statutes and constitutional provisions, including but not limited to Idaho Code §39-1358;

(vi) Such other conditions as are deemed appropriate and prudent by the Parties; and,

(vii) That the aforesaid agreements and other mutually acceptable terms and conditions be memorialized in a Definitive Purchase Agreement between the Parties.

e. That, if the District fails to exercise the Option within the term provided in the Option Agreement, the Parties shall be relieved of any further rights or responsibilities under the terms of the Agreement, which shall be of no further legal consequence; and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District.

f. That, upon execution of the Option Agreement by the Parties a Notice of Option Agreement, in form and substance acceptable to the Parties, shall be recorded with the Office of Recorder of Valley County, Idaho.

3. If the Parties are unable to reach agreement on the terms of the Option Agreement, as aforesaid, within one hundred and twenty (120) days following the Foundation's acquisition of the Property, absent the agreement of the Parties to the contrary, the Parties shall be relieved of any further rights or responsibilities under this Memorandum of Understanding, which shall be of no further legal consequence, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District related to this Memorandum of Understanding.

4. Once the Option Agreement has been entered into by the Parties, they shall jointly undertake the preparation of such plans, plats and applications as are required by the McCall City Code or the Payette Lakes Recreational Water and Sewer District to obtain the preliminary entitlements for the Project, as follows:

a. The Parties shall agree on the plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for such development. If the Parties are unable to agree on such plan, applications and permits within one hundred and twenty (120) days following the execution by the Parties of the Option Agreement, then, absent agreement between the Parties to the contrary, the Parties shall be relieved of any further rights or responsibilities under this Memorandum of Understanding or the Option Agreement, which shall be of no further legal consequence, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District related to this Memorandum of Understanding.

b. Assuming agreement is reached on the plan for the development of the Property, as aforesaid, the District shall provide its legal counsel to represent the parties in the preparation, submittal and processing with the City of McCall of all required land use applications and shall be responsible for payment of the legal fees incurred therefor. The Parties acknowledge that the District's legal counsel has also represented the Foundation on other matters; and, the Parties waive any claim that such representation or legal counsel's representation of the District constitutes any conflict of interest as to legal counsel's representation of the Parties, as aforesaid. The Foundation has retained separate legal counsel to represent and advise the Foundation as to this Memorandum

of Understanding and will continue to do so as to the negotiation of the Option Agreement and all other agreements entered into by and between the Parties.

c. The Parties shall retain such professionals as are reasonably required to develop the aforesaid land use applications and associated plans and plats. The Parties will agree on which of the Parties will retain designated professionals.

d. The Parties shall each be responsible for one-half (1/2) of the actual total out-of-pocket cost of preparing the aforesaid land use applications and associated plans and plats and the presentation of such applications to the City of McCall, and its Planning and Zoning Commission and City Council, and the Payette Lakes Recreational Water and Sewer District; provided, the District shall be entitled to a credit against its share of the said cost in an amount equal to one-half (1/2) of the legal fees charged by its counsel for work on the Project associated with such preparation and presentation of land use applications to the Payette Lakes Recreational Water and Sewer District, the City of McCall and other entities having some authority over the Project or its financing or management for the mutual benefit of the Parties, and does not include time spent on drafting this Memorandum of Understanding or negotiating the District's rights or obligations relative to the Foundation.

e. Upon request from the Foundation, the District shall reimburse the Foundation for one-half of any additional out of pocket costs of ownership of the Property which are incurred by the Foundation between the date of the execution of the Option Agreement and the date of the District's exercise of the Option. Such costs shall include, by way of example and not limitation, the cost of liability insurance for the Property and, although not expected, any property taxes or other assessments levied on the Property, but shall not include interest, cost of living adjustments or any costs associated with debt service.

f. The Parties will continue to collaborate through the Joint Workgroup which has been established by the Parties, with final actions by the Foundation and District Boards as needed on recommendations of the Workgroup.

5. The Parties will jointly collaborate with the Idaho Health Facilities Authority and SLM/SLHS on potential models for the financing and management of the Project.

6. Under no circumstances shall this Memorandum of Understanding be interpreted to (i) require the District to expend funds in an amount which is in excess of the funds which are available to the District within the current fiscal year or (ii) create any legal obligation on the part of the District to levy any property taxes in any subsequent fiscal year.

7. This Memorandum of Understanding was approved by the Board of Directors of the Foundation and the undersigned was authorized to execute this Memorandum of Understanding on behalf of the Foundation at a meeting of the Board of Directors held on 11-26, 2023.

8. This Memorandum of Understanding was approved by the Board of Trustees of the District and the undersigned was authorized to execute this Memorandum of Understanding on behalf of the District at a meeting of the Board of Trustees held on 11/21/23, 2023.

ST. LUKE'S MCCALL FOUNDATION, INC.

By: John Westwater
JOHN WESTWATER, President

Dated: 12-04, 2023

MCCALL MEMORIAL HOSPITAL DISTRICT

By: AD
ANDREW LAIDLAW, Board Chair

Dated: 11/27/23, 2023

Exhibit A – Legal Description

For property commonly known as 4.8 acres TBD Mission Street, McCall, ID 83638

To be used with purchase contract between McCall Donnelly School District and St. Luke's McCall Foundation and/or assigns.

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the **POINT OF BEGINNING**:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the **POINT OF BEGINNING**.

Buyer:

Seller:

EXHIBIT C

NOTICE OF OPTION TO PURCHASE INTEREST IN REAL PROPERTY

NOTICE IS HEREBY GIVEN that the ST. LUKE’S MCCALL FOUNDATION, INC., an Idaho nonprofit corporation (the “Foundation”) whose current address is 1000 State Street, McCall, Idaho 83638, has granted an option to purchase an ownership interest in certain real property located in McCall, Valley County, Idaho, which is more particularly described in the attached **Exhibit 1**, to the MCCALL MEMORIAL HOSPITAL DISTRICT, a duly organized Idaho Hospital District (the “District”), whose current address is _____, on the terms and subject to the conditions set forth in the Option Agreement, attached as **Exhibit 2**.

This Option is effective until _____. From and after _____, the Option is null and void and shall be of no further force and effect, and shall not constitute a claim, cloud, lien, or encumbrance upon the above-described real property.

ST. LUKE'S MCCALL FOUNDATION, INC.

By: JOHN WESTWATER, President

Dated: _____, 2024

STATE OF IDAHO,)
 (ss.
County of Valley.)

On this ____ day of _____, 2024, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN WESTWATER, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
My Commission Expires: _____

EXHIBIT 1

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the **POINT OF BEGINNING**:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the **POINT OF BEGINNING**.

ST. LUKE'S MCCALL FOUNDATION, INC.

By: John Westwater
JOHN WESTWATER, President

Dated: May 18, 2024

STATE OF IDAHO,)
(ss.
County of Valley.)

On this 28th day of may, 2024, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN WESTWATER, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Heather Potts
NOTARY PUBLIC FOR IDAHO
My Commission Expires: 4/23/2027

MCCALL MEMORIAL HOSPITAL DISTRICT

By: ALD
ANDREW LAIDLAW, Board Chair

Dated: 5/29/2024, 2024

STATE OF IDAHO)
(ss.
County of Valley)

On this 29th day of may, 2024 before me, the undersigned, a Notary Public in and for said state, personally appeared ANDREW LAIDLAW, the Board Chair of the McCall Memorial Hospital District, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of the McCall Memorial Hospital District, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Heather Potts
Notary Public for Idaho
My Commission Expires: 4/23/2024

FIRST AMENDMENT TO OPTION AGREEMENT

THIS FIRST AMENDMENT TO OPTION AGREEMENT is entered into effective the date of the last signature below (the “**Effective Date**”) by and between **ST. LUKE’S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the “**Foundation**”) whose current address is 1000 State Street, McCall, Idaho 83638, and the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the “**District**”), whose current address is 1000 State Street, McCall, Idaho 83638. The Foundation and the District are jointly referred to herein as the “**Parties**”.

RECITALS

The Foundation owns certain real property (the “**Property**”) with the goal to develop workforce housing for the existing and prospective local hospital workforce (the “**Project**”).

The Foundation and the District share a common goal of providing housing for the local hospital workforce and entered into a Memorandum of Understanding on December 4, 2023, regarding the Property, (the “**MOU**”).

Pursuant to the MOU, the Foundation agreed to grant the District an option to acquire a one-half interest in the Property and on May 29, 2024, the Foundation and the District entered into an option agreement memorializing the terms of this agreement (“**Option Agreement**”). The Option Agreement is attached hereto as **Exhibit A**.

The Option Agreement provided that the District must exercise its option to acquire a one-half interest in the Property by May 29, 2025 (“**Option Term**”), unless an extension is otherwise agreed to by a written agreement of the Parties.

The Parties wish to enter a written agreement to extend the date of the Option Term until June 30, 2025.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties’ signatures below, the Parties hereby amend Paragraph 2 of the Option Agreement as follows:

2. Option Term. The District shall have until June 30, 2025, to exercise the Option (the “**Option Term**”). If the District does not exercise the Option within the Option Term, and no extension to the Option Term is otherwise agreed to by the Parties pursuant to Paragraph 12, the Option shall expire without further notice and without further action by either Party. In such case, the Parties shall be relieved of any further rights or responsibilities under the terms of this Option Agreement and/or the MOU, the District shall forfeit any rights to or in the Property pursuant to this Option and/or the MOU, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District (the “**Legal Consequences of Termination**”).

All other terms and conditions of the Option Agreement shall remain in full force and effect including, but not limited to, expenses referenced in the MOU.

IN WITNESS WHEREOF, this First Amendment to the Option Agreement has been executed effective as of the date of the last signature below, with the intent that it shall be recorded in the Office of Recorder of Valley County, Idaho.

ST. LUKE'S MCCALL FOUNDATION, INC.

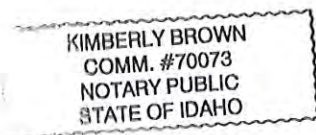
By: BILL COLPO
BILL COLPO, President

Dated: 18 April, 2025

STATE OF IDAHO,)
(ss.
County of Valley.)

On this 18 day of April, 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared BILL COLPO, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Kimberly Brown
NOTARY PUBLIC FOR IDAHO
My Commission Expires: 5/7/2030

MCCALL MEMORIAL HOSPITAL DISTRICT

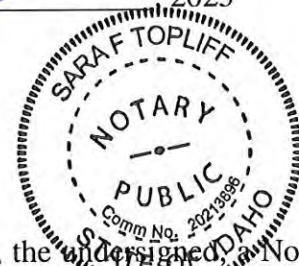
By: Andrew Laidlaw
ANDREW LAIDLAW, Board Chair

Dated: 5/16, 2025

STATE OF IDAHO)
(ss.
County of Valley)

On this 16 day of May, 2025 before me, the undersigned, a Notary Public in and for said state, personally appeared ANDREW LAIDLAW, the Board Chair of the McCall Memorial Hospital District, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of the McCall Memorial Hospital District, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Sarah Topliff
Notary Public for Idaho
My Commission Expires: 8/16/27

EXHIBIT 1

OPTION AGREEMENT

THIS AGREEMENT is entered into effective the date of the last signature below (the "Effective Date") by and between ST. LUKE'S MCCALL FOUNDATION, INC., an Idaho nonprofit corporation (the "Foundation") whose current address is 1000 State Street, McCall, Idaho 83638, and the MCCALL MEMORIAL HOSPITAL DISTRICT, a duly organized Idaho Hospital District (the "District"), whose current address is 1000 State Street, McCall, ID 83638. The Foundation and the District are jointly referred to herein as the "Parties".

RECITALS

The Foundation owns certain real property which is legally described in the attached Exhibit A (the "Property"). The Foundation purchased the Property from the McCall-Donnelly School District (the "School") on February 1, 2024, with the goal to develop workforce housing for the existing and prospective local hospital workforce (the "Project").

The Foundation and the District share a common goal of providing housing for the local hospital workforce and entered into a Memorandum of Understanding on December 4, 2023, regarding the Property, (the "MOU"), which is attached hereto as Exhibit B.

Pursuant to the MOU, the Foundation agreed to grant the District an option to acquire a one-half ownership interest in the Property.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties' signatures below, the Foundation hereby gives and grants to the District an exclusive and irrevocable option to purchase an undivided one-half (1/2) ownership interest in the Property or one-half (1/2) of the Property's platted parcel or parcels (the "Option") for the price and on the terms and conditions hereinafter set forth, as follows:

1. Option Property Purchase Price. In the event that the District exercises the Option, the purchase price for the one-half interest in the Property shall be FOUR HUNDRED EIGHTY-FIVE THOUSAND EIGHT HUNDRED NINETY-NINE AND NO/100 DOLLARS (\$485,899.00) (the "Option Purchase Price"). The Option Purchase Price shall be paid as follows:

- (a) Earnest Money Deposit: The District shall pay the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) upon execution of this Option Agreement.
- (b) Closing Payment: The District shall pay the balance of FOUR HUNDRED EIGHTY-FIVE THOUSAND, SEVEN HUNDRED, NINETY-NINE AND NO/100 DOLLARS (\$485,799.00) in cash at closing.

