BYLAWS
OF
DELTA COUNTY MEMORIAL HOSPITAL
FOUNDATION

(A Colorado Nonprofit Corporation)

ARTICLE 1 - PURPOSES. PLACE OF BUSINESS AND OFFICE

1.1 **Purposes:** The Corporation is organized and operates under at the direction of the Delta County Memorial Hospital Board of Directors. As such the Foundation shall be operated exclusively for public, charitable, or educational purposes as defined by Section 509(a)or(b) as determined by the Internal Revenue Code (or any successor provision) ("the Code"). To further such purposes, the Corporation may promote, establish, conduct, and maintain activities on its own behalf, or it may contribute or otherwise assist other corporations, organizations, and institutions carrying on such activities. More particularly, to further these purposes, the Corporation shall:

1.1.1 provide funds for the support of the Delta County Memorial Hospital located in Delta, Colorado, and its programs and activities, including any related matters, to include receiving monetary gifts, memorials, monetary awards and income, and to provide monetary gifts and assistance for health care related purposes; and

1.1.2 provide for and assist in the providing of educational opportunities for health career students.

1.2 **Principal Office:** The Corporation's principal offices initially shall be in the State of Colorado, but the Foundation Board of Directors, in its discretion, may keep and maintain offices wherever the Corporation's business may require.

1.3 **Registered Office and Agent:** The Corporation shall have and continuously maintain in the State of Colorado a registered office, which may be the same as its principal office, and a registered agent whose business office is identical with such registered office. The initial registered office and the initial registered agent are specified in the Articles of Incorporation. The Corporation may change its registered office or change its registered agent, or both, upon filing a statement as specified by law in the Office of the Secretary of State of Colorado.

ARTICLE 2 DIRECTORS

2.1 **Foundation Board of Directors' Authority:** The Delta County Memorial Hospital Board directs the Foundation Board of Directors to manage the Corporation's business and affairs and exercise all its powers, except as otherwise provided by Colorado law or the Articles of Incorporation.

2.2 **Number:** The Corporation shall have up to 25 directors, but in no event, shall there be less than one director. The Foundation Board of Directors will include one person currently serving on the

Delta County Memorial Hospital Board. The Administrator of Delta County Memorial Hospital shall participate on the Foundation Board as an ex-officio member. The initial Foundation Board shall consist of three directors.

2.3 **Qualifications:** Directors shall be natural persons of the age of eighteen years or older and shall be residents of Western Colorado.

2.4 **Appointment:** After the initial establishment of the Foundation Board of Directors, the Delta County Memorial Hospital Board shall approve the appointment of new Foundation Board members presented by the Foundation Board after review by the Foundation Board Nominating Committee.

2.5 **Term:** There shall be no term limit for Foundation Board members; however, the Foundation Board shall elect officers annually.

2.6 **Removal and Resignation:** Any director at a meeting expressly called for that purpose, with or without cause, by an affirmative vote of two-thirds of the members present shall be removed from the Foundation Board. Any director may resign at any time by giving written notice to the president or to the secretary, and acceptance of such resignation shall not be necessary to make it effective unless the notice so provides.

2.7 **Vacancies:** Any vacancy occurring on the Foundation Board of Directors and any directorship to be filled due to an increase in the Foundation Board's size shall be filled by the Delta County Memorial Hospital Board who shall approve the appointment of new Foundation Board members presented by the Foundation Board after review by the Foundation Board Nominating Committee.

2.8 **Meetings:** The Foundation Board of Directors shall determine how often regular meetings will be held and where they are to be held. The President or any two directors may call a special Foundation Board meeting. The Chairman or any two committee members may call special committee meetings for their committees.

