

AMENDED AND RESTATED BYLAWS OF
SOUTHWEST MEMORIAL HOSPITAL FOUNDATION, INC.
(A NON-PROFIT CORPORATION)

ARTICLE I

Section 1. Purpose. The purpose for which the Southwest Memorial Hospital Foundation is organized is:

To support Southwest Health System, Inc. in providing high quality, accessible health care for the people of Montezuma County and surrounding areas, and to assist in meeting its need to recruit and retain physicians and other medical providers, obtain new equipment and furnishings, continue to provide effective and efficient emergency care, and other services in partnership with the hospital.

Section 2. Gifts and Contributions. The Foundation shall solicit, receive and accept property, whether real, personal, or mixed, by way of gift, bequest, devise or other means, from any person, firm, trust, or corporation, to be held, administered, and disposed of for the Foundation goals either directly or by contributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Law or by contributions to any corporation to which contributions are deductible under Section 17(c)(2) of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Law. The Foundation may conduct various activities to solicit gifts, bequests, devices, and other income.

All gifts and contributions received for a designated purpose by the Foundation shall be used for said designated purpose. Restricted gifts shall only be accepted for purposes identified by the Southwest Health System, Inc. Board. Contributions and gifts contributed without specific purposes being designated may be used as the Foundation Board of Directors shall prescribe.

The Board of Directors is authorized to invest gifts and contributions in such a manner and upon such terms and conditions as the Board may approve, with power to increase the corpus of, invest and reinvest said contributions, and the proceeds of sale or disposal of any portion thereof in such loans, stocks, bonds, and other securities, mortgages, common trust funds, or other property, real or personal, as said Board of Directors may deem suitable, including the right to retain any property contributed in the original form, regardless of whether such property or securities are so-called "legal" investments of trust funds. The Board of Directors is further authorized to employ investment counsel or agents for the management of its investments.

Section 3. Dissolution. Upon the dissolution of the Foundation or the winding down of its affairs, the assets of the Foundation shall be distributed exclusively to charitable, scientific, testing for public safety, literary, educational, and/or health care

organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954 and its regulations as they now exist or as they may hereafter be amended. The distribution shall be performed and authorized by the existing members of the Board.

Section 4. Nondiscrimination. The services of the Southwest Memorial Hospital Foundation so long as it shall receive funds and services shall be available to all persons regardless of race, color, creed, national origin, sex or handicap, and the Southwest Memorial Hospital Foundation shall not discriminate against anyone on these grounds.

ARTICLE II

Section 1. Operation. The property and affairs of the Foundation shall be conducted and managed by a Board of Directors. The Chief Executive Office of the Southwest Health System, Inc. shall serve as a voting ex officio member of the Board. All activities of the Foundation in the conduct of its business shall be in accordance with the requirement of the Articles of Incorporation and Bylaws. The two other associated Boards (Montezuma County Hospital District and Southwest Health System, Inc.) may also appoint a director to the Foundation Board.

Section 2. Composition. The Foundation shall consist of a Board of Directors and participating members of assigned committees. Each committee shall have a Chair, and if deemed necessary, a Co-Chair who may or may not be a Foundation Board member.

Section 3. Fiscal Year. The fiscal year shall be January 1 to December 31.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Board Composition and Eligibility. The Board shall consist of at least nine (9) members. All members of the Board shall promote a philosophy consistent with that stated in Article I of these Bylaws. The Board shall consist of a President, Vice President, Secretary, Treasurer, and up to at least five (5) additional members.

Section 2. Term. Each Director shall serve for a three-year term. There will be a limit of two three-year terms. Individuals may elect to serve on a committee and/or reapply for a Board position after a year.

Section 3. Election to Office. New Directors will be elected by continuing Board members at the annual meeting.

Section 4. Resignations. Any Director may resign at any time by giving written notice to the Board. Such resignations shall take effect at the date of the receipt of such notice, or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Removal. Any Director may be removed by a vote of three-fourths (3/4) of the members of the Foundation Board of Directors or for just cause by a majority vote of the Board of Directors.

Section 6. Vacancies. In case any vacancy should occur in the Board, the Board may at any regular or special meeting, by a majority of the Directors at the meeting, designate a person to fill such vacancy until the expiration of that term.

Section 7. Compensation. No Director shall receive any compensation of any nature for the services he/she performs for the Foundation. Upon majority vote of the Board, Directors may receive reimbursement for expenses they have incurred in the performance of their duties as Directors.