2. Option Term. The District shall have one year from the effective date of this Option Agreement to exercise the Option (the "Option Term"), unless the Option is terminated earlier pursuant to Paragraph 9. If the District does not exercise the Option pursuant to Paragraph 4 within the Option Term, and no extension to the Option Term is otherwise agreed to by the Parties pursuant to Paragraph 12, the Option shall expire without further notice and without further action by either Party. In such case, the Parties shall be relieved of any further rights or responsibilities under the terms of this Option Agreement and/or the MOU, the District shall forfeit any rights to or in the Property pursuant to this Option and/or the MOU, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion,

without further involvement by the District (the “Legal Consequences of Termination”).

3. Prerequisite Conditions to Exercise of Option. As a condition precedent to the District’s right to exercise the Option, the Parties must enter into a mutually acceptable Definitive Purchase Agreement that includes, but may not be limited to, the following:

- (a) A plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for the Project;
- (b) The delineation of the interest in or portion of the Property which the District will receive, which may take the form of a platted parcel or parcels, an undivided one-half (1/2) interest in the Property or such other form as is mutually acceptable to the Parties;
- (c) A plan for financing the Project, with mutual agreement on the means for raising such financing, and how the cost of developing the Property and constructing the workforce housing will be allocated between the Parties;
- (d) A plan for the management of the workforce housing which is constructed on the Property;
- (e) A model for the ultimate disposition (i.e., leasing or sale) of the workforce housing which is constructed on the Property or the disposition of the Property if the Project does not proceed which, in either case, complies with applicable Idaho statutes and constitutional provisions, including but not limited to Idaho Code §39-1358; and,
- (f) Such other conditions deemed appropriate and prudent by the Parties.

(the “Definitive Purchase Agreement”). The memorialization of the Definitive Purchase Agreement is a prerequisite to the District’s ability to exercise the Option. Upon the execution of this Option Agreement, the parties shall work in good faith to timely reach agreement on the conditions above and memorialize the Definitive Purchase Agreement, to ensure the District’s ability to exercise the Option within the Option Term. Absent a subsequently executed agreement between the Parties providing to the contrary, if the Parties fail to execute a Definitive Purchase Agreement within the Option Term, the Option shall expire without further notice and without further action by either Party, and shall further result in the Legal Consequences of Termination.

4. Exercise of Option. To exercise the Option, the District must provide written notice addressed to the Foundation at the following address 1000 State Street, McCall, Idaho 83638 (the “Notice”). The Notice must refer to this Option Agreement, declare an intent to exercise it, include a copy of the Definitive Purchase Agreement, and be received by the Foundation on or before the expiration of the Option Term. Failure by the District to so exercise the Option shall result in the termination and nullification of the Option, without further notice and without further action by either party, and shall further result in the Legal Consequences of Termination.

5. Notice of Option. Within thirty (30) days after the Effective Date of this Agreement, the Parties shall execute a Notice of Option in the form attached hereto as **Exhibit C** and shall record the same in the Office of Recorder of Valley County, Idaho.

6. Terms of Closing: Upon the Foundation’s receipt of the District’s properly executed

OPTION AGREEMENT - 2

Notice pursuant to Paragraph 4, closing shall occur as specified in the Definitive Purchase Agreement and as follows:

- (a) The Parties shall jointly agree upon a local title company to act as the closing agent and to issue a title commitment for the property being acquired by the District which is acceptable in form and substance to the District;
- (b) The Parties shall share equally in the cost of the title insurance and all standard closing costs. Each party shall pay their own legal fees;
- (c) Closing shall occur not later than 60 (sixty) days after the Foundation receives the Notice, unless otherwise agreed to in writing by the Parties; and,
- (e) Title to the Property will be transferred to the District free and clear of all monetary liens, claims or encumbrances, save and except only such exceptions to title as are accepted by the District.

7. Foundation Covenants. The Foundation covenants and agrees as follows:

- (a) The Foundation will not commit any waste of the Property during the Option Term.
- (b) The Foundation will not grant or create any lien, encumbrance, lease, option, license, easement, right of first refusal or sales contract against the Property which would interfere with the District's exercise of the Option or purchase of the Property under the Option without the District's prior written consent. If any such lien, encumbrance, lease or other right is granted or created by, through or under the Foundation, then the Foundation shall be obligated to terminate, payoff and/or satisfy such encumbrance before final closing of the District's purchase of the above referenced interest in the Property, so that title to the Property will be transferred to the District free and clear of any monetary liens, claims or encumbrances, save and except only such exceptions to title as are accepted by the District.
- (c) The Foundation shall pay all ad valorem real estate taxes and assessments imposed on the Property through the date of final closing of the District's purchase of the above referenced interest in the Property prior to any delinquency.

8. Termination. This Option Agreement shall terminate in the event of the occurrence of any of the following:

- (a) The termination of the MOU;
- (b) The District's failure to timely exercise the Option according to the terms of this Option Agreement; or,
- (c) The termination by the District of the Option Agreement and relinquishment of all rights hereunder.

("Termination of the Option Agreement"). Termination of the Option Agreement shall result in the termination and nullification of the Option, without further notice and without further action by either party, and shall further result in the Legal Consequences of Termination.

9. Assignment. The rights and obligations of the Parties granted herein may not be assigned by either Party, except pursuant to the agreement of the other Party.

10. Succession. This Option Agreement binds and inures to the benefit of the Parties hereto, their heirs and successors, and shall constitute a covenant burdening and running with the Property until the Option is either timely exercised, expires at the end of the Option Term, or is otherwise terminated pursuant to Paragraph 8.

11. Attorney's Fees and Costs. In the event that any dispute arises regarding the legal consequence, interpretation, application or enforcement of this Option Agreement, then the prevailing party in such dispute shall be entitled to recover its attorney's fees and costs incurred, including attorney's fees and costs incurred on appeal.

12. Modification or Amendment. This Option Agreement may be modified only by means of a subsequently executed and acknowledged written document signed by the Parties.

13. Foundation Approval. This Option Agreement was approved by the Board of Directors of the Foundation and the undersigned was authorized to execute this Agreement on behalf of the Foundation at a meeting of the Board of Directors held on April 28, 2024.

14. District Approval. This Option Agreement was approved by the Board of Trustees of the District and the undersigned was authorized to execute this Agreement on behalf of the District at a meeting of the Board of Trustees held on May 21, 2024.

15. Preparation of Agreement. The District has retained the law firm of Millemann Pemberton & Holm LLP to prepare this Option Agreement. The Parties acknowledge the aforementioned law firm represents only the District in this matter. The Foundation has retained independent legal counsel to advise it in this matter. The terms of this Option Agreement shall neither be construed in favor of, nor adverse to either party based upon any presumption that either party exclusively drafted the Option Agreement.

IN WITNESS WHEREOF, this Option Agreement has been executed effective as of the date of the last signature below, with the intent that it shall be recorded in the Office of Recorder of Valley County, Idaho.

[SIGNATURES AND ACKNOWLEDGEMENTS FOLLOW]

EXHIBIT A

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

EXHIBIT B

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into effective the date of the last signature below by and between the **ST. LUKE'S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the "**Foundation**") and the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the "**District**"). The Foundation and the District are jointly referred to herein as the "**Parties**".

RECITALS

The Foundation was formed to facilitate and oversee the cultivation, receipt, and administration of all types of donations and gifts to the Foundation and St. Luke's McCall hospital for the benefit of the health and wellness of people and communities in the service area of St. Luke's McCall Hospital so as to obtain, maintain and enhance the health care facilities and services provided by the Hospital, which was previously known as the McCall Memorial Hospital and is referred to herein as the "**Hospital**".

The District was created under Idaho law to acquire, construct, improve, provide and maintain facilities and services for the care and treatment of persons requiring medical services, with the power to purchase, acquire, dispose of and encumber such real and personal property and make such contracts and purchases as may be necessary or convenient for its purposes, and to furnish all other services as may be necessary for the care of the sick, injured or disabled.

The Hospital is leased from the District and operated by St. Luke's McCall, Ltd., an Idaho nonprofit corporation ("**SLM**"), pursuant to a Lease-Option Agreement and Health Care Services Agreement entered into by and between the District, SLM and its member, the St. Luke's Health System, Ltd., an Idaho nonprofit corporation ("**SLHS**").

Workforce housing is a critical need of SLM in its continued mission to provide quality healthcare services to the Hospital's service area, with approximately 40 open, unfilled positions at the Hospital and a severe shortage of available housing for the existing and prospective SLM workforce.

The District and the Foundation share a common goal of providing housing for the SLM workforce.

The Foundation has entered into a Purchase and Sale Agreement with the McCall Donnelly School District (the "**School**") to acquire certain property which is identified in the attached Exhibit A (the "**Property**"), with the goal of developing workforce housing on the Property (the "**Project**").

The Foundation and the District desire to work jointly and collaboratively on the Project and wish to memorialize the terms of their preliminary agreement to do so.

AGREEMENT

1. The Foundation will proceed with the acquisition of the Property.

2. Within one hundred and twenty (120) days of acquisition, the Foundation will grant to the District an option to acquire an ownership interest in the Property, which initially shall be no greater than an undivided one-half (1/2) interest or include no more than one-half (1/2) of the Property's platted parcel or parcels (the "Option"). The terms of the Option Agreement shall include, but may not be limited to, the following:

a. That the consideration for the Option shall be the sum of One Hundred Dollars and no/100 (\$100.00).

b. That the Option Purchase Price shall be approximately \$485,899.00, which Option Purchase Price is equal to one-half (1/2) of the sum of: (i) the total consideration paid by the Foundation to the School for the acquisition of the Property, and (ii) the total out-of-pocket costs accrued prior to the acquisition by the Foundation's investigation of the feasibility of successfully completing the Project.

c. That the term of the Option shall be one (1) year.

d. That the exercise of the Option by the District shall be conditioned on the following:

(i) That the District and the Foundation reach agreement on a plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for the Project;

(ii) That the District and the Foundation reach agreement on the delineation of the property which the District will receive, which may take the form of a platted parcel or parcels, an undivided one-half (1/2) interest in the Property or such other form as is mutually acceptable to the Parties;

(iii) That the District and the Foundation reach agreement on a plan for the financing of the Project, with mutual agreement on the means for raising such financing, and how the cost of developing the Property and constructing the workforce housing will be allocated between the Parties;

(iv) That the District and the Foundation reach agreement on the management of the workforce housing which is constructed on the Property;

(v) That the District and the Foundation reach agreement on a model for the ultimate disposition (i.e., leasing or sale) of the workforce housing which is constructed on the Property or the disposition of the Property if the Project does not proceed which, in either case, complies with applicable Idaho statutes and constitutional provisions, including but not limited to Idaho Code §39-1358;

(vi) Such other conditions as are deemed appropriate and prudent by the Parties; and,

(vii) That the aforesaid agreements and other mutually acceptable terms and conditions be memorialized in a Definitive Purchase Agreement between the Parties.

e. That, if the District fails to exercise the Option within the term provided in the Option Agreement, the Parties shall be relieved of any further rights or responsibilities under the terms of the Agreement, which shall be of no further legal consequence; and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District.

f. That, upon execution of the Option Agreement by the Parties a Notice of Option Agreement, in form and substance acceptable to the Parties, shall be recorded with the Office of Recorder of Valley County, Idaho.

3. If the Parties are unable to reach agreement on the terms of the Option Agreement, as aforesaid, within one hundred and twenty (120) days following the Foundation's acquisition of the Property, absent the agreement of the Parties to the contrary, the Parties shall be relieved of any further rights or responsibilities under this Memorandum of Understanding, which shall be of no further legal consequence, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District related to this Memorandum of Understanding.

4. Once the Option Agreement has been entered into by the Parties, they shall jointly undertake the preparation of such plans, plats and applications as are required by the McCall City Code or the Payette Lakes Recreational Water and Sewer District to obtain the preliminary entitlements for the Project, as follows:

a. The Parties shall agree on the plan for the development of the Property and the necessary applications and permits which will be required by the Payette Lakes Recreational Water and Sewer District and the City of McCall for such development. If the Parties are unable to agree on such plan, applications and permits within one hundred and twenty (120) days following the execution by the Parties of the Option Agreement, then, absent agreement between the Parties to the contrary, the Parties shall be relieved of any further rights or responsibilities under this Memorandum of Understanding or the Option Agreement, which shall be of no further legal consequence, and the Foundation shall be free to proceed with such Project on the Property as is acceptable to the Foundation in its sole discretion, without further involvement by the District related to this Memorandum of Understanding.

b. Assuming agreement is reached on the plan for the development of the Property, as aforesaid, the District shall provide its legal counsel to represent the parties in the preparation, submittal and processing with the City of McCall of all required land use applications and shall be responsible for payment of the legal fees incurred therefor. The Parties acknowledge that the District's legal counsel has also represented the Foundation on other matters; and, the Parties waive any claim that such representation or legal counsel's representation of the District constitutes any conflict of interest as to legal counsel's representation of the Parties, as aforesaid. The Foundation has retained separate legal counsel to represent and advise the Foundation as to this Memorandum

of Understanding and will continue to do so as to the negotiation of the Option Agreement and all other agreements entered into by and between the Parties.

c. The Parties shall retain such professionals as are reasonably required to develop the aforesaid land use applications and associated plans and plats. The Parties will agree on which of the Parties will retain designated professionals.

d. The Parties shall each be responsible for one-half (1/2) of the actual total out-of-pocket cost of preparing the aforesaid land use applications and associated plans and plats and the presentation of such applications to the City of McCall, and its Planning and Zoning Commission and City Council, and the Payette Lakes Recreational Water and Sewer District; provided, the District shall be entitled to a credit against its share of the said cost in an amount equal to one-half (1/2) of the legal fees charged by its counsel for work on the Project associated with such preparation and presentation of land use applications to the Payette Lakes Recreational Water and Sewer District, the City of McCall and other entities having some authority over the Project or its financing or management for the mutual benefit of the Parties, and does not include time spent on drafting this Memorandum of Understanding or negotiating the District's rights or obligations relative to the Foundation.

e. Upon request from the Foundation, the District shall reimburse the Foundation for one-half of any additional out of pocket costs of ownership of the Property which are incurred by the Foundation between the date of the execution of the Option Agreement and the date of the District's exercise of the Option. Such costs shall include, by way of example and not limitation, the cost of liability insurance for the Property and, although not expected, any property taxes or other assessments levied on the Property, but shall not include interest, cost of living adjustments or any costs associated with debt service.

f. The Parties will continue to collaborate through the Joint Workgroup which has been established by the Parties, with final actions by the Foundation and District Boards as needed on recommendations of the Workgroup.