2.9 **Order of Business:** The order of business at any Foundation Board of Directors' regular or special meeting, unless otherwise prescribed for any meeting by the Foundation Board, shall be as follows:

2.9.1 Calling the meeting to order by the President or designee.

2.9.2 Approval of the last previous meeting minutes.

2.9.3 Officer and committee reports.

2.9.4 Unfinished business.

2.9.5 New business.

2.9.6 Adjournment.

2.10 **Notices:** Notice of a special meeting stating the date, hour and place of such meeting shall be given to each Foundation Board of Directors' member or committee member by the secretary, president or committee chair calling the meeting. The notice may be deposited in the United States mail at

least five days before the meeting addressed to the directors or committee members at the last address they have furnished to the Corporation for this purpose, and any notice so mailed shall be deemed to have been given at the time it is mailed. Notice also may be given at least two days before the meeting in person, or by telephone, facsimile, e-mail, prepaid telegram, telex, cablegram or radiogram, and such notice shall be deemed to have been given at the time when the personal or telephone conversation occurs, or when the facsimile, telegram, telex, cablegram or radiogram either is personally delivered to the directors or delivered to their last address furnished to the Corporation by them for this purpose.

2.11 **Quorum:** Except when filling a director vacancy, twenty-five percent (25%) of the number of directors existing at the time shall constitute a quorum for the transaction of business at all Foundation Board of Directors' meetings. The act of a majority of the directors present at any meeting at which a quorum is present shall be the Foundation Board's act, except as otherwise specifically required by law.

2.12 **Waiver:** A written waiver of notice signed by a director entitled to notice, whether before, at, or after the time stated in the waiver, shall be equivalent to the giving of notice. A director's attendance at a meeting constitutes a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

2.13 **Attendance by Telephone:** Directors or any committee members may participate in a Foundation Board or committee meeting by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

2.14 **Action by Directors Without a Meeting:** Any action required to or which may be taken at a Foundation Board of Directors' or other committee meeting may be taken without a meeting if all of the directors or other committee members entitled to vote with respect to the proposed action sign a consent in writing, setting forth the actions so taken. Such consent may be executed in counterparts and shall be effective as of the date of the last signature on the consent.

2.15 **Compensation:** No compensation shall be paid to the directors for their services. Directors may be reimbursed for their actual expenses incurred in the performance of their duty by a Foundation Board of Directors' resolution. Members of special and standing committees also may be reimbursed.

2.16 **Fidelity Bonds:** The Foundation Board of Directors may require that all Corporation officers and employees handling or responsible for Corporation funds shall furnish adequate fidelity bonds. The Corporation shall pay the premiums for such bonds.

ARTICLE 3 - COMMITTEES

The Foundation Board of Directors, by resolution adopted by a majority vote, may designate from among its members one or more committees. The resolution may provide the extent of the authority, powers, limitations, and procedures for such committees, as the Foundation Board deems advisable. However, no committee shall have the Foundation Board's authority to amend the articles of incorporation, adopt a plan of merger or consolidation, recommend the sale, lease, exchange, or other disposition of all or substantially all of the Corporation's property and assets otherwise than in the usual and regular course of its business, recommend the Corporation's voluntary dissolution or revocation, or amend these Bylaws. Any recommendations for such actions listed are to be presented to the Foundation Board of Directors by the Director presiding over the committee

ARTICLE 4 - OFFICERS

4.1 **Number and Election:** The Corporation's officers shall be a president, a vice-president, a secretary and a treasurer, who shall be elected by the Foundation Board of Directors who shall make known their ballot presented by either electronic or paper means. The Foundation Board or the president also may appoint such other subordinate officers as they shall deem necessary, which shall hold their offices for such terms and shall exercise such powers and perform such duties as the president shall determine from time to time. The same person may hold any two or more offices. The Corporation's officers shall be natural persons of the age of eighteen years or older.

4.2 **President:** The president shall be the Corporation's chief executive officer and shall preside at all members' and Foundation Board of Directors' meetings. Subject to the Foundation Board's direction and control, the president shall have general and active management of the Corporation's business and may execute contracts, deeds and other instruments on the Corporation's behalf as is necessary and appropriate. The president shall perform such additional functions and duties as are appropriate and customary for the office of president and as the Foundation Board may prescribe from time to time.

