

**BYLAWS OF THE
CANYONLANDS HEALTH CARE SPECIAL SERVICE DISTRICT**

PREAMBLE

These Bylaws of the Administrative Control Board of Trustees Canyonlands Health Care Special Service District are a reaffirmation of the charter of a special service district organized under the laws of the State of Utah with purposes as stated herein.

**ARTICLE I
General Policy Statement**

The Canyonlands Health Care Special Service District (CHCSSD) is a special service district organized by Grand County under the laws of the State of primarily serving Grand County and portions of San Juan counties. Its overriding purposes are to ensure the provision of professional health care to all residents who require emergency and acute care services, long term care services, and senior housing without regard to race, color, creed, national origin, religion, or source of payment.

**ARTICLE II
Board of Trustees**

The management, affairs, property, interests, and program policies of the CHCSSD shall be by an **Administrative Control Board of trustees (the Board)**, a separate body politic and corporate distinct from the County of Grand, in the State of Utah. The Board has the role of developing policy which supports, among other things, that (i) the requirements of statutes, regulations, and grant agreements are met, (ii) there is local community involvement; (iii) necessary services are available at its **Allen Memorial Hospital facility (Hospital)**; (iv) the Hospital is adequately promoted; (v) there is sound financial management for the CHCSSD health care programs; and (vi) the CHCSSD properties are properly managed. The Board makes all decisions concerning property, lease renewals, and lease terminations. It establishes committees and approves and acts upon the recommendations of its committees. In addition, it serves as a liaison with local, state and federal health care agencies to ensure the prevention of future community health deterioration.

A. Composition. The Board shall consist of no less than five (5) and no more than seven (7) trustees who each serve for a four-year term, except for municipal representatives whose terms are identified below. Trustees may be reappointed for additional terms. The Board shall be composed of one representative of the following:

#1 At Large	expires 12/31/2008, 2012, 2016...
#2 Grand County Government	expires 12/31/2008, 2012, (or term of elected office)
#3 At Large	expires 12/31/2007, 2011, 2015...
#4 Moab City Government	expires 12/31/2006, 2010 (or term of elected office)
#5 At Large	expires 12/31/2006, 2010, 2014...

#6 At Large
#7 At Large

expires 12/31/2009, 2013, 2017...
expires 12/31/2009, 2013, 2017...

Thereafter, board members shall serve a term of four (4) years.

The number of trustees shall be increased by the number of municipal representatives appointed. The Grand County Government trustee shall be appointed from the Grand County Council and shall serve on the Board for the term for which he was elected, or until he should resign and his successor is duly elected and appointed to the Board. The Board position of a municipal representative from Moab City Government shall not be limited to an elected official. In the event that an individual is appointed by the Moab City Government who is not serving an elected term for the city, his/her term on the CHC SSD -shall be for the elected term of the appointing mayor or until he/she should resign and his/her successor is duly elected and/or appointed to the Board. The remaining trustees shall be appointed as outlined in the Grand County Resolution #2806.

B. Appointments and Vacancies.

1. Appointments or reappointments for the purpose of filling a vacancy due to the completion of each trustee's term shall be made by the Grand County Council upon the recommendation of the Board.
2. Vacancies on the Board due to death, resignation or other cause shall be filled by the Grand County Council upon the recommendation of the Board. Trustees so appointed shall hold office for the remainder of the term of the trustee whose death, resignation or separation for other cause created the vacancy.
3. All vacancies shall be advertised for two consecutive weeks in the public notice section of a newspaper of general circulation for all trustees except the Grand County and Moab City Trustee appointed positions.

C. Termination and Removal.

1. Any trustee may resign by giving written notice to the Chairman of the Board, who in turn will notify the Chairman of the Grand County Council.
2. Any trustee may be released from his position for due cause by a majority vote of the Board.

D. Qualifications. The qualifications for appointment to the Board and the method of appointment will be established by the Board. The method of appointment and the terms of service are established by law and by resolution of the Grand County Council. Subject to those resolutions, it is the intent that trustees shall be chosen from qualified electors of the service

district insofar as possible to represent broad sections of the community, business, governmental and medical/health care provider interests.