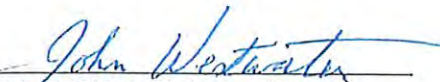
5. The Parties will jointly collaborate with the Idaho Health Facilities Authority and SLM/SLHS on potential models for the financing and management of the Project.

6. Under no circumstances shall this Memorandum of Understanding be interpreted to (i) require the District to expend funds in an amount which is in excess of the funds which are available to the District within the current fiscal year or (ii) create any legal obligation on the part of the District to levy any property taxes in any subsequent fiscal year.

7. This Memorandum of Understanding was approved by the Board of Directors of the Foundation and the undersigned was authorized to execute this Memorandum of Understanding on behalf of the Foundation at a meeting of the Board of Directors held on 11-26, 2023.

8. This Memorandum of Understanding was approved by the Board of Trustees of the District and the undersigned was authorized to execute this Memorandum of Understanding on behalf of the District at a meeting of the Board of Trustees held on 11/21/23, 2023.

ST. LUKE'S MCCALL FOUNDATION, INC.

By: 
JOHN WESTWATER, President

Dated: 12-04, 2023

MCCALL MEMORIAL HOSPITAL DISTRICT

By: 
ANDREW LAIDLAW, Board Chair

Dated: 11/27/23, 2023

Exhibit A – Legal Description

For property commonly known as 4.8 acres TBD Mission Street, McCall, ID 83638

To be used with purchase contract between McCall Donnelly School District and St. Luke's McCall Foundation and/or assigns.

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING;

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

Buyer:

Seller:

EXHIBIT C

NOTICE OF OPTION TO PURCHASE INTEREST IN REAL PROPERTY

NOTICE IS HEREBY GIVEN that the ST. LUKE'S MCCALL FOUNDATION, INC., an Idaho nonprofit corporation (the "Foundation") whose current address is 1000 State Street, McCall, Idaho 83638, has granted an option to purchase an ownership interest in certain real property located in McCall, Valley County, Idaho, which is more particularly described in the attached **Exhibit 1**, to the MCCALL MEMORIAL HOSPITAL DISTRICT, a duly organized Idaho Hospital District (the "District"), whose current address is _____, on the terms and subject to the conditions set forth in the Option Agreement, attached as **Exhibit 2**.

This Option is effective until _____. From and after _____, the Option is null and void and shall be of no further force and effect, and shall not constitute a claim, cloud, lien, or encumbrance upon the above-described real property.

ST. LUKE'S MCCALL FOUNDATION, INC.

By: JOHN WESTWATER, President

Dated: _____, 2024

STATE OF IDAHO,)
 (ss.
County of Valley,)

On this ____ day of _____, 2024, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN WESTWATER, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
My Commission Expires: _____

EXHIBIT 1

A parcel of land situate in a portion of the Northwest Quarter of the Northwest Quarter of Section 16, Township 18 North, Range 3 East, Boise Meridian, City of McCall, Valley County, Idaho, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 16 (from which the West Quarter Corner of said Section 16 bears South 00°43'56" West, 2643.18 feet distant); Thence on the west section line of said Section 16, South 00°43'56" West, 572.63 feet; Thence leaving said west section line, South 89°20'40" East, 30.53 feet, to a point on the northerly boundary line of Wildwoods Condominiums as shown on the official plat thereof on file in Book 5, on Page 4 of Plats, in the Office of the Recorder of Valley County, Idaho; Thence on said northerly boundary line, South 89°20'40" East, 222.07 feet, to the POINT OF BEGINNING:

Thence leaving said northerly boundary line, South 89°24'33" East, 303.02 feet to a point on a 50-foot Offset Spiral Curve, on the westerly right of way line of the abandoned Oregon Shortline Railroad; Thence on said westerly right of way line the following 2 courses of offset spiral curve to the left, South 00°59'29" East, 23.49 feet; Thence South 01°04'57" East, 23.49 feet; Thence South 01°05'51" East, 601.85 feet, to the northeasterly corner of the platted McCall Cemetery, as shown on that particular Record of Survey on record as Instrument No. 260532, in Book 7, on Page 89 of Records of Survey, in the Office of the Recorder of Valley County; Thence leaving said westerly right of way line, North 89°29'30" West, 553.00 feet, on the north line of said McCall Cemetery to a point on the easterly right of way line of North Mission Street; Thence on said easterly right of way line, North 06°25'23" West, 44.92 feet; Thence North 01°56'50" East, 117.54 feet, to a point on the boundary line of said Wildwoods Condominiums; Thence leaving said westerly right of way, on said boundary line the following 7 courses, South 88°03'10" East, 143.60 feet; Thence North 01°56'50" East, 30.00 feet; Thence South 88°03'10" East, 160.00 feet; Thence North 25°37'47" East, 124.48 feet; Thence North 01°56'50" East, 156.00 feet; Thence North 65°09'40" West, 145.39 feet; Thence North 02°56'20" East, 136.12 feet, to the POINT OF BEGINNING.

ST. LUKE'S MCCALL FOUNDATION, INC.

By: John Westwater
JOHN WESTWATER, President

Dated: May 18, 2024

STATE OF IDAHO,)
(ss.
County of Valley.)

On this 28th day of may, 2024, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN WESTWATER, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Heather Potts
NOTARY PUBLIC FOR IDAHO
My Commission Expires: 4/23/2027

MCCALL MEMORIAL HOSPITAL DISTRICT

By: ALD
ANDREW LAIDLAW, Board Chair

Dated: 5/29/2024, 2024

STATE OF IDAHO)
(ss.
County of Valley)

On this 29th day of may, 2024 before me, the undersigned, a Notary Public in and for said state, personally appeared ANDREW LAIDLAW, the Board Chair of the McCall Memorial Hospital District, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of the McCall Memorial Hospital District, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Heather Potts
Notary Public for Idaho
My Commission Expires: 4/23/2027

SPECIAL WARRANTY DEED

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the **ST. LUKE'S MCCALL FOUNDATION, INC.**, an Idaho nonprofit corporation (the "**Grantor**") whose current address is 1000 State Street, McCall, Idaho 83638, does hereby by these presents transfer, convey and demise to the **MCCALL MEMORIAL HOSPITAL DISTRICT**, a duly organized Idaho Hospital District (the "**Grantee**"), whose current address is 1000 State Street, McCall, ID 83638, and its successors and assigns forever, an undivided fifty percent (50%) interest in that certain parcel of property located in McCall, Valley County, Idaho which is described in the attached **Exhibit A** (the "**Property**").

Together with all and singular the tenements, appurtenances and hereditaments thereunto belonging or in any way appertaining to the Property and all of Grantor's estate, title and interest in and to the said undivided fifty percent (50%) interest in the Property, except as otherwise reserved herein.

Grantor makes no covenants or warranties with respect to title, express or implied, other than that previous to the date of this instrument Grantor has not conveyed the Property, or any portion thereof or interest therein, to any person other than Grantee and that such Property is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor, subject to any and all easements, restrictions, agreements and encumbrances of record or appearing on the land as of the date of this instrument, and the following reversionary rights, interests, and encumbrances in favor of Grantor and Grantee:

1. The Use of the Property. Grantor and Grantee shall cause to be constructed and completed multi-family housing units on the Property solely designated for the primary use of healthcare workforce housing or participation in the McCall Local Housing Program ("Workforce Housing"), together with common area, open space, pedestrian pathways connecting to the City of McCall's Railroad Pathway and adjoining park area dedicated to the use of the public, collectively, the "Improvements."
2. The Restrictive Covenant. The use of the Property and Improvements for Workforce Housing as herein described shall be maintained in perpetuity, unless a proposed change in use is initiated by the Grantor's Board of Directors and shall have first obtained the approval of the McCall Memorial Hospital District. This covenant shall be binding on all successors in interest of the Grantor or Grantee, including but not limited to persons who obtain an interest in the Property by lease, by conveyance, or by operation of law.
3. Right of Reversion. Grantor and Grantee agree that in the event of the formal dissolution of the McCall Memorial Hospital District ("District"), the District's interest in the Property and Improvements shall revert to Grantor, PROVIDED, that,

thereafter, any modification of the Restrictive Covenant shall require the prior written approval of the Board of County Commissioners of Valley County.

(signatures and acknowledgements on following pages)

ST. LUKE'S MCCALL FOUNDATION, INC.

By: _____
William Colpo, President

Dated: _____, 2025

STATE OF IDAHO,)
(ss.
County of Valley.)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared William Colpo, known or identified to me to be the President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
My Commission Expires: _____

MCCALL MEMORIAL HOSPITAL DISTRICT

By: _____
ANDREW LAIDLAW, Board Chair

Dated: _____, 2025

STATE OF IDAHO)
 (ss.
County of Valley)

On this _____ day of _____, 2025 before me, the undersigned, a Notary Public in and for said state, personally appeared ANDREW LAIDLAW, the Board Chair of the McCall Memorial Hospital District, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of the McCall Memorial Hospital District, and was authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
My Commission Expires: _____



McCall Memorial Hospital
District

McCALL MEMORIAL HOSPITAL DISTRICT
HEALTH SERVICES AGREEMENT (HSA) WORKGROUP MEETING
WEDNESDAY JUNE 4, 2025; 1:00 - 2:00 p.m.
Edward Jones Conference Room, 616 N 3rd Street, McCall, ID 83638
For Microsoft Teams Link: [Join the meeting now](#)
Virtual Meeting ID: 271 209 137 641 4 and Passcode: 4Q5fo3oj
Phone Audio Only: [1 208-996-1717](tel:12089961717) Phone Conference ID: 937 750 737#

AGENDA:

- 1.) Review of Public Comment (if necessary) – Mike Vineyard, Workgroup Chair
- 2.) Review MMHD Board of Trustees Guidance from May Meeting – Mike Vineyard, Workgroup Chair
- 3.) Review of Statement of Rents & Credit System – Kim Doman, SLHS Finance
- 4.) Restatement of HSA Agreement – Mike Vineyard, Workgroup Chair
- 5.) Public Comment – Mike Vineyard, Workgroup Chair
- 6.) Follow One Meeting Schedule – Mike Vineyard, Workgroup Chair

Upcoming Meetings:

Next Board Meeting – Tuesday, June 17; 7:30 – 8:30 a.m.

St. Luke's McCall
Statement of Rents
As of September 30th, 2024

Summary of Lease Agreement:

St. Luke's and McCall Memorial Hospital District entered into a 25 year lease agreement to operate the critical access hospital in McCall. The "Real Property" is made up of the Land, the Hospital, and all the Buildings comprising the St. Luke's McCall Campus and shall include building or improvements that are added to the Land by the District after the Execution Date. The initial lease term begins February 5, 2016 through February 5, 2041 and may be extended out an additional 10 years after the original contract date. Rent payment consists of all costs, fees, and assessments reasonably required to care for, manage, and protect Hospital Property. Including Insurance, Repairs and Maintenance, Repair and Maintenance Service Contracts, Ground Expense, Minor Improvements and Projects, Telephone, Utilities: Cable, Electricity, Sewer, Trash, Water, Fuel and Oil, and Property Tax.

The statement of rent is due no later than November 1st and will itemize the costs incurred by SLRMC.

Asset Purchase Price	\$	15,000,000
Assets Purchased by Taxing District	\$	6,228,015
Disposal of Taxing District Assets	\$	(3,123,265)
Total Option Purchase Price	\$	18,104,750 A

FY24 Expenditures Incurred by St. Luke's Towards Purchase Price

Depreciation Credit	\$	4,119,576
Credit for Rent Paid	\$	2,200,282
Capital Improvement Credit	\$	3,751,893
Administrative Salary	\$	7,291
Loss (Gain) on Asset Disposal	\$	5,293
Asset Transfers to (from) McCall	\$	-
FY24 Total Expenditures	\$	10,084,334

Prior Years Expenditures 2016-2023

Description	Total Previous Years Expenditures
Administrative Salary	\$ 25,718
Capital Improvement Credit	\$ 65,471,842
Credit for Rent Paid	\$ 10,561,028
Depreciation Credit	\$ 10,729,611
Asset Transfers to (from) McCall	\$ 47,607
Loss (Gain) on Asset Disposals	\$ 219,420
Total Prior Years Expenditures	\$ 87,055,226

Total Expenditures	\$	97,139,560 B
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Remaining Purchase Price (Surplus)	\$	(79,034,810) A - B
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St. Luke's McCall
Statement of Rents
As of September 30th, 2023

Summary of Lease Agreement:

St. Luke's and McCall Memorial Hospital District entered into a 25 year lease agreement to operate the critical access hospital in McCall. The "Real Property" is made up of the Land, the Hospital, and all the Buildings comprising the St. Luke's McCall Campus and shall include building or improvements that are added to the Land by the District after the Execution Date. The initial lease term begins February 5, 2016 through February 5, 2041 and may be extended out an additional 10 years after the original contract date. Rent payment consists of all costs, fees, and assessments reasonably required to care for, manage, and protect Hospital Property. Including Insurance, Repairs and Maintenance, Repair and Maintenance Service Contracts, Ground Expense, Minor Improvements and Projects, Telephone, Utilities: Cable, Electricity, Sewer, Trash, Water, Fuel and Oil, and Property Tax.