4.3 **Vice President:** The vice president shall be the officer next in seniority after the president. The vice president also shall perform such duties and exercise such powers as are appropriate and as the Foundation Board or the president shall prescribe. Upon the president's death, absence or disability, the vice president shall perform the duties and exercise the powers of the president.

4.4 **Secretary:** The secretary shall give, or cause to be given, notice of all members' meetings and Foundation Board of Directors' special meetings, keep the minutes of meetings, be responsible for the maintenance of all corporate records and files and the preparation and filing of reports to governmental agencies, other than tax returns. The secretary also shall have charge of the corporate seal and have authority to affix it to any instrument requiring it and, when so affixed, it may be attested by the secretary's signature, and perform such other functions and duties as are appropriate and customary for the office of secretary as the Foundation Board or the president may prescribe from time to time. Duties of the Secretary may be delegated to employees of the Corporation at the discretion of the President.

4.5 **Treasurer:** The treasurer shall have control of the Corporation's funds, the care and custody of all stocks, bonds and other securities the Corporation owns, and shall be responsible for preparing and filing tax returns. The treasurer shall receive all moneys paid to the Corporation and shall have authority to give receipts and vouchers, to sign and endorse checks and warrants in its name and on its behalf, and give full discharge for the same. The treasurer also shall have charge of disbursement of the receipts and disbursements, and shall deposit all moneys and other valuable effects in the Corporation's name and to its credit in such depositories as the Foundation Board shall designate. The treasurer shall perform such other duties and have such other powers as are appropriate and customary for the office of treasurer as the Foundation Board or the president may prescribe from time to time.

4.6 **Term:** The term of the initial president and the initial treasurer shall be two years and the term of the initial vice-president and the initial secretary shall be one year. Thereafter, elected officers shall serve for a two-year term. Officers shall be nominated and elected at the first meeting of the Foundation Board following the members' annual meeting. Officers elected shall assume their duties immediately following the close of this meeting. Elected officers not present when elected shall assume their duties as soon as they are notified by any director of their election.

4.7 **Removal and Resignation:** A majority of the Foundation Board of Directors by affirmative vote may remove at any time any officer who has been elected. The president or the Foundation Board may remove at any time any officer the president appointed. Officers may resign at any time by giving written notice of their resignation to the president or to the secretary, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides. The president may fill any vacancy occurring in any other Corporation office for the unexpired portion of the term.

4.8 **Compensation:** No compensation shall be paid to the officers for their services. An officer's election or appointment shall not of itself create a contract right to compensation for services performed as such officer. Officers may be compensated for their actual expenses incurred in the performance of their duty by a Foundation Board of Directors' resolution.

ARTICLE 5 - INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES

The Corporation shall indemnify its present and former directors, officers or employees against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon them in connection with any proceeding or its settlement to which they may be made a party, or in which they may become involved, by reason of their being or having been the Corporation's directors, officers or employees, whether or not they held the positions at the time such expenses were incurred. The right to indemnification shall not apply in cases where directors, officers or employees are adjudged guilty of negligence or misconduct in the performance of their duties. Additionally, in the event of a settlement, the right to indemnification shall apply only when the Foundation Board of Directors approves such settlement as being in the Corporation's best interests. The right to indemnification shall be in addition to and not exclusive of all other rights to which directors, officers or employees may be entitled.

ARTICLE 6 - CONTRACTS AND FINANCIAL ACTIVITIES

6.1 **Contracts:** The Foundation Board of Directors may authorize any officers or agents to enter into any contract or execute and deliver any instrument in the Corporation's name and on its behalf. Such authority may be general or confined to specific instances.

6.2 **Loans:** No loans shall be contracted on the Corporation's behalf nor evidences of indebtedness issued in its name unless authorized by a Foundation Board of Directors' resolution. Such authority may be general or confined to specific instances.