Appointees shall:

1. Have a thorough understanding of the duties and responsibilities to be assumed,
2. Have an interest in providing services commensurate with community need,
3. Display good judgment,
4. Provide impartial and fair services to benefit the CHCSSD, *and*
5. **NOT BE INFLUENCED BY POLITICS, A PERSONAL POSITION, OR RELATIONSHIPS WITH ACTIVITIES OF OTHER ORGANIZATIONS.**

E. Hospital Administrator. The Hospital Administrator or Chief Executive Officer will not be an official member of the Board but may attend Board meetings. If the Hospital is leased, the Hospital Administrator may make reports and recommendations regarding Hospital needs and operations and perform as an advisor to the annual CHCSSD budget preparation.

ARTICLE III **Duties of Trustees**

A. Duties of Trustees. In addition to the requirements stated elsewhere in these bylaws and/or the requirements of Utah, trustees shall (i) assume the ultimate responsibility for the environment, facilities and management necessary for the medical staff to effectively practice medicine in the Hospital; (ii) provide oversight for the CHCSSD functions, including those of parties under contract with the Board for operation of the Hospital and its programs; and (iii) appoint an Administrator or Chief Executive Officer and Medical staff, when operations are not under management contract.

Trustees shall formulate policies relative to the use of properties providing for the development of a long-range plan describing the role, facilities, equipment and requirements of the CHCSSD and shall formally approve or amend the organization bylaws as needed.

ARTICLE IV **Officers**

The officers of the CHCSSD shall be a Chairman, Vice-Chairman, and a ~~Secretary~~-Treasurer, who shall be elected by the Board from among the Trustees.

A. Chairman. The Chairman shall, subject to the direction and supervision of the Board of Trustees: (i) have general and active control of its affairs and business, and general supervision of its officers, agents and employees; (ii) call and preside at all meetings of the Board; (iii) see that all orders and resolutions of the Board of Trustees are carried into effect; and, (iv) perform all the duties commonly incident to this office and such other duties as may be assigned by the Board of Trustees.

B. Vice-Chairman. The Vice Chairman shall assist the Chairman and shall perform such duties as may be assigned to him by the Chairman, or by the Chairman in concurrence with the board of Trustees. The vice-Chairman, at the request of the Chairman, or in the Chairman's absence or inability or refusal to act, shall perform the duties of the Chairman and, when so acting, shall have the duties and all the powers of and be subject to all restrictions upon the Chairman.

C. Treasurer. The Treasurer shall (i) be the principal financial officer of the CHCSSD and be responsible for receipt, custody, and investment of all CHCSSD funds, securities, evidences of indebtedness and other personal property, and deposit the same in accordance with the instructions of the Board of Trustees; (ii) keep a full and accurate record of books and accounts of the CHCSSD, disburse the funds of the HCCSSD in payment of just demands against the CHCSSD or in accordance with the general or special direction of the Board; (iii) file all local, state and federal tax reports and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the Chairman and the Board of Trustees statements of account showing the financial position of the CHCSSD and the results of its operations; (iv) submit an annual report of the financial condition of the HCSSD to the Board; and (v) perform all duties incident to this office and such other duties as may be assigned by the Board. The Treasurer may delegate some duties to an assistant employed by the CHCSSD.

D. Administrative Board Assistant. The Board shall employ a Board Assistant who will (i) attend to all correspondence; (ii) attend all Board meetings and other meetings as assigned; (iii) keep accurate minutes of Board and committee meetings; (iv) prepare meeting agendas; (v) assist with public relations activities; and (vi) perform all other duties assigned by the board.

E. Surety Bonds. The Board of Trustees may require an officer or agent of the CHCSSD to execute to the District a bond, at the Board's expense, in such sums and with such sureties as shall be satisfactory to the Board conditioned upon the faithful performance of his duties and for the restoration to the CHCSSD of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the CHCSSD.

F. Officer Vacancies. Vacancies in any office, arising from any cause, may be filled by the Board at any regular meeting or any special meeting called for that purpose.

G. Delegation of Duties. For any reason which may seem sufficient to the Board, the Board may delegate any officer's powers and duties temporarily to any other trustee. Any officer may be removed by majority vote of the Board, for cause.

ARTICLE V
Committees

The Board, by resolution adopted by a majority of the trustees, may designate one or more committees, each of which shall consist of one or more trustees and such other people from the CHC SSD staff or the communities served by the CHC SSD as the Board deems appropriate. Each committee shall serve for one year and shall report to the board at monthly meetings. Each committee shall appoint a chairman from among its members, unless otherwise specified in these bylaws or by resolution of the Board. The committees shall meet as needed and as called by the chairman for each committee. Committee assignments shall be re-evaluated by the Board at the annual meeting.

Each committee may, at its discretion, recommend to the Board ex-officio members from the community to serve on the committee, in an effort to expand community involvement and understanding. Each committee shall submit minutes of its meetings to the Board.