Asset Purchase Price	\$	15,000,000
Assets Purchased by Taxing District	\$	5,047,629
Disposal of Taxing District Assets	\$	(1,846,359)
Total Option Purchase Price	\$	18,201,270 A

FY23 Expenditures Incurred by St. Luke's Towards Purchase Price

Depreciation Credit	\$	1,327,621
Credit for Rent Paid	\$	1,852,612
Capital Improvement Credit	\$	15,395,901
Administrative Salary	\$	4,301
Loss (Gain) on Asset Disposal	\$	-
Asset Transfers to (from) McCall	\$	-
FY23 Total Expenditures	\$	18,580,434

Prior Years Expenditures 2016-2022

Description	Total Previous Years Expenditures
Administrative Salary	\$ 21,417
Capital Improvement Credit	\$ 50,075,941
Credit for Rent Paid	\$ 8,708,416
Depreciation Credit	\$ 9,401,990
FY 17 Loss (Gain) on Asset Disposals	\$ (42,906)
FY 18 Loss (Gain) on Asset Disposals	\$ 279,663
FY 19 Loss (Gain) on Asset Disposals	\$ -
FY 20 Loss (Gain) on Asset Disposals	\$ (15,500)
FY 21 Loss (Gain) on Asset Disposals	\$ (10,969)
FY 22 Loss (Gain) on Asset Disposals	\$ 9,132
Asset Transfers to (from) McCall	\$ 47,607
Total Prior Years Expenditures	\$ 68,474,791

Total Expenditures	\$	87,055,225 B
Remaining Purchase Price (Surplus)	\$	(68,853,955) A - B

St. Luke's McCall
Statement of Rents
As of September 30th, 2022

Summary of Lease Agreement:

St. Luke's and McCall Memorial Hospital District entered into a 25 year lease agreement to operate the critical access hospital in McCall. The "Real Property" is made up of the Land, the Hospital, and all the Buildings comprising the St. Luke's McCall Campus and shall include building or improvements that are added to the Land by the District after the Execution Date. The initial lease term begins February 5, 2016 through February 5, 2041 and may be extended out an additional 10 years after the original contract date. Rent payment consists of all costs, fees, and assessments reasonably required to care for, manage, and protect Hospital Property. Including Insurance, Repairs and Maintenance, Repair and Maintenance Service Contracts, Ground Expense, Minor Improvements and Projects, Telephone, Utilities: Cable, Electricity, Sewer, Trash, Water, Fuel and Oil, and Property Tax.

Asset Purchase Price	\$	15,000,000
Assets Purchased by Taxing District	\$	3,451,783
Disposal of Taxing District Assets	\$	(1,846,358)
Total Option Purchase Price	\$	16,605,425 A

FY22 Expenditures Incurred by St. Luke's Towards Purchase Price

Depreciation Credit	\$	854,063
Credit for Rent Paid	\$	1,579,623
Capital Improvement Credit	\$	25,244,887
Administrative Salary	\$	4,029
Loss (Gain) on Asset Disposal	\$	9,132
Asset Transfers to (from) McCall	\$	-
FY22 Total Expenditures	\$	27,691,733

Prior Years Expenditures 2016-2021

Description	Total Previous Years Expenditures
Administrative Salary	\$ 17,389
Capital Improvement Credit	\$ 24,831,054
Credit for Rent Paid	\$ 7,128,793
Depreciation Credit	\$ 8,547,927
FY 17 Loss (Gain) on Asset Disposals	\$ (42,906)
FY 18 Loss (Gain) on Asset Disposals	\$ 279,663
FY 19 Loss (Gain) on Asset Disposals	\$ -
FY 20 Loss (Gain) on Asset Disposals	\$ (15,500)
FY 21 Loss (Gain) on Asset Disposals	\$ (10,969)
Asset Transfers to (from) McCall	\$ 47,607
Total Prior Years Expenditures	\$ 40,783,058

Total Expenditures	\$ 68,474,791 B
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Remaining Purchase Price (Surplus)	\$ (51,869,366) A - B
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St. Luke's McCall
Statement of Rents
As of September 30th, 2021

Summary of Lease Agreement:

St. Luke's and McCall Memorial Hospital District entered into a 25 year lease agreement to operate the critical access hospital in McCall. The "Real Property" is made up of the Land, the Hospital, and all the Buildings comprising the St. Luke's McCall Campus and shall include building or improvements that are added to the Land by the District after the Execution Date. The initial lease term begins February 5, 2016 through February 5, 2041 and may be extended out an additional 10 years after the original contract date. Rent payment consists of all costs, fees, and assessments reasonably required to care for, manage, and protect Hospital Property. Including Insurance, Repairs and Maintenance, Repair and Maintenance Service Contracts, Ground Expense, Minor Improvements and Projects, Telephone, Utilities: Cable, Electricity, Sewer, Trash, Water, Fuel and Oil, and Property Tax. The statement of rent is due no later than November 1st and will itemize the costs incurred by SLRMC.

Asset Purchase Price	\$	15,000,000
Assets Purchased by Taxing District	\$	2,651,255
Disposal of Taxing District Assets	\$	(1,640,852)
Total Option Purchase Price	\$	16,010,403 A

FY21 Expenditures Incurred by St. Luke's Towards Purchase Price

Depreciation Credit	\$	1,268,541
Credit for Rent Paid	\$	1,351,611
Capital Improvement Credit	\$	7,235,936
Administrative Salary	\$	3,494
Loss (Gain) on Asset Disposal	\$	(10,969)
Asset Transfers to (from) McCall	\$	-
FY21 Total Expenditures	\$	9,848,613

Prior Years Expenditures 2016-2020

Description	Total Previous Years Expenditures
Administrative Salary	\$ 13,894
Capital Improvement Credit	\$ 17,595,118
Credit for Rent Paid	\$ 5,777,182
Depreciation Credit	\$ 7,279,386
FY 17 Loss (Gain) on Asset Disposals	\$ (42,906)
FY 18 Loss (Gain) on Asset Disposals	\$ 279,663
FY 19 Loss (Gain) on Asset Disposals	\$ -
FY 20 Loss (Gain) on Asset Disposals	\$ (15,500)
Asset Transfers to (from) McCall	\$ 47,607
Total Prior Years Expenditures	\$ 30,934,444

Total Expenditures	\$	40,783,057 B
Remaining Purchase Price (Surplus)	\$	(24,772,654) A - B

St. Luke's McCall
Statement of Rents
As of Septmeber 30, 2020

Summary of Lease Agreement:

St. Luke's and McCall Memorial Hospital District entered into a 25 year lease agreement to operate the critical access hospital in McCall. The "Real Property" is made up of the Land, the Hospital, and all the Buildings comprising the St. Luke's McCall Campus and shall include building or improvements that are added to the Land by the District after the Execution Date. The initial lease term begins February 5, 2016 through February 5, 2041 and may be extended out an additional 10 years after the original contract date. Rent payment consists of all costs, fees, and assessments reasonably required to care for, manage, and protect Hospital Property. Including Insurance, Repairs and Maintenance, Repair and Maintenance Service Contracts, Ground Expense, Minor Improvements and Projects, Telephone, Utilities: Cable, Electricity, Sewer, Trash, Water, Fuel and Oil, and Property Tax.

The statement of rent is due no later than November 1st and will itemize the costs incurred by SLRMC.

Asset Purchase Price	\$	15,000,000
Assets Purchased by Taxing District	\$	2,254,038
Disposal of Taxing District Assets	\$	(1,819,545)
Total Option Purchase Price	\$	15,434,493 A

FY20 Expenditures Incurred by St. Luke's Towards Purchase Price

Depreciation Credit	\$	1,431,923
Credit for Rent Paid	\$	1,107,125
Capital Improvement Credit	\$	6,594,961
Administrative Salary	\$	3,354
Loss (Gain) on Asset Disposal	\$	(12,717)
Asset Transfers to (from) McCall	\$	-
FY20 Total Expenditures	\$	9,124,646 B

Prior Years Expenditures 2016-2019

Description	Total Previous Years Expenditures
Administrative Salary	\$ 10,540
Capital Improvement Credit	\$ 11,000,157
Credit for Rent Paid	\$ 4,670,057
Depreciation Credit	\$ 5,847,463
FY 17 Loss (Gain) on Asset Disposals	\$ (42,906)
FY 18 Loss (Gain) on Asset Disposals	\$ 279,663
FY 19 Loss (Gain) on Asset Disposals	\$ -
Asset Transfers to (from) McCall	\$ 47,607
Grand Total	\$ 21,812,581 C

Remaining Purchase Price	\$ (15,502,734) A-(B+C)
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**McCALL MEMORIAL HOSPITAL DISTRICT
HEALTH SERVICES AGREEMENT WORKGROUP MEETING MINUTES
WEDNESDAY, JUNE 4, 2025; 1:03 – 1:42 p.m.
EDWARD JONES CONFERENCE ROOM & MICROSOFT TEAMS VIRTUAL MEETING**

TRUSTEES PRESENT: Mike Vineyard, District Trustee & Workgroup Chair, Travis Leonard, District Secretary, and Steve Clements, Trustee

STANDING GUESTS: Mike Birkinbine, SLM Supply Chain, Laura Crawford SLM PR and Comm. Bus. Partner, Kim Doman, SLHS Finance, Amber Green, SLM COO/CNO, Jordan Heller, SLHS Legal Counsel, Alexa Hersel, SLM Exec. Asst., Steve Millemann, MMHD Legal Counsel

ABSENT: None

PUBLIC PRESENT: Tom & Tomi Grote

WELCOME – Mike Vineyard, Hospital District Trustee and Workgroup Chair, convened the meeting at 1:03 p.m. The in-person trustee attendance included Travis Leonard, Secretary, Steve Clements, and Mike Vineyard. The in-person guest attendance included Amber Green and Laura Crawford. All other participants attended remotely.

REVIEW OF PUBLIC COMMENT (IF NECESSARY) - No public comment received.

REVIEW OF MMHD BOARD OF TRUSTEES GUIDANCE FROM MAY MEETING - Mike Vineyard, District Trustee and Workgroup Chair, recapped the discussion from the May 20, 2025, McCall Memorial Hospital District board meeting. Afterwards, it was determined that the following will take the lead on next steps:

- 1.) Mike Vineyard will draft a summary of the Health Services and Lease Option agreements and will work with Steve Millemann to review.
- 2.) Mike Vineyard will draft a summary of the Statement of Rents.
- 3.) Travis Leonard and Steve Clements will gather the information needed to develop a timeline for an advisory vote on the ballot.

REVIEW OF STATEMENT OF RENTS & CREDITS SYSTEM REVIEW – Kim Doman, SLHS Finance, reviewed the Statement of Rents that was presented and approved at the January 21, 2025, McCall Memorial Hospital District board meeting. She noted the top paragraph of the document, which specifically calls out the Statement of Rents line items, which are also defined in the agreements. Discussion on depreciation schedules and partnerships were held.

PUBLIC COMMENT – None.

FOLLOW ONE MEETING SCHEDULE – The workgroup decided that the meeting schedule will be determined after the July 15 McCall Memorial Hospital District board meeting.

ADJOURNMENT - The workgroup adjourned at 1:42 p.m.
Respectfully submitted,

Travis Leonard, MMHD Board Secretary

:ah



McCall Memorial Hospital *District*

McCALL MEMORIAL HOSPITAL DISTRICT PUBLIC INFORMATION CAMPAIGN WORKGROUP MEETING THURSDAY JUNE 5, 2025; 3:00 - 4:00 p.m.

Administrative Conference Room; 1000 State St. McCall, ID 83638

For Microsoft Teams Link: [Join the meeting now](#)

Virtual Meeting ID: 252 199 449 775 1 and Passcode: dK3a3YT3

Phone Audio Only: [1 208-996-1717](tel:12089961717)

Phone Conference ID: 840 286 386#

AGENDA:

- 1.) Welcome – Aana Vannoy, Workgroup Chair
- 2.) Finalize FAQs for Website – Workgroup
- 3.) Assign FAQs – Aana Vannoy, Workgroup Chair
- 4.) Timing for Completion and Next Steps - Aana Vannoy, Workgroup Chair
- 5.) Public Comment – Aana Vannoy, Workgroup Chair
- 6.) Set Tentative Timeframe for Next Workgroup Meeting and Agenda – Aana Vannoy, Workgroup Chair

Upcoming Meetings:

Next Board Meeting – Tuesday, June 17; 7:30 – 8:30 a.m.