6.3 **Commercial Paper:** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the Corporation's name shall be signed by such Corporation officers or agents and in such manner as shall from time to time be determined by a Foundation Board of Directors' resolution.

6.4 **Deposits:** All Corporation funds not otherwise employed shall be deposited from time to time to the Corporation's credit in such banks, trust companies or other depositories as the Foundation Board of Directors may select.

6.5 **Dividends Prohibited:** The Corporation shall pay no dividend nor distribute any part of its income or profits to the members, directors or officers.

ARTICLE 7 – MISCELLANEOUS

7.1 **Corporate Seal:** The Foundation Board of Directors may adopt a seal which shall be circular in form and shall bear the Corporation's name and the words "SEAL" and "COLORADO" which, when adopted, shall constitute the Corporation's corporate seal. The seal may be used by causing it or it's facsimile to be impressed, affixed, manually reproduced, or rubber-stamped with indelible ink.

7.2 **Fiscal Year:** The Foundation Board of Directors by resolution may adopt a fiscal year for the Corporation.

7.3 **Amendment of Bylaws:** The Foundation Board of Directors by majority vote may make, alter, amend, or repeal these Bylaws at any time and from time to time, and any bylaws so made may be altered, amended, or repealed by the affirmative vote of a majority of the members having voting rights at any annual or special meeting.

7.4 **Amendment of Articles of Incorporation:** Amendments to the Articles of Incorporation shall be proposed by resolution of the Foundation Board of Directors or at the request of at least one-twentieth of the voting members. Such proposed amendments shall be submitted to a vote at a Foundation Board of Directors' regular or special meeting called for that purpose and upon notice as provided in the subsection of the directors' article entitled. *Notices.* Proposed amendments shall be adopted upon receiving an affirmative vote of two-thirds of the voting directors present at the meeting.

7.5 **Governing Law:** The Bylaws are made under and shall be construed according to the laws of the State of Colorado.

7.6 **Entire Agreement:** The Articles of Incorporation and the Bylaws contain the entire understanding between the parties and supersede any prior understanding or agreements between them regarding the subjects of these documents. If the parties performed or commenced any matters covered by the Bylaws prior to its execution, it shall govern such prior actions as if the parties executed it prior to undertaking such actions.

7.7 **Counterpart Execution:** The Bylaws may be executed in counterparts, all of which taken together shall be deemed the original.

7.8 **Severability:** If any part of the Bylaws is deemed to be unenforceable, the balance of the agreement shall remain in full force and effect.

7.9 **Headings:** The headings contained in the Bylaws are for convenience of reference only and are not intended to influence the meaning, interpretation, or construction of the agreement.

ARTICLE 8 - EMERGENCY BYLAWS

8.1 **Effective Date:** The emergency Bylaws provided in this Article shall become effective if a quorum of the directors cannot be obtained readily because of some catastrophic event, notwithstanding any different provision in the preceding articles of the Bylaws, the Corporation's Articles of Incorporation, or the Colorado Nonprofit Corporation Act. To the extent not inconsistent with the provisions of this Article, the Bylaws provided in the preceding articles shall remain in effect during such emergency, and upon its termination, the emergency Bylaws shall cease to be operative.

8.2 **Procedures:** During any such emergency:

8.2.1 A meeting of the Foundation Board of Directors may be called by any officer or director of the Corporation. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the directors, as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.

8.2.2 At any such meeting of the Foundation Board of Directors, a quorum shall consist of the number of directors in attendance at such meeting.

8.2.3 The Foundation Board of Directors, either before or during any such emergency, may, effective in the emergency, change the principal office or designate several alternative principal offices or regional offices, or authorize the officers so to do.

8.2.4 The Foundation Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the Corporation shall for any reason be rendered incapable of discharging their duties.

8.2.5 No officer, director or employee acting in accordance with these Emergency Bylaws shall be liable except for willful misconduct.