Standing Committees shall be as follows:

- A. **Executive Committee.** The Executive Committee consists of the Chairman, Vice Chairman, and the Treasurer. The Executive Committee has the full power of the Board in emergency situations when it is not feasible to call the Board together. Occasionally, The Executive Committee may meet for planning purposes. Meetings of the Executive Committee will be called by the Chairman of the Board of Trustees. The Executive Committee shall review all professional contracts with the hospital, except when the Hospital is under lease/management agreements. It shall also cause to be prepared and submit to the Board a budget showing expected income and expenses for the ensuing year, and make recommendations on the acquisition of major capital expenditures, as well as serve as the investigative arm of the Board, at the request of the Chairman.

- B. **Finance Committee.** The Finance Committee consists of the Chairman, Treasurer and any additional people designated by the Board of Trustees. The Finance Committee will assist the CHC SSD in fund raising. It will review and make recommendations concerning budgets submitted by the Executive Committee. Based on the budget, the committee will review leasing agreements on building space and equipment. It will also review compliance with financial terms and conditions in grants. The committee will report on the financial condition of the CHC SSD at Board meetings.

- C. **Management Policy Committee.** The Management Policy Committee shall consist of at least three (3) people: the Vice-Chairman, the Medical Provider trustee, and one other trustee. The committee is responsible for developing and updating the institutional planning policies and procedures that regulate the operation of the CHC SSD and then presenting them to the Board for approval. This committee will also serve as liaison between the Board of Trustees and the lease/management tenant(s). The committee will also review all construction projects occurring within the Hospital and other CHC SSD facilities.

- D. **Professional Standards & Patient Care Committee.** The Professional Standards and patient Care Committee shall consist of at least two (2) members of the Board of Trustees; also,

representatives of the medical staff and administration; the Director of Nursing and the Quality Assurance Coordinator. The purpose of this committee is to periodically examine and review the quality of professional practices throughout the Hospital. Existence of this committee will cease during periods of lease/management contracts.

- E. **Special Ad-hoc Committees.** These various committees may be appointed by the Chairman, with concurrence of the Board of Trustees, for such special tasks as circumstances warrant. A special committee shall limit its activities to the accomplishment of the specific task for which it is appointed and shall have no power to act. Upon completion of the task for which appointed, such special committees shall stand discharged.

ARTICLE VI Meetings

- A. **Regular Meetings.** The regular meetings of the Board shall be held at least monthly, or as often as is necessary to conduct CHCSSD business.
1. **Notice of each meeting of the Board of Trustees** stating the location, day and hour of the meeting shall be given to each trustee at his business address, or home address if specified, at least five (5) days prior to the meeting. Meetings shall be held at the Grand Center, 182 North 500 West, or other convenient location as requested by the Board, with appropriate notice given. The Administrative Board Assistant, shall e-mail, fax or otherwise deliver written notice to the trustees of the scheduled meeting date, time, location and proposed agenda at least twenty four (24) hours before the meeting, in accordance with the State of Utah Open and Public Meeting Act, before the meeting. The method of notice need not be the same to each trustee. If sent by fax or e-mail, such notice shall be deemed to be given when the fax or e-mail is transmitted by the sending party. Any trustee may waive the requirement for notice of any meeting before, at or after such meeting. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting except where a trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Trustees need be specified in the notice of waiver or notice of such meeting unless otherwise required by statute. Written notice of meetings and agenda information shall be e-mailed, faxed or otherwise delivered to the appropriate news media and agencies, in accordance with Utah Code 52-4-101 to 305.
 2. **Presumption of Assent** A trustee of CHCSSD who is present at a meeting of the Board at which action on any District matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the Chairman before adjournment of the meeting thereof, or unless he shall forward such dissent by registered mail to the Chairman immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