MMHD PUBLIC INFORMATION / FAQs

1. When and why was the McCall Memorial Hospital District created?
2. When and why did MMHD form a relationship with St. Luke's?
3. What projects has the district funded or contributed to so far?
4. What hospital services do we have that either wouldn't exist or would have experienced significant delays, potentially impacting access to care, without funding from MMHD?
5. Does St. Luke's still need MMHD support?
6. Who owns the land and buildings that St. Luke's operates in?
7. What is the funding process and how much funding does MMHD have access to annually?
8. Are there any restrictions on how MMHD funds can be used?
9. How can I give input to MMHD?
10. Who pays to continue programs/services initially funded by MMHD?
11. Has the mission of the district changed over time?
12. Who ensures taxpayers' money is spent responsibly?
13. Why is public funding from Valley County used to support a hospital that provides services to a larger regional population?
14. What happens if the hospital district is dissolved?
 - Include link the Health Services Agreement after consulting with legal

REVISED MMHD PUBLIC INFORMATION / FAQs

1. When and why was the McCall Memorial Hospital District established and what prompted its partnership with St. Luke's?
2. What projects or improvements has the Hospital District funded?
3. How does the partnership between the Hospital District and St. Luke's impact healthcare in the community?
4. Who owns the land and buildings that St. Luke's operates out of in McCall?
5. How much funding does MMHD have access to annually?
6. How does MMHD decide what to fund and who ensures funds are used responsibly?
7. Why are funds from taxpayers within the Hospital District used to support a hospital that provides services to a larger regional population?
8. How can community members share input or stay informed about MMHD decisions/processes?

**McCALL MEMORIAL HOSPITAL DISTRICT
PUBLIC INFORMATION CAMPAIGN WORKGROUP MEETING MINUTES
THURSDAY, JUNE 5, 2025; 3:01 – 3:57 p.m.
ADMINISTRATIVE CONFERENCE ROOM & MICROSOFT TEAMS VIRTUAL MEETING**

TRUSTEES PRESENT: Aana Vannoy, Trustee & Workgroup Chair, Marge Krahn, Treasurer, and Angela Staup, Trustee

STANDING GUESTS: Laura Crawford SLM PR and Comm. Bus. Partner, Amber Green, SLM COO/CNO, Jordan Heller, SLHS Legal Counsel, Alexa Hersel, SLM Exec. Asst., and Dennis Mesaros, VP Pop. Health

ABSENT: Steve Clements, Trustee

PUBLIC PRESENT: Tom and Tomi Grote

WELCOME – Aana Vannoy, Hospital District Trustee and Workgroup Chair, convened the meeting at 3:01 p.m. The in-person trustee attendance included Marge Krahn, Board Treasurer, and Aana Vannoy, Trustee. The in-person guest attendance included Laura Crawford and Amber Green. All other participants attended remotely.

FINALIZE FAQ FOR WEBSITE - Aana Vannoy, Hospital District Trustee and Workgroup Chair, led a discussion of the draft FAQ questions, sorting them into categories.

ASSIGN FAQ'S - Aana Vannoy, Hospital District Trustee and Workgroup Chair, assigned the FAQ categories, and a deadline of June 26, 2025, was set to review the draft category responses.

- 1.) History: Marge Krahn
- 2.) Property/Building Ownership: Angela Staup
- 3.) Value of Partnership: Aana Vannoy
- 4.) Funding: Aana Vannoy
- 5.) Public Funding for a hospital that provides services to a larger region: Laura Crawford will provide St. Luke's McCall utilization data based on residency.

TIMING FOR COMPLETION AND NEXT STEPS – Aana Vannoy, Hospital District Trustee and Workgroup Chair, recapped the assignments and deadline and noted a follow up email is forthcoming.

PUBLIC COMMENT - None.

SET TENTATIVE TIMEFRAME FOR NEXT WORKGROUP MEETING AND AGENDA – None at this time.

ADJOURNMENT - The workgroup adjourned at 3:57 p.m.

Respectfully submitted,

Travis Leonard, MMHD Board Secretary
:ah

EXECUTIVE SUMMARY

To: Raúl Labrador, Attorney General, State of Idaho

From: Rep. Faye Thompson (District 8), with co-signatories Dr. Curt Meske and Tomi Grote

Subject: Request for Legal Review of Possible Constitutional and Statutory Violations by McCall Memorial Hospital District (MMHD)

Date: [Insert Submission Date]

This summary is intended to precede the formal cover letter and supporting documentation. It is designed to provide a clear and concise overview of the legal concerns prompting this citizen request.

SUMMARY OF ALLEGATIONS

Claim	Summary of Supporting Facts
Violation of Idaho Constitution Article VIII, Section 2 (Gift Clause)	MMHD has granted public funds to St. Luke's Health System for projects with primarily private benefits: an ambulance, an urgent care facility, and workforce housing. These expenditures lack competitive bidding, serve St. Luke's business interests, and fail the "equivalent public benefit" test under <i>City of Boise v. Frazier</i> , 143 Idaho 1 (2007).
Violation of Idaho Constitution Article VIII, Section 4	MMHD is using public funds to subsidize a private nonprofit (St. Luke's), including donations funneled through a private foundation (St. Luke's McCall Foundation) to construct workforce housing for St. Luke's employees.
Bylaw Violations	MMHD bylaws mandate expenditures that advance public health broadly, not specific enrichment of one provider. There has been no effort to seek alternate service providers, even when proposals existed (e.g., Donnelly EMS).
No Competitive Bidding	Projects such as the urgent care clinic and ambulance procurement were not competitively bid. St. Luke's withheld viable alternative proposals, undermining transparency.
Improper Use of Public Funds (Workforce Housing Project)	MMHD committed ~\$3M so far, with intent to dedicate up to \$25M total, to a housing project exclusive to St. Luke's employees. Taxpayer-owned land is co-mingled in a project the public cannot control or benefit

	from proportionately.
Conflict with 2016 'Wasden Agreement'	The intended "arms-length" relationship between MMHD and St. Luke's has eroded into exclusive favoritism. St. Luke's is repeatedly referred to as a "partner" despite not being designated as such in the agreement.
Failure to Respect Patron Input	MMHD declined to put controversial funding projects to a public vote, despite strong precedent for public input (e.g., McCall-Donnelly School District housing defeat, March 2024).

REQUESTED ACTIONS

We respectfully request the Attorney General:

1. Initiate a legal review of the MMHD's financial relationship with St. Luke's since 2016.
2. Investigate whether any agreements, transfers, or appropriations violate Idaho constitutional or statutory provisions.
3. Consider an advisory or formal opinion clarifying:
 - Whether the exclusive funding of St. Luke's violates the Gift Clause.
 - Whether workforce housing qualifies as an ordinary and necessary public expense.
 - Whether competitive bidding or broader application solicitation is legally required.
4. Notify MMHD to pause further disbursements until the investigation concludes.

PETITION SUPPORT

This request is supported by citizens and taxpayers of MMHD, including both full-time residents and second homeowners (who represent ~70% of property ownership). A formal petition with signatories is included in the full packet.

End of Executive Summary

The following pages include the formal letter of transmittal and supporting documentation referenced above.

FAYE THOMPSON
DISTRICT 8
VALLEY, BOISE, CUSTER &
ELMORE COUNTIES



HOME ADDRESS
1328 SHADOW RIDGE
MCCALL, IDAHO 83638
(208) 634-6569
EMAIL: ftompson@house.idaho.gov

House of Representatives State of Idaho

To: Raúl Labrador, Attorney General, State of Idaho
Re: Consideration and Evaluation of Citizen Complaints Against Possible Illegal Transactions Between McCall Memorial Hospital Taxing District and St. Luke's Health Systems
Date: TBD

Dear Attorney General Labrador,

As a State Representative for District 8 on behalf of the signatories to this request, I respectfully ask that your office conduct a legal review of the use of public tax revenue by the McCall Memorial Hospital District (MMHD). Since 2016, 100% of the district's revenue (less its operation expenses) has been given to St. Luke's Health Systems. Based on publicly available information, (see supporting documents), we believe this to be an abuse of the district's charter and a violation of the Idaho Constitution. Their actions:

- exceed their statutory authority and clearly skirt their own by-laws
- violate the "gift clause" articulated in Article 8, Section 2 of the Idaho State Constitution, which we read to mean that public funds may only be awarded when it can be clearly demonstrated that the expenditure benefits the public more than a private entity
- violate Article 8, Section 4 of the Idaho Constitution which prohibits public entities from using public funds to subsidize private organizations, including charities (non-profits). We read the purpose of this clause to be similar to Section 2, namely to prevent the use of public funds for private purposes and to ensure that public money is used for public benefit.
- violate the trust invested in them by giving lip service and using stall tactics to avoid granting an advisory vote to gauge their patrons' opinion of their decisions

We expand on each of these contentions in the accompanying support documentation.

We further present public record documentation that St. Luke's possibly deliberately deceived the MMHD board on at least one transaction to secure their preferred outcome.

We are conscious of the fact that the specific type of taxing arrangement we are asking you to review only occurs in two Idaho counties (Elmore and Valley). But if you find elements in this case to be unconstitutional and unlawful, it will serve as a cautionary tale and a refresher course to the many other kinds of public/private health care relationships that exist in Idaho. The compliance review of practices your findings will trigger—even if you find no irregularities here—will clarify the law which is a benefit to all Idaho taxpayers.

Your immediate consideration is vital. If you find merit in our arguments, MMHD is set to commit another \$1.4M infraction against their patrons in August—unless your office intervenes

Recently, MMHD entered into a partnership with St. Luke's McCall Foundation, a private local charity that exclusively benefits St. Luke's McCall, to build workforce housing. The district has said the arrangement is legal because its partnership is with SLM Foundation and not directly with St. Luke's. We call this a money launder and a shell game. There is no difference between St. Luke's McCall and a foundation pledged to benefit St. Luke's McCall. The housing will be restricted exclusively to hospital employees and managed by St. Luke's. St. Luke's McCall facility turned a *\$15M profit on operations* in 2023, so they can

hardly plead poverty. We argue that this project is a clear public wage subsidy to a highly profitable private business.

In *Lutheran Hospital & Homes Society v. Board of County Commissioners* (1972) the Idaho Supreme Court ruled: *"If the primary object is for a public purpose and the benefit to any private interest is merely incidental, it is not prohibited by the constitution."* As we pointed out above, the benefit to St. Luke's is hardly incidental. The district claims that the project is primarily of benefit to the public. But the public doesn't see it that way. In March, 2024, the same electorate denounced an identical workforce housing project proposed by the local school district with only 42% of voters approving. The only difference between the school project and this one was that the public got to vote. In August of 2024, we asked the MMHD board to allow a vote on the housing project in the May, 2025 election. They declined to even discuss it.

We respectfully urge your office to review this matter and, if you find merit, inform the MMHD board that you are 1. investigating the matter and 2. inform them that any further contributions to the workforce housing project could be subject to litigation pending the completion of your review (or whatever action you deem appropriate).

And while we are on the subject:

In the last decade, MMHD has funded an ambulance and a garage to house it. We submit that this is inarguably a business necessity of operating a hospital. Such an assurance of a basic service should have come under the original contractual agreement between the district and St. Luke's. If it was not, the 2016 MMHD board was guilty of negligence. In addition, no attempt was made by the board to entertain service providers of ambulance services independent of St. Luke's. *And, we can document a proposal from the local EMS agencies worthy of the board's consideration that was deliberately withheld by St. Luke's staff to secure their preferred option.*

More recently, the district funded the remodel of a facility to house an urgent care clinic to be operated exclusively by St. Luke's. There are private businesses specializing in urgent care services, as any drive around Boise will attest. No attempt was made to entertain competitive proposals. District funds built the facility and St. Luke's operates it in exchange for not sharing the revenue. Since the public is privy only to the most general summation of St. Luke's McCall profit/loss information, there is no way to inspect how lucrative this facility is. But numbers presented to the board on patient increases suggest it is *highly* profitable. And to underscore that, the neighboring Cascade hospital district opened a UCC 15 minutes away from the St. Luke's McCall facility. It is doubtful that an independent hospital—that doesn't have near the financial resources of St. Luke's—would undertake a venture so far off its campus if they expected to lose money.

We do not ask of your valuable time lightly.

The relationship between McCall Memorial Hospital Taxing District and St. Luke's Health Services is governed by the district's by-laws and an agreement brokered by your predecessor, Lawrence Wasden. In 2016, Mr. Wasden properly saw a constitutional conflict with the merger arrangements St. Luke's had entered into in McCall and Mountain Home. He blocked an identical merger in Weiser on constitutional grounds before it could be completed (interestingly, that hospital remains independent to this day). He declined to walk back agreements already in place in Mountain Home and McCall, despite his claim of unconstitutionality. Instead, he compelled adjustments to the existing relationships. He claimed these changes satisfied the constitutional questions.

Did they? Since 2016, there has been no state oversight or review of the funding transactions between MMHD and St. Luke's. We argue in our documentation that all of them are unconstitutional because nothing in the agreement restricts the district from seeking bids from alternate service providers. In addition, the district's own bylaws define the district's purpose: *providing for the betterment of public health and the necessary care and treatment of persons requiring medical services...*

St. Luke's is not the only provider of medical services in the district, so the board's actions do not reflect the spirit of their own bylaws. Since the agreement, 100% of the patrons' tax dollars have been transferred to St. Luke's for St. Luke's managed projects. It also does not prevent the district from

entertaining proposals from other petitioners that "provide for the betterment of public health," such as EMT services—or even non-profits that promote fitness and exercise.