Section 8. Annual Meeting. The annual meeting of the Board shall be held no later than April 30 each year when the new members of the Board shall be elected, shall take office, and new officers shall be elected. The Secretary of the Board shall send notices of the annual meeting of the Board to each Director no later than five (5) business days prior to the meeting.

Section 9. Responsibilities. Inasmuch as the primary responsibility of the Board of Directors is to raise financial support through gifts to support the Southwest Memorial Hospital's goals, its responsibility shall include the following, plus such additional responsibilities as shall be determined by the Board of Directors:

- a. Adopting clearly stated, reasonable, attainable yet challenging goals for each priority.
- b. Recruiting and coordinating volunteer workers as needed for committees, projects and events.
- c. Identifying and cultivating sources of gifts among friends, patient families, corporations, foundations, and other sources of private support for health care programs.
- d. Assisting in solicitation and recognition of gifts.
- e. Demonstrating leadership by personal giving that will encourage others to contribute funds commensurate with their ability.
- f. Prioritizing and allocating, based on established strategic goals, any unrestricted funds.

g. Managing the financial assets of the Foundation, including investment of endowed funds.

ARTICLE IV

OFFICERS OF THE BOARD OF DIRECTORS

Section 1. Number. The offices of the Board shall be a President, a Vice President, a Secretary, and a Treasurer. No one person may hold two offices concurrently.

Section 2. Election, Term of Office, and Qualifications. The Officers of the Board shall be elected at the annual meeting from and by the Board. Term of office shall be one (1) year. Each officer shall continue in office until his successor shall have been duly elected and qualified. Any officer may not hold the same office for more than two (2) consecutive terms.

Section 3. Removal. Any Officer may be removed by two thirds (2/3) of the total Board in any regular or special meeting.

Section 4. Resignations. Any Officer may resign at any time by giving notice to the Board of Directors. Such resignation shall take effect at the time of receipt of such notice or at any later date specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office due to any cause may be filled for the unexpired portion of the term by the Board of Directors electing a member from the Board to fill the position.

Section 6. President. The President shall preside at all meetings of the Board of Directors and shall perform acts incident to his/her office and such other duties as may from time to time be specified by the Board. The President shall be an ex-officio voting member of each standing and special committee of the Board.

Section 7. Vice President. At the request of the President, or in his/her absence or disability, the Vice President shall perform all of the duties of the President, and, in so doing shall have all the powers of and be subject to all the restrictions upon the President. He/she shall perform such duties as may from time to time, be assigned to him/her by the Board or the President.

Section 8. Secretary. The Secretary shall be responsible for the minutes of the meetings of the Board. He/she shall see that all notices are duly given in accordance with provisions of the Bylaws and perform all other duties usual to that office, as well as any duties assigned to him/her by the Board or the President.

Section 9. Treasurer. The Treasurer shall render a statement of the conditions of the Board at all regular meetings of the Board, and in general, perform all of the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him/her by the Board or the President.

ARTICLE V

REGULAR AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Regular Meetings. The Board of Directors shall regularly hold at least four (4) meetings per year at convenient locations as designated by the Board.

Section 2. Special Meetings. Special meetings of the Board may be held whenever called by the President of the Board or by a majority of the Board at such time and place as shall be designated in the notice thereof. Notice of such meetings shall be given personally or mailed to each Director at least three (3) business days before the day on which the meeting is to be held. The notice shall be sent to the Director's last known email address or post office address, or by fax, or hand delivered. A member of the Board may waive such notice in writing before, at, or in his presence at the meeting.

Section 3. Quorum. Except as otherwise provided by these Bylaws, a majority of the Directors at the time of any regular or special meeting of the Board shall constitute a quorum for the transaction of business at such meeting and the act of a majority of the members present at the meeting shall be the act of the Board. Persons in attendance at the meeting who are not voting members of the Board shall not be counted as part of the quorum. In the absence of a quorum, a majority of the members present may, without notice other than announcement at this meeting, adjourn until quorum is present.

Section 4. Action Without Meeting. Any action required or allowed to be taken at a meeting of the entire Board or at any committee thereof may be taken without a meeting, if a quorum of the Board is contacted and consent is given in writing, by telephone poll, by email, or by fax, setting forth the action to be taken. The results of the actions will be reported at the next regularly scheduled meeting and documented in the minutes.