- B. Emergency Meetings.** An emergency meeting may be called by the Chairman or at the request of any two (2) trustees and notice will be posted within twenty four (24) hours whenever possible. In accordance with the Open and Public Meetings Act, the notice requirement for an Emergency Meeting may be discarded if there are unforeseen circumstances making it necessary for CHCSSD to hold an emergency meeting to consider matters of an emergency or urgent nature; and the public body gives the best notice practicable of the time and place of the emergency meeting and the topics to be considered at the emergency meeting. An emergency meeting of the CHCSSD may not be held unless an attempt has been made to notify all the members of the CHCSSD board and a majority of the members of the CHCSSD board members approve the meeting.
- C. Closed Session.** A closed session of the Board may be scheduled at any time deemed necessary by the Chairman of the Board, in accordance with Utah's Open and Public Meetings Act. A majority vote to go into Closed Session is required in an open meeting, and the vote shall be noted in the minutes. Closed Sessions may be called to discuss sensitive matters allowed by law, including
1. The character, competence, or health of an individual;
 2. The deployment of security personnel, devices, or systems;
 3. Collective bargaining issues;
 4. Pending or reasonably imminent litigation;
 5. The purchase, exchange, lease, or sale of real property;
 6. Investigative proceedings regarding allegations of criminal misconduct.
- D. Annual Meeting.** The annual meeting of the Board shall be held in February each year. Proceedings at this meeting shall include reports from Board officers and committees relating to the previous year's operations, election of Board officers, appointments to various committees and recommendations to staff.
- E. Attendance at Meetings.** Each member of the Board shall annually attend at least seventy-five (75) percent of the Board meetings and assigned committee meetings, unless excused for exceptional conditions such as sickness or being absent from the community. Failure to attend the required number of meetings, or three (3) successive unexcused absences, may result in removal from the Board.
- F. Meetings by Telephone or Electronic Conferencing.** Members of the Board of Trustees or any committee therefrom may participate in a meeting of the Board or committee by means of conference telephone, electronic conferencing, 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.
- G. Quorum.** A majority of the entire Board shall constitute a quorum for transaction of business by the Board, and when a quorum is present, a majority in attendance at any meeting may decide any question brought before such meeting, except otherwise provided by Utah Code 5.2.4 or these bylaws.

ARTICLE VII

Protection of Trustees and Officers

- A. **Indemnification.** To the extent permitted by applicable law, the CHCSSD shall indemnify any trustee, officer or employee, or former trustee, officer or employee of the CHCSSD, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding, in which he has been made a party by reason of being, or having been, a trustee of the CHCSSD, except in relation to matters with respect to which he shall be adjudged to be liable for negligence, misconduct or nonfeasance in the performance of his duties. The CHCSSD may also reimburse any such trustee or officer the reasonable costs of settlement of any such action, suit or proceeding, if it should be found by a majority of the disinterested trustees that it was in the best interest of the CHCSSD that such settlement be made and that such trustee or officer was not guilty of negligence or misconduct or nonfeasance in the performance of his duties.
- B. **Insurance.** The CHCSSD shall have power to purchase and maintain insurance on behalf of any person who is or was a trustee, officer or employee of the CHCSSD; against any liability asserted against him and incurred by him in any such capacity, or arising out of the status as such, whether or not the District would have power by applicable law to indemnify him against such liability. The CHCSSD may also purchase and maintain insurance, in such amounts as the Board may deem appropriate, to insure the District against any liability for the indemnifications provided by this Article.
- C. **Right to Impose Conditions to Indemnification** The CHCSSD shall have the right to impose, as conditions to any indemnification provided by or permitted in this Article, such reasonable requirements and conditions as the Board of Trustees may deem appropriate in each specific case.
- D. **Limitation on Indemnification** Notwithstanding any other provisions of these bylaws, the CHCSSD shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification as a special service district under the laws of the State of Utah.

ARTICLE VIII **Administration**

The Board has the responsibility to appoint a competent administrator (CEO) who shall be its representative in the management of the Hospital. The CEO shall be given the necessary authority and responsibility for the administration of the Hospital in all its activities and departments, subject only to such policies as may be issued by the Board or any of its committees to which it has delegated the power for such action. He shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated someone else to so act.

Insofar as the Board from time to time may enter into an agreement with another party to lease/manage the Hospital and other facilities owned by CHCSSD, the CEO responsibility for the

CHCSSD shall remain with the Chairman of the Board of Trustees, as described in Article IV-A.