We have come to you because we have no other practical way of stopping another big chunk of our tax bills from perpetuating these constitutionally questionable projects, despite repeated overtures to the board to seriously seek public opinion. They are holding us hostage. We can't afford fancy lawyers like they can, so we ask you to turn the tables and hold them accountable. Even if we would choose to litigate, the district would use our tax dollars to defend itself, so we would literally be suing ourselves. Your involvement is the only equitable way for our grassroots group to right this wrong (more details in supporting documentation).

Spearheading our movement is a retired newspaper publisher, a medical doctor and me. We represent MMHD patrons from all walks of life and political persuasions, many of whom are signatories to this request (see packet for a list).

Please let me know if our group can provide any additional documentation or information to assist in your review. We appreciate your attention to this matter and your continued service to the people of Idaho.

Sincerely,



Faye Thompson
Idaho State Representative, District 8
fthompson@house.idaho.gov

Co-signatories:



Curt Meske, M.D.
45 Shooting Star Lane
McCall, Idaho 83638
meskenz16@gmail.com



Tomi Grote, retired publisher, The Star-News
1000 North First Street
McCall, Idaho 83638
tomigrote@icloud.com

...and the petitioners included in this packet

Arguments

General Constitutionality/Idaho Code Violation Argument

Idaho statutes and administrative rules consistently say that tax revenue generally cannot be given directly to a non-profit, private business unless it is done through a **recognized grant program or contractual arrangement that serves a public purpose**. The McCall Memorial Hospital Taxing district has never operated under anything resembling a "recognized grant program." Looking at the code, we interpret the phrase to involve an established set of rules for application for funds. The applicants have to come from a varied pool, not a singular one. As we argue more specifically below, that is how the district's structure *should* work. But, since 2016, St. Luke's has been the sole applicant and the sole recipient of district funds. *Example citations: Idaho Code § 67-4723 and Idaho Administrative Code r. 28.02.03.050:*

The Idaho Constitution's Gift Clause: specifically found in Article 8, section 2, aims to prevent the use of public funds for private purposes and to ensure that public money is used for public benefit:

The credit of the state shall not, in any manner, be given, or loaned to, or in aid of any individual, association, municipality or corporation; nor shall the state directly or indirectly, become a stockholder in any association or corporation."

PUBLIC BENEFIT OR PUBLIC PURPOSE. Courts appear to have interpreted the constitution to allow public funds to go to non-profits only if the expenditure serves a public purpose (or public benefit, as worded in the 'gift clause'). And the 'public benefit' must be 'equivalent' not 'incidental' Quoting the decision *City of Boise v. Frazier, 2007* (emphasis added): *The question is whether the expenditure serves a primarily public purpose and whether the public receives an equivalent benefit, not simply whether the public might experience some incidental advantage.* The court also determined that long-term, multi-year projects, such as the district's current housing project, do not constitute an *ordinary and necessary* need as constitutionally required. Without that exception, they must be put to a vote. If you look at the case, we submit you will conclude as we do: that this decision applies to any "subdivision of the state" and that the MMHD is such a subdivision.

In fact, none of the three major grants to St. Luke's McCall from MMHD since 2016 pass the *Frazier* test. An ambulance and a garage to house it in is a clear business necessity for a private enterprise, not a 'value added' to tax paying patrons. In addition, the district funded an Urgent Care Clinic. Neither the ambulance service nor the UCC were competitively bid *and in the case of the ambulance, a competitive bid was withheld from the board by St. Luke's staff.* Both expenditures constitute exclusive favoritism toward St. Luke's. A workforce housing project exclusive to St. Luke's employees also demonstrates favoritism. We challenge the MMHD board to show that the benefit of the housing project to the taxpayer is equivalent to or greater than the value of the project's wage subsidy for St. Luke's. That is the only way they can justify such exclusive favoritism as a *public benefit*.

In addition, all of these projects took over one year to complete, violating the spirit of the *ordinary and necessary* need determination in *Frazier*. The ambulance garage only began construction in the spring and the workforce housing project will stretch probably over a decade.

Compelling Financial Need: Furthermore, on a practical level, there is no plausible case that can be made that the district's funds financed facilities St. Luke's McCall couldn't afford to provide and couldn't profit from to such a degree that they wouldn't fully amortize their investment in a very short time. SLHS cleared \$15M in operating profit from its McCall operations in 2023, the latest public figures available. These profits are not going back into their McCall service area. They are being used to pay for SLHS priorities elsewhere, over which the district taxpayer has no control.

The 'Wasden Agreement': The original agreements St. Luke's had in McCall and Mountain Home compelled the hospital districts to transfer tax revenues and assets to St. Luke's to do with as they pleased. At the time of Attorney General Lawrence Wasden's inquiry, a similar arrangement with the independent hospital in Weiser had been approved, but not finalized. Both MMHD and Mountain Home retained their taxing authority after merging operations with St. Luke's Health System, (a private, nonprofit health care conglomerate) in 2010.

Mr Wasden found these initial arrangements to be unconstitutional. He blocked the Weiser merger but allowed the Mountain Home and McCall pacts to stand under a modified agreement because those relationships were 'too far along,' according to news reports at the time. As a result, St. Luke's agreed to return all real estate and free-lease the facilities in both communities. St. Luke's would be allowed to apply for district funding, but the districts did the deciding on granting the request. Mr. Wasden declared himself "satisfied." This avoided a messy dissolution of two arrangements, but we question if a court would agree that it resolved the original constitutional questions.

Hardly "Arms-Length": The process Wasden brokered supposedly established an 'arms length' relationship in regard to the property, but, as cited above, it left the MMHD board with the clear impression that St. Luke's was their exclusive "partner" (this term 'partner' comes up constantly in reference to St. Luke's in board deliberations). There is nothing in the district's by-laws that corroborates that and the word "partner" never occurs in the 2016 Health Services Agreement. But nobody has corrected the board's misinterpretation. Despite our repeated efforts, the board itself does not seem to be interested in correcting it. So SLM has been the sole benefactor of the district's revenues and will continue to be unless the Attorney General's office or a court educates them.

Bylaws were violated: The taxing district's own bylaws state that their purpose (is to provide) *"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...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."* None

of those conditions justify the district's granting of tax dollars exclusively to St. Luke's for non-essential enhancement projects that could have benefited from a competitive bidding process. 1. St. Luke's selected the ambulance and is managing the construction of the garage (which resulted in a 35% cost overrun which the patron absorbed). 2. Despite obvious evidence of a competitive marketplace, there was no attempt to solicit bids from providers of urgent care clinic services. 3. The bylaws allow "construction, maintenance and improvement of public hospitals" but it's a wild stretch to include the district's off campus workforce housing project in that definition.

Workforce Housing Project Argument

The district purchased roughly half of the land on which a workforce housing project exclusive to St. Luke's employees (not other providers of health care services) is being built. St. Luke's McCall Foundation (SLMF), a private charity dedicated to solely benefit St. Luke's McCall, purchased the other half. The district has justified the use of tax revenue for development of this housing on the basis that it partially owns the land, though there appears to be no statute explicitly authorizing hospital districts to use taxpayer funds in this way. This use exclusion to SLM employees constitutes a wage subsidy funded by public dollars. The district has already committed about \$3 million in public funds toward land purchase, design work and preliminary construction costs, and the board has publicly expressed its intent to apply either the full capacity of its taxing authority (about \$1.5 million annually) or the better part of it, to the workforce housing project for the indefinite future. **At completion, the total investment of**

public funds could well exceed \$25M. We contend that funneling public funds through St. Luke's McCall Foundation is a money laundering shell game.

We further posit the following:

- **The partial ownership is meaningless to the taxpayer:**

The district's share of the project is practically worthless because it is locked into a larger project it does not control, cannot sell individually, and that primarily enriches a private entity. Owning a square of the parking lot does not make a private shopping mall a public asset.

- **It is *de facto* exclusive use by a private employer**

The district's mission is to enhance the quality of health care to the patrons in the district. That in no way restricts them from granting funds to other health care services. If the housing were open to any health care worker, local EMTs for instance, there might be a stronger case for it. Restricting it only to St. Luke's employees and facilities shows the true purpose: subsidizing the conglomerate's workforce, not promoting quality health care in general. St. Luke's will manage the properties. So much for "arms length."

- **Housing is a business necessity in a resort community**

Other large businesses, such as Shore Lodge, Brundage Mountain and Tamarack Resort have all felt the need to build workforce housing at their own expense as a business necessity. They are indispensable contributors to McCall's economy, so why isn't their need considered a clear public benefit?

- **It benefits a private party disproportionately to the public:**

By improving St. Luke's employee recruitment and retention, the primary economic winner is St. Luke's itself. The public has no control over SLM's staffing choices. The housing will be provided according to the staffing needs as St. Luke's determines them, not as the public determines them. It would be impossible to involve the public in individual staffing decisions. That lack of public control constitutes a wage subsidy.

- **Shell structure conceals the transaction:**

The involvement of the St. Luke's Foundation is a deliberate veil to avoid the appearance of directly enriching St. Luke's, but functionally, it's the same.

- **Public funds are not for private corporate aid:**

As we pointed out previously, Idaho courts have recognized that public funds must not be used to subsidize private corporations unless the public benefit is primary and clear — and this looks to us like a backdoor subsidy to protect St. Luke's wage margins in a competitive labor market. Staffing shortages at the low to mid-level are problems, but they don't directly endanger emergency medical care the way a doctor or ER nurse shortage might (who, though not relevant to this argument, are ineligible for the housing). Helping low-to-mid level workers live nearby does not constitute an urgent public necessity. That, we posit, does not pass court tests of urgency and necessity when evaluating whether public funds can be used for a private benefit.

- **Inattentiveness to public objections:**

There is a document in the board's minutes objecting to the workforce housing project dated August 2024, prior to any building activity commencing and prior to committing the major portion of MMHD's 2025 budget to it. The board acknowledged only that it had received the objection, which we acknowledge is the bare minimum owed to public comment, but did not take up the matter and still has not as of the date of this submittal. They have acknowledged patron unrest but have shown no evidence of weighing their support for the workforce housing project in the face of it. In the meantime, ground has been broken, binding agreements entered into and public funds expended on a project of highly dubious legal standing and public support.

Based on the above, we ask you to look into the following:

- Whether the district's use of funds for off-campus workforce housing that is restricted to the use of and under the control of a single private entity constitutes a permissible public purpose under Idaho law and
- Whether the execution of all projects in the complaint having been exclusive to St. Luke's violated the district's own bylaws;
- Whether the partnership arrangement with the private foundation represents an unlawful gift or subsidy to a private entity;
- Whether this action falls within the scope of authority granted to hospital districts under Idaho Code § 39-1331 et seq.;
- Whether the arrangement violates Article VIII, Section 2 and Article VIII, Section 4 of the Idaho Constitution and
- If the board's failure to take warnings of public unrest and the clear evidence of the school district result seriously before granting the latest round of funding constitutes negligence. We argue that it is the board's responsibility to consider patron opinion publicly before making major funding decisions.

Urgent Care Facility

The hospital district paid for a remodel of facilities it free-leases to St. Luke's McCall to establish an urgent care clinic. We argue that these types of services are profitable, as evidenced by their proliferation in municipalities large and small. Lots of companies - non-profit and for-profit alike are opening UCCs. None of those were built with public funds. And even if St. Luke's didn't think it in their interests to open a UCC in McCall, it is not the only entity which could do so. In fact, Cascade Medical Center recently opened one just down the road in Donnelly, which is just minutes in driving distance from McCall (and actually a shorter distance for many of the MMHD district's own patrons! Public funds, in this case, were used to give an unfair advantage to one provider in a competitive business environment by paying start-up costs that other operators in the space do not have.

We argue this is unlawful because:

- there appears to have been no competitive bidding in a service the marketplace indicates is lucrative. The funding was exclusionary to a single, private provider. St. Luke's operates the urgent care clinic for profit and keeps the revenue. Isn't this exclusive favoritism barred under Idaho's public funds rules? For instance, no thought was given to pursuing a partnership with Cascade Medical Center for a mutually beneficial joint operation.
- the court test of 'fair value to the public' is violated because the expense of public funds resulted in profits for St. Luke's. The public was compelled to interfere with the marketplace. The derived benefit was clearly in St. Luke's favor. We argue that these two points — primary benefit and fair exchange — would fail the Gift Clause tests Idaho courts would apply.
- technically, the district doesn't even own the facility. Due to an option agreement with St. Luke's, the whole 'arms-length' deal Mr. Wasden drove became another shell game. In exchange for an investment by St. Luke's to build a new hospital on the campus, the district granted St. Luke's 'credits' that apply to the purchase price of the campus buildings. St. Luke's has enough credits (and change) to acquire the buildings on the campus any time it chooses to exercise its option. *This was true even when the district granted the urgent care facility appropriation.* So the board financed a facility for the profit of St. Luke's, knowing that their patrons could not expect any residual ownership equity. The MMHD board's rationalization is that it was a prudent exchange for St. Luke's investment in a \$60M new hospital facility. This was a project that St. Luke's mismanaged so badly that the finished cost was double the budget. The patrons had no control over its expense nor its design. Yet patrons gave up the whole \$60M in credits, which means that all the capital projects the taxing district finances for

the next 25-30 years are technically owned by St. Luke's before they are even built! We are confident a court would rule against this on the 'incidental' public value test.