Section 5. Attendance. Board members shall attend all Board of Director meetings unless excused by the President. If a Board member is absent without excuse for three (3) consecutive meetings, his appointment may be terminated, and his position replaced as provided in these Bylaws.

Section 6. Indemnification of Board Members. The Foundation shall indemnify each member of the Board, whether now or hereafter, and his heirs, personal representatives and administrators against all costs, attorney's fees, expenses and liabilities, including settlements approved by the Board, reasonably incurred or imposed upon him/her in connection with or resulting from any action, suit or proceeding or the settlement of any promise thereof, prior to final adjudication, to which he/she is, or may

be made a part by reason of his/her being, or having been, a member of the Board, except in relation to matter as to which he is finally adjudged in such action, suit or proceeding to have been derelict in the performance of his duty. The right of indemnification herein provided shall not be exclusive of other rights to which such individual may be entitled as a matter of law or otherwise.

Section 7. Method of Conducting Meetings. Meetings of the Board shall be conducted by Roberts Rules of Order unless otherwise specified.

ARTICLE VI

STANDARDS OF CONDUCT

Section 1. A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the organization and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would do under similar circumstances.

Section 2. When a Director or Officer has a personal or financial interest in any matter coming before the Board of Directors, the affected person shall (a) fully disclose the nature of the interest and (b) withdraw from discussion, lobbying and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested Directors determine that it is in the best interests of the organization to do so. The minutes of the meeting at which such votes are taken shall record such disclosure, abstention, and rationale for approval.

ARTICLE VII

COMMITTEES

Section 1. Standing Committees of the Board of Directors. The standing committees of the Board of Directors shall be: Executive Committee, Board Development Committee, and Finance Committee. Other special committees may be assigned on an as needed basis. All committees shall report to the Board of Directors.

Section 2. The Executive Committee. The Executive Committee of the Board of Directors shall be composed of the President, Vice President, Secretary and Treasurer of the Board, along with the CEO of Southwest Health System. Inc. This committee shall have authority to transact all regular business of the Foundation during the interim between Board meetings, provided that no action so taken shall be in conflict with the express policies of the Board, and that all decisions of major importance shall be referred to the Board for ratification.

Section 3. Board Development Committee. The Board Development Committee shall be responsible for the identification and recruitment of new Board members, the orientation of new Board members, meeting the ongoing educational needs of the Board of Directors, and coordinating the evaluation of the performance of the Board.

Section 4. Finance Committee. The Finance Committee shall ensure the integrity of the fiscal affairs of the Foundation, including but not limited to the development of the annual budget and evaluation of the performance of any invested funds and appropriate review of processes and procedures. The Board must approve the final budget and the investment policies, plus subsequent major changes to them.

On a regular basis the Finance Committee will review the Foundation's financial statements and investment returns and will present reports at Board meetings.

Section 5. Special Committees of the Board of Directors. The Board of Directors may establish such other special committees as may be necessary and desirable for the conduct of the business of the Foundation.

Section 6. Members of the Committees. Committee membership shall act under the direction of the President and the Board of Directors. Committee members may include community volunteers appointed by the Chair. Committee members are accountable to the Board, and the Board may take action if deemed necessary. Committee members have no term.

ARTICLE VIII

BILLS, NOTES, ETC.

Section 1. Execution. All bills payable, notes, checks, drafts, warrants, or other negotiable instruments of the Foundation shall be made in the name of the Foundation and shall be signed by Board approved signatories.

No officer or agent of the Foundation, either singly or jointly with others, shall have the power to make any bill payable, note, check, draft, or warrant, or other negotiable instrument, or endorse the same in the name of the Foundation, or contract or cause to be contracted any debt or liability in the name and on behalf of the Foundation, except as herein expressly prescribed and provided.

ARTICLE IX

AMENDMENTS

Amendments, replacements and repeal of these Bylaws shall be proposed at a regular or specially called meeting of the entire Board of Directors. Such amendments, replacements, and repeal of these Bylaws shall become effective upon the affirmative vote of a number equal to two-thirds (2/3) of the full Board of Directors at the next regular or specially called meeting of the entire Board of Directors.

Approved by the Board of Directors of the Southwest Memorial Hospital Foundation on the 15⁰⁰ day of May, 2024⁰⁰.

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Abby Metzger
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Jaycee Hart
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