ARTICLE IX
Conflicts of Interest

- A. **Conflict of Interest** The trustees, officers, administrative staff members, employees, volunteers, and medical staff members shall exercise the utmost good faith in all transactions in which they are involved in the course of their duties for the CHCSSD. In their dealings with, and on behalf of the CHCSSD, they shall be held to a strict standard of honest and fair dealing between themselves and the District. They shall not use their positions, or any knowledge gained there from, in such a way that a conflict may arise between the interest of the District and that of the individual.
1. All acts of such persons shall be for the best interest of the CHCSSD. **POWER POLITICS HAS NO PLACE IN THE CHCSSD.**
 2. Such persons shall not accept any gift, favor or hospitality that will influence their decisions or actions which affect the Hospital, Long Term Care Facilities, etc.
 3. Any duality of interest or possible conflict of interest on the part of trustees, officers, administrative staff members, employees or medical staff members should be disclosed and made a matter of record through an annual reporting procedure or when the interest is involved in matters for action by such persons.
- B. **Duality and Conflict of Interest** Any duality of interest or possible conflict of interest on the part of any trustee should be disclosed to the Board and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board action.
1. Any trustee having a duality of interest or possible conflict of interest on any matter should not vote or use his personal influence on the matter, and he should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.
 2. The foregoing requirements should not be construed as preventing the trustee from briefly stating his position in the matter, nor from answering pertinent questions from other trustees, since his knowledge may be of great assistance.
- C. **Board of Trustees and Annual Review** Any new trustees, officers, administrative staff members, volunteers and medical staff members shall be advised of policies concurrent with the assumption of their responsibilities.
1. This policy shall be reviewed annually to inform and guide the Board of Trustees, officers, administrative staff members, volunteers and medical staff members.

ARTICLE X
General Provisions

- A. **Compensation** Trustees shall not receive compensation for their services as such; however, out-of-pocket expenses may be reimbursed to trustees and committee members for attending meetings, conferences or attending to other business of the GCHSD. Trustees shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the CHCSSD in any other capacity.
- B. **Trustee Benefit** No part of the CHCSSD earnings or monies held shall inure to the benefit of any trustee, director, officer or individual.
- C. **Calendar Year** The CHCSSD will operate from January 1 to December 31 of each year.
- D. **Account Books, Minutes and Records** The CHCSSD shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Trustees and committees. All books and records of the District may be inspected by any trustee or his accredited agent or attorney, for any proper purpose at any reasonable time.
- E. **Conveyances and Encumbrances** Property of the GCHSD may be assigned, conveyed or encumbered by such officers and the District as may be authorized to do so by the Board of Trustees, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and other encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the CHCSSD shall be authorized only in the manner prescribed by applicable statute.
- F. **Designated Contributions** The CHCSSD may accept any designated contribution, grant, bequest or devise consistent with its general purposes. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the CHCSSD shall reserve all right, title and interest in and to, and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose or use. Further, the CHCSSD shall retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used to carry out the CHCSSD's purposes.
- G. **Dissolution of CHCSSD** Upon dissolution of the CHCSSD, and after payment of just debts and liabilities, all remaining assets shall be the property of Grand County.

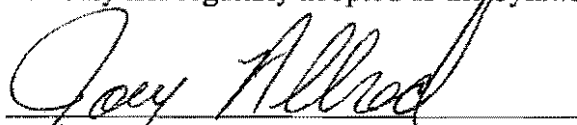
ARTICLE XI
Amendments

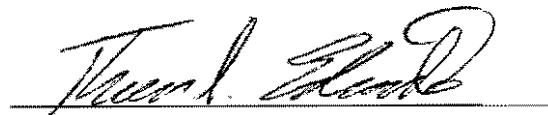
Any provision of these bylaws may be altered, amended or repealed and new bylaws may be adopted by the Board at any regular meeting of the Board, called for such purpose, provided that a full statement of such proposed amendment shall have been published in the notice calling the meeting and

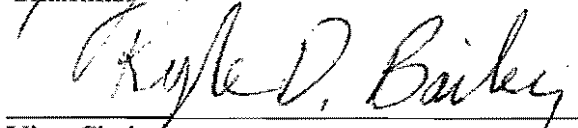
a quorum is present at such meeting. These bylaws will become effective at the time of their adoption by the Board of Trustees of the CHCSSD.


CERTIFICATION

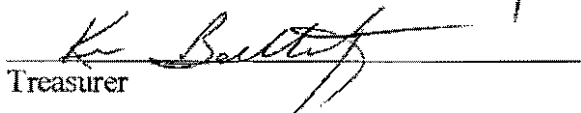
The foregoing bylaws were adopted by unanimous vote of the Administrative Control Board of the Trustees of the Canyonlands Health Care Special Service District present at a meeting of the trustees at the Grand Center 182 North 500 West, Moab, Utah, on the 18th day of November, 2010, at which a quorum of the trustees was present, in person, and we, the undersigned, being a majority of the trustees, do hereby certify that the foregoing bylaws, consisting of eleven (11) Articles have been duly and regularly adopted as the bylaws of the CHCSSD.