We also argue that St. Luke's used its monopoly status in the marketplace to secure funding

- At the time that the MMHD board determined that its patrons wanted an urgent care clinic (using questionable data and metrics), the Cascade Medical Center facility was not on the radar. St. Luke's told the board that an urgent care clinic in McCall was not on their priority list and would not be in the near future because their market analysis concluded such a venture risky. We charge that they used well-known 'corporate bargaining behavior' to convince the MMHD board that an urgent care clinic was a risky investment, knowing that the board's desire for the facility would make them highly likely to fund it.
- To corroborate the above assertion, when the McCall UCC opened, St. Luke's had a much different attitude toward its potential. They even went so far as to say it was their idea in the first place:

*Planning for the new walk-in clinic started in 2019 when a review of admissions to the emergency room at the St. Luke's McCall Hospital found that almost half of the 6,538 ER visits could have been handled by an urgent care clinic instead. **St. Luke's McCall identified** urgent care services as a **major need** to better serve the community and to create a more affordable access to care. On average, an urgent care clinic visit costs about one-third of an emergency department visit, (St. Luke's McCall COO) Green said. —Star-News July 27, 2023*

- In the same news story, the St. Luke's official countered the MMHD board's justification for granting the funds, which was that it was unknown how long it would be (clearly implying that it would be a **very** long time) before SL would install a UCC in McCall. COO Green said that it only would have been a few years! *"We likely would have had to wait for a few more years if it wasn't for the District and the Foundation."* The MMHD board took great, righteous umbrage at our argument that the UCC would have happened in a short time anyway (because of the obvious market-driven factors). Well...they evidently forgot to consult their "partners."
- As it turned out, the nearly 50% reduction in ER visits that were expected ended up being only 10%, according to a St. Luke's staff report to the MMHD board in February 2025. However, according to the same staff report, UCC visits increased by 3-4 times that many. So the UCC is a major overall positive revenue generator by St. Luke's own admission.

Ambulance Services

The district bought an ambulance for St. Luke's when the McCall EMT services determined they could no longer provide 24/7 service for hospital transport needs. That didn't require a publicly-funded solution. St. Luke's had been fortunate to benefit from the dependence of the formerly independent hospital on McCall EMT services. In fact, that arrangement should have cancelled when the merger itself took place. St. Luke's was not entitled to publicly funded services just because nobody caught the impropriety. So when the freebie was withdrawn, was it incumbent on the public to finance a business necessity? No hospital operates without some form of transport ambulance service!

To add more insult to this injury, St. Luke's staff deliberately withheld a worthy contract proposal from Donnelly Fire/EMS from the board, according to emails we obtained through a public record request. That exchange is in the documentation in this packet. Your office may wish to request board minutes from this time period to see what the board deliberations actually were, but it appears they were presented only with options preferred by St. Luke's.

We argue that the appropriation of the district was unlawful because:

- A hospital must have an ambulance to operate safely — it's a business necessity. The ambulance exclusively serves patients of St. Luke's and enhances their ability to bill for emergency services, this is not a public gift. One of our group's members reported paying \$600 for a three-minute ambulance ride to McCall airport. We are certain this service is profitable but we do not have access to detailed St. Luke's McCall financials to prove it. *But you can compel the information* and we hope you will do so, if for no better reason than to document how skilled corporations can deceive altruistic board members.
- Even if your office determines that an ambulance is not a business necessity, no bidding process for it was executed, in violation of the district's own bylaws. And St. Luke's staff deliberately interfered with open bidding procedure.
- An ambulance is a diminishing asset. The public paid full value for it new, but it will be worthless in 5-7 years. St. Luke's gets all the benefit. All the taxpayer gets is a depreciated hunk of metal.
- Courts have held that just because something is important (like ambulances) doesn't mean the public has to subsidize a private company's need for it.
- As we interpret Idaho law, if the real effect of a government expenditure is to relieve a private entity of normal business expenses, without ensuring proportional public ownership or control, it's unconstitutional — even if the service has some public utility.

Summary: The ambulance and garage do not primarily benefit the public, but rather subsidize St. Luke's ordinary business operations, in violation of Article VIII, Section 2 of the Idaho Constitution. Ambulances and the facilities necessary to house them are a normal and necessary expense of operating a hospital. The public received no unique ownership interest, service guarantee, or meaningful additional public benefit that it would not have otherwise received through St. Luke's private business model. This is precisely the type of transaction that the Idaho Constitution's gift clause is intended to prohibit: private business expenses shifted onto taxpayers without adequate public return. The deceit on the part of St. Luke's to hide from the board a legitimate competitive proposal, also invalidates the transaction in the eyes of Idaho law.

Other arguments:

- The MMHD board recently appointed a task force to build an "information campaign." As further evidence of the inappropriate "partner" alliance between St. Luke's and MMHD, there are more St. Luke's staff consulting on this PR effort than there are MMHD board members. The district is relying on paid St. Luke's staff to formulate their message for them and advise on promotion strategies and tactics. The purpose of the 'campaign' is to convince the patron of the value of the district. The effort itself is permissible, so far as the information presented follows the neutrality provisions of applicable Idaho statutes. But the heavy involvement of St. Luke's staff hardly demonstrates an "arms-length" relationship.

In this packet is a petition asking you to conduct an investigation signed by both full-time residents of MMHD and second homeowners. We argue that second homeowners have standing because they pay tax to MMHD. Current Idaho law holds that any petition to dissolve a hospital taxing district must be signed by 10% of the *property owners* in the district. That surely gives our second homeowners standing to petition to the Attorney General's Office regarding the constitutionality of the district's decisions.

Documentation

(not otherwise specified in the Supporting Arguments document)

—**Idaho Court Case City of Boise v. Frazier (2007)** Source: Hawleytroxell.com

The court reversed a lower court ruling holding, in essence, 'if you can wait to build it, or if it's a new development rather than an emergency fix, you need to go to the voters'. This significantly narrowed the "ordinary and necessary" exception and made it more difficult for local governments in Idaho to incur long-term debt for large projects without first securing a two-thirds public vote.

- **Immediacy and Urgency:** We interpret the core of the Court's interpretation was that an expense is "necessary" in the constitutional sense only if there is a compelling need for it to be incurred right now, or at least within the current fiscal year. It's about an urgent, immediate requirement, not a long-term plan or a desirable improvement that can be spread over many years.

- **"Pay-as-You-Go" Principle:** The Court reaffirmed the underlying principle of Article VIII, § 3, which is to generally compel local governments to operate on a "pay-as-you-go" basis. This means that if a city wants to undertake a project that will incur debt beyond what it can pay for with current year's income and revenue, it must get voter approval. The "ordinary and necessary" exception was meant to be a narrow allowance for truly essential, immediate needs.

- **Distinguishing from Long-Term Projects:** The airport parking expansion, while perhaps "necessary" for the long-term growth and functionality of the airport, was not deemed "necessary" in the immediate, urgent sense. The Court implicitly (and in subsequent cases explicitly) contrasted such long-term capital projects with things like essential repairs, maintenance, or immediate public safety needs that cannot wait for a public vote.

—**The Wasden Agreement** Sources: [MMHD/Luke's Health Services Agreement](#); [MMHD Lease/Option Agreement](#) (Section B.2 Acquisition Values describes the credit system referred to in the argument); [Idaho Statesman](#) (agreement); [Idaho Statesman](#) (Weiser)

—**Lack of bidding process** - The minutes and supporting materials older than 2025 are not available on MMHDs website and given the number of volunteer hours devoted to researching/writing these arguments, we decline to put the volunteer district staff through an intensive easter egg hunt for something we are reasonably certain is not there. No news report nor other publicly accessible source ever cited a bidding process in any of these projects. The reports indicate MMHD approved the projects and transferred funds to St. Luke's to manage the construction/acquisition. If the Attorney General's office wishes verification, it has far more sophisticated methods for obtaining this information than we do.

—**Lack of public support for workforce housing** [The Star-News](#), May 23, 2024

Email exchange between St. Luke's McCall and Valley County EMS officials:

From: Garrett de Jong <garrett@mccallfire.com>
Sent: Tuesday, June 11, 2019 3:22 PM
To: Amber Green <green@slhs.org>; Sarah Curtin MD <scurtin@slhs.org>; 'Juan Bonilla' <dfc@frontiernet.net>
Subject: Ground Transfer Meeting

Hello,

I have talked to Chief Bonilla with Donnelly Fire & EMS about the potential for them to facilitate ground transfers with St. Luke's McCall and the potential to contract with the district board. I believe that utilizing Donnelly and increasing their staffing for ground transfers would be the best possible use of the money, would be a more sustainable solution, and would have the biggest benefit county wide. Would it be possible to get another meeting together with all of us, including Juan, so we can get a plan together for Amber to present sooner than later?

I am pretty available this week and want to help get this solved.

Thank you,

Garrett

Garrett de Jong
Fire Chief
McCall Fire & EMS
201 Deinhard Lane
P.O. Box 1597
McCall, ID 83638
www.mccallfire.com [mccallfire.com]
PH: 208.634.7070
FAX: 208.634.5360



From: Amber Green <green@slhs.org>
Sent: Wednesday, June 12, 2019 7:17 AM
To: Garrett de Jong <garrett@mccallfire.com>; Sarah Curtin MD <scurtin@slhs.org>; 'Juan Bonilla' <dfc@frontiernet.net>
Subject: RE: Ground Transfer Meeting

I have already presented to the Tax District work group the 3 options we previously discussed and Donnelly Fire and EMS was not one of them. I have concerns about changing the option for the tax district board so late in the game, I fear the Tax District Funding Committee will feel that we are unsure of what the best solution would be and would choose not to fund an option. The Hospital Tax District Board is extremely cautious about the tax payers funds and will choose to fund neither option if they feel we have not properly or appropriately vetted out the request and provided them with the appropriate data. I am happy to meet and discuss. We would have to meet today or early tomorrow morning I will be Boise the rest of the week, and I meet with the Tax District Board again on Tuesday morning.

Thanks



Amber Green, RN, MSN
Chief Operating Officer/CNO
St. Luke's Health System
(208-630-2255
+ green@slhs.org

Text of August 2024 Citizen Petition for Workforce Housing Advisory Vote

To: Members of the McCall Memorial Hospital District Board of Trustees:

Re: Public comment on 2025 Budget Hearing

Date: August 13, 2024

I would like to submit the following as comments for the public hearing on Aug. 20 for the proposed FY25 district budget.

I urge you to place a hold on your plans to provide tax dollars to employee housing for St. Luke's McCall until a non-binding referendum is held among district patrons.

I recently reviewed the joint employee housing project the St. Luke's McCall Foundation and the McCall Memorial Hospital District have entered into. As I interpret the plan, several million tax dollars will be invested in this housing project without any significant attempt to ask the voters how they feel. I understand the foundation is working on some public presentations, but that appears to be for their fund-raising purposes. The time for such efforts on the part of the taxing district should have been a year ago, before the funds were originally committed.

Attached is a copy of the public notice that ran in The Star-News in August, 2023. Down at the bottom, in small type, was the only published mention of district funds being committed to an employee housing project. If there were others, please enlighten me. I couldn't find them. I'm going to guess that nobody showed up to the public hearing to object. It's not hard to figure out why. I object to the allocation and I didn't see the notice.

The foundation may certainly use their private donations to subsidize housing for St. Luke's. But the taxing district board must show much more interest in the opinions of district patrons than it has demonstrated so far.

As you know, just three months ago an employee housing proposal from the McCall-Donnelly School District went down in the worst landslide I can remember. From what I heard, patrons who did not object to the project itself, were offended the school district committed to it and told the voter about it later. In that instance, the school board found \$4 million in funds it could legally shift to a subsidized housing project. It was stunning to me that the school board considered that amount of money to be at their unilateral discretion.

However, nobody from the public objected, or at least none was reported. The MD board must have taken that to mean that the electorate was as enthralled with the project as they were. So they decided to expand it and ask for more money in a bond levy, which brought it to a vote. They held a couple poorly publicized open houses and a voluntary, unscientific poll was taken. They got their pants taken down.

I urge you to learn from the school board's costly misread of public sentiment. In periods of political polarization, people are afraid to voice their opinions, even socially. There is only one place where they feel safe to tell the truth, and that is in the voting booth. 'No' voters never show up to open houses. They don't answer SurveyMonkey questionnaires. And especially in these tragic times of speech shaming and culture cancelling, they don't show up to public hearings either.

It will be a long time before MDSD recovers its credibility with its patrons. The hospital taxing district is headed down the exact same road.

It wasn't until February of this year that an article finally showed up in *The Star-News* touting the the hospital housing project. In it, the MMHD board chair announced: "The District definitely plans to be part of the project." Can I be blamed for thinking it premature to be claiming patron support for a project they hadn't even been told about yet?

Is the board absolutely confident that "The District" taxpayers want to be part of this project? If I were in your shoes, I'd be really uncomfortable making a decision of this magnitude if I were the slightest bit unsure. Doesn't the M-D landslide defeat on an identical project put any doubt in your minds?

There is a quite painless way that you can be sure at absolutely no cost to the district. You can actually ask your patrons directly. As a taxing district board, you can ask for a non-binding referendum question to be placed on the November ballot. There isn't a poll you can buy that will be as accurate.

The MMHD board has the legal authority to keep committing funds to this project despite the warning signals fired in the school district meltdown. The question is, just because you *can* do it, *should* you do it? The only way to show the people who pay the taxes that you care more about what they think than what you think, is to give them a say. You may get overwhelming support. You might not. That's a chance public servants of good fiduciary conscience should always be willing to take.