8.2.6 These Emergency Bylaws shall be subject to repeal or change by further action of the Foundation Board of Directors or by action of the members, but no such repeal or change shall modify the provisions of the next preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these emergency Bylaws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned members of the Corporation's Foundation Board of Directors, hereby assent to the foregoing Bylaws and adopt them as the Corporation's bylaws.

Dawn L. Conrad

Dawn Conrad, Director

Kathy Sramek

Kathy Sramek, Director

I hereby certify that I am the duly elected and acting Secretary of the Corporation, and that the foregoing is a full, true, and correct copy of the Bylaws of the Corporation, as in effect on the date stated below.

IN WITNESS WHEREOF, I have subscribed my name and affixed the Corporation's seal this 17th day of April 2007.

Donna Floyd

Donna Floyd

6-25-07

Alice M. Bauer

My Commission Expires: 1-5-2011

Delta County Memorial Hospital Foundation
Registered Nurse Scholarship Criteria/Conditions

1. The applicant must be a U.S. citizen, a high school graduate and a resident of Delta, Montrose or Mesa County, Colorado or attending a school in Delta County.

2. The applicant must be planning to further his/her education in an accredited RN (Registered Nurse) program.

3. The applicant must show proof of having been accepted in an accredited RN Program.

4. The applicant must show proof of financial need and academic capability.

5. The applicant will be required to complete the scholarship application form, along with a letter of intent that includes information on how the applicant would contribute to the profesion of nursing by completing an RN Program.

6. The Scholarship Review Committee will prioritize scholarship awards to individuals who indicat a commitment to work in the Delta County area upon completion of their RN Progam.

7. Recipients of the Delta County Memorial Hospital Foundation RN Scholarship will be awarded half of the scholarship for the first semester they are enrolled in an accredited institution.

8. The receipient will be required to maintain a 3.0 GPA (grade point average), or better, and will be required to furnish a transcript at the end of the first semester. If the recipient fails to sustain at least a 3.0 GPA, the remainder of the scholarship will be revoked.

9. If the recipient maintains a statisfactory GPA, the second half of the scholarship will be awarded at the beginning of the second semester.

10. The funds will be paid directly to the school or institution in which the recipient is enrolled.

A Scholarship Review Committee will evaluate all applicants and determine the number of scholarships and amount of the scholarships, based on the funds available each year. The Scholarship Review Committee will consider only one scholarship award per applicant per calendar year.

All scholarhip applications should be mailed or delivered to:
Delta County Memorilal Hospital Foundation
P.O. Box 10100
Delta, Colorado 81416-5003
Phone: (970)874-2291

Note: The second set of criteria is for non-Registered Nurse scholarship applicants:

Delta County Memorial Hospital Foundation
Scholarship Criteria/Conditions

1. The applicant must be a U.S. citizen, a high school graduate and a resident of Delta, Montrose or Mesa County, Colorado or attending a school in Delta County.

2. The applicant must be planning to further his/her education in an accredited RN (Registered Nurse) program.

3. The applicant must show proof of having been accepted in a health related program.

4. The applicant must show proof of financial need and academic capability.

5. The applicant will be required to complete the scholarship application form, along with a letter of intent that includes information on how the applicant intends to use his/her expanded education.

6. Recipients of the Delta County Memorial Hospital Foundation scholarship funds will be awarded half of the scholarship for the first semester they are enrolled in an accredited institution.

7. The recipient will be required to maintain a 2.5 GPA (grade point average), or better, and will be required to furnish a transcript at the end of the first semester. If the recipient fails to sustain at least a 2.5 GPA, the remainder of the scholarship will be revoked.

8. If the recipient maintains a statisfactory GPA, the second half of the scholarship will be awarded at the beginning of the second semester.

9. The funds will be paid directly to the school or institution in which the recipient is enrolled.

A scholarship Review Committee will evaluate all applicants and determine the number of scholarships and amount of the scholarships, based on the funds available each year. The Scholarship Review Committee will consider only one scholarship award per applicant per calendar year.

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