Tomi Grote
Former Co-Publisher, The Star-News
tomigrote@icloud.com

Ambulance Shelter & Living Quarters

Progress Update

6/17/2025



C00643 McCall Ambulance Garage and Crew Quarters

PCO/CO#	Approval Status	Reason	Allowances	Contingency	Financial Reserve	Total	Notes
			0.00	130,486.00	0.00	130,486.00	
1	Approved	Shower stall specification		906.00		129,580.00	
2	Approved	Sidewalk & Snowmelt		43,972.00		85,608.00	
3	Approved	Dewatering & Overex		21,070.00		64,538.00	
4	Approved	Lumber escalation		4,503.00		60,035.00	
5	Pending	Credit to remove gutter		-600.00		60,635.00	
6	Pending	Added Hewitt St. Paving		19,158.31		41,476.69	
			0.00	41,476.69	0.00	89,009.31	

SCOTT HEDRICK CONSTRUCTION

1154 NORTH ORCHARD
BOISE IDAHO 83706
PHONE 345-5800
FAX 345-5825

TO: Steve
SL Ambulance

CHANGE ORDER

NUMBER: 1

DATE	5/30/2025	JOB NO.	25-01
JOB:	St Lukes Ambulance		
COST #			
CCD. #			
P.R. #			
R.F.I. #			
Owner C.O.#			
DISTRIBUTE TO:			

We hereby agree to make the change (s) specified below:

Steel Angle	\$	(600.00)
Gutter delete and Shed roof Add	\$	-

\$0.00

Please return signed original

Note: This Change Order becomes part of and in conformance with the existing contract.

WE Agree hereby to make the changes (s) specified above at this price>		(\$600.00)
Date	Previous Contract Amount	\$1,225,312.79
Authorized Signature (Contractor) Bayley Goodwin	Revised Contract Total	\$1,224,712.79

Accepted- The above prices and specifications of this Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.

Date of acceptance _____

Signature _____



GRANITE

Excavation Inc.

We're diggin this business

23 Warm Lake Hwy
Cascade, ID 83611
225 Wooddale Ave, Ste 115
Eagle, ID 83616
graniteexcavation.com
208-382-4188

To:	Scott Hedrick Construction	Contact:	
Address:	1154 N Orchard St Boise, ID 83706 US	Phone:	208-345-5800
		Fax:	208-345-5825
Project Name:	St. Lukes Ambulance Bay Additional Asphalt	Bid Number:	
Project Location:	McCall	Bid Date:	6/5/2025

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1	Demo Asphalt	2,758.00	SF	\$0.83	\$2,289.14
2	Asphalt Paving	2,758.00	SF	\$5.40	\$14,893.20

Total Bid Price: \$17,182.34

Notes:

- Above shown pricing doesn't include Performance & Payment Bonds, please add 1.5% to total price if needed.
- Catch Basins are excluded in above shown pricing.
- Concrete collars are excluded in above shown pricing.
- Dewatering is excluded in above shown pricing.
- Haul off of all excess pipe spoils are excluded in above shown pricing.
- Above shown prices do not include permits.
- Pipe material pricing is based on current prices. Due to significant market fluctuations, pipe material costs can only be determined at the time of shipment. Any increase from the current prices will be passed on to the owner.
- Quality Control Testing is excluded in above shown pricing.
- Rock Excavation is excluded in above shown pricing.
- Price does not include any scope of work not specifically called out on the above shown bid schedule.
- Survey is excluded in above shown pricing.
- SWPPP is excluded in above shown pricing.
- Above pricing is contingent on agreed upon schedule between Granite Excavation & the GC/Owner.
- Above pricing for pipe is good only until the end of business the day this proposal is received. Pipe order will not be placed until directed by the Owner/GC. Materials on Hand will be billed out same day and is due within 30 days.
- Due to significant market fluctuations and volatility not all pipe types or dimensions may be available at time of order. Pricing for pipe not available at time of order will not be held. Costs can only be determined at the time of shipment. Any increase from the current prices will be passed on to the owner.
- Above pricing is based off of plan set date 1/1/11. Approved/Not Approved for Construction. Pricing may change once approved plans are received.
- Above pricing includes (1) CCTV & Flush. Additional CCTV & Flush request by the Inspector or Warranty requests will be billed as a change order.
- Above pricing is based on Civil Construction Drawings only. This proposal does not include any pricing from Landscape, Structural, or Architectural drawings.
- Due to recent Tariffs being assessed to certain countries, some material pricing on imports can not be held. Final material costs can only be determined at time of shipment.

Payment Terms:

Progress billing will be submitted by the 25th of each month. Payment is due by the 10th of the following month.

ACCEPTED:

The above prices, specifications and conditions are satisfactory and are hereby accepted.

Buyer: _____

Signature: _____

Date of Acceptance: _____

CONFIRMED:

Granite Excavation Inc

Authorized Signature: _____

Estimator: Brad Sayers
(208) 315-2991 brad@graniteexcavation.com

SCOTT HEDRICK CONSTRUCTION

1154 NORTH ORCHARD
BOISE IDAHO 83706
PHONE 345-5800
FAX 345-5825

TO: Steve
SL Ambulance McCall

CHANGE ORDER

NUMBER: 1

DATE	4/10/2025	JOB NO.25-01
JOB:	St Lukes Ambulance	
COST #		
CCD. #		
P.R. #		
R.F.I. #		
Owner C.O.#		
DISTRIBUTE TO:		

We hereby agree to make the change (s) specified below:

Prep and Asphalt per McCall PW Direction	\$	17,182.34
------------------------------------------	----	-----------

Safety	0.50%	\$85.91
Bond	1%	\$171.82
OHP	10%	\$1,718.23

Please return signed original

Note: This Change Order becomes part of and in conformance with the existing contract.

WE Agree hereby to make the changes (s) specified above at this price>		\$19,158.31
Date	Previous Contract Amount	\$1,224,712.79
Authorized Signature (Contractor) Bayley Goodwin	Revised Contract Total	\$1,243,871.10

Accepted- The above prices and specifications of this Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.

Date of acceptance _____

Signature _____



Ambulance shelter

06/03/25 01:37:27 PM





GC: Layton

Status Key:	Cost	Schedule
Green	+/- 5% of budget	On-time / ahead
Amber	5-10% variance	Delay <10 days baseline
Red	10+% variance	Delay >10 days baseline

C00717 McCall Area B

PCO/CO#	Approval Status	Reason	Allowances	Contingency	Financial Reserve	Total	Notes
			0	163,649	0	163,649	
	Approved	Asbestos Survey		7,557		156,092	
	Approved	Asbestos Abatement		21,950		134,142	
	Approved	Asbestos Survey Roof/Wiring		12,467		121,675	
PCO 2	Approved	Door Hardware		544		121,131	Added comm closet door, smoke seal and closer
PCO 3	Approved	Credit		-369		121,500	Stainless steel door protection reduced; conflict with door hardware
PCO 5	Pending	ISI		0			
PCO 6	Pending	Parking Lot Expansion		0			Plan mod submittal in progress
PCO 7	Pending			2,873			
PCO 8	Pending	Equipment Screen					
PCO 9	Pending	Comm Room Power					
PCO 10	Approved	Fire Alarm Tariff		3,486			
Total			0	115,141	0	48,508	

Finance Report

McCall Memorial Hospital District Board Meeting

June 17, 2025





McCall Taxing District Project Tracking

As of April 2025 Close

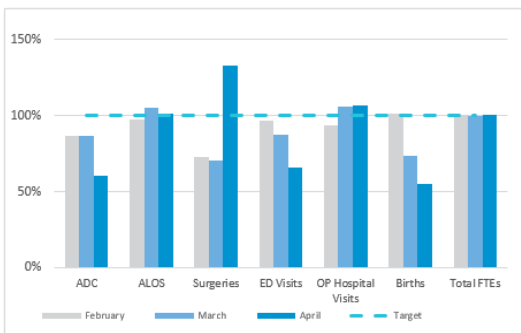
Project Name	Original Quote	Prior Year	Year Total	FY25 Forecast	Current Year		Anticipated Carryover
					Carryover from Prior Year	Taxing District Reimbursement	
16.995.1401 - McCall Urgent Care (MMHD Funded)	2,113,336	2,649,751	121,735	129,955			
16.267.1371 - McCall Allen Nokes Parking Lot Improvements	542,223	498,495	88,037	88,037			
16.145.1193 - MCCALL ASL AMBULANCE GARAGE - Taxing District Funded	1,300,000	112,424	19,045	1,638,000			
Total Spend	3,955,559	3,260,670	228,817	1,855,992	1,187,576	1,300,000	(631,584)

St. Luke's McCall Financial Performance Highlights — April 2025

KEY MESSAGE:

April represents the first month of the third quarter of the fiscal year. Entering FY25 assumptions built into the target include continued decreases in traveler usage, inflationary adjustments, as well as impacts to 340B.

Our clinical quality, throughput, and access to care all impact our financial performance. In the short term we will continue to monitor our financial performance closely in order to inform an operational response and continuous improvement. McCall is currently forecasted to miss target for the year.



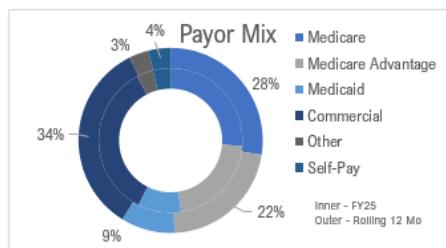
Operating Indicators: Variances to target were in line with typical seasonal activity but were also affected by unique operational challenges and special community needs. Relative to April:

- Average Daily Census was 3.09, below target for the month.
- Surgical cases at 98 for April.
 - 42 Cataract Procedures and 35 Ortho Surgeries were completed in April.
 - Endo completed 79 procedures for the month.
- ED visits at 11 per day, under target for the month due to seasonality.
- OP Hospital Visits are above target for the month at 72 per day.
- Births decreased to 6 in April.

Capital Purchases: FY25 SLHS funded capital purchases have been prioritized to maintain safety standards, meet regulations, and respond to operational and plant needs.

- Imaging Mobile C Arm
- Women's Infant Hearing Screener with Cart
- Lab ABL90 Flex Plus Analyzer

Capital	FY25
Routine	250,665
Expansion Project	4,250,000
Taxing District	1,300,000
Total Capital	\$ 5,800,665

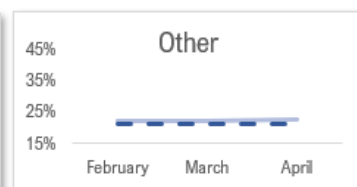
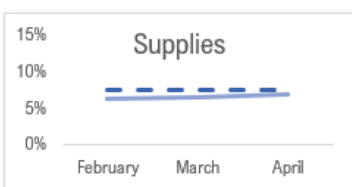


Payor Mix: FY25 has seen a decrease in Governmental payors shifting toward Commercial and Other/Self Pay payors.

- Government payors account for 57.4% of payors in FY25, a decrease compared to the rolling 12-month average.
- Commercial payors account for 34.9% of Payor Mix for FY25, up compared to the rolling 12 month average.
- Other & Self Pay is up compared to the rolling 12 month average, 7.7% of overall Payor Mix in FY25.

Trended Financial Performance: Total YTD Adjusted Operating Expenses¹ as a % of YTD Adjusted Operating Revenue¹ is at 75% vs. a target of 73%. Expenses are higher due to April increases in Labor and Other Supplies.

- YTD April Labor expense as a percentage of Adjusted Operating Revenue¹ is higher than target. The increase was driven by higher wages in the Pharmacy, along with increased traveler spend in Imaging and Surgical Services.
- YTD Supply expenses through April are under target as a percentage of Adjusted Operating Revenue¹. YTD surgical volumes have been lower, which has driven down spending in Implants and General Medical Supplies. In April, we experienced an uptick in surgical volumes, resulting in increased spending in both categories.
- Drug expense YTD as a percentage of Adjusted Operating Revenue¹ is slightly below target for the month. During the month, McCall experienced a decrease in drug expenses related to the treatment of Multiple Sclerosis and the use of Antineoplastic drugs.
- Other Expenses YTD as a percentage of Adjusted Operating Revenue¹ is above target in April due to increased spending on repairs and maintenance, specifically related to door and fire damper repairs, along with a rise in fuel and oil costs.



¹Adjusted Operating EBIDA reports SLHS normal operations, before out-of-the-ordinary impacts.

SLM COO/CNO Update

McCall Memorial Hospital District Board Meeting

June 17, 2025



McCall Updates

Culture/Workforce Innovation

- ✓ *Staffing*
- ✓ *Housing*

Access

- ✓ *New Services*
- ✓ *New Providers*
- ✓ *Construction Updates*

Safety & Quality

- ✓ *Quality Scores*



PHA-1 McCall Quality Metric Overview

Metric	Assessment	Key Trends
SSE Falls		Sustaining. No falls reaching the level of serious safety event this fiscal year.
DART: Employee Injury		Rolling 12 month DART rate 3.02. FY25 goal 12.29
SSI: Knee Prothesis, Fracture, Hip Prothesis, Appendectomy, C-section, Cholecystectomy		Sustaining zero SSI's for rolling 12-month for these SSI categories
SSI: Breast		Zero Breast SSI for rolling 12 months
SSI: Hernia		1 Hernia SSI in November 2023
BCMA: Med Safety		Above goal for year, slightly below goal for March
Mortality		4 over last rolling 12 months. Risk-adjusted above expected mortality, sepsis-related death.
Care Experience: LTR Patient Care Services		Above goal for fiscal year.
Care Experience: LTR ED		Above goal for fiscal year.
Hand Hygiene		Sustaining above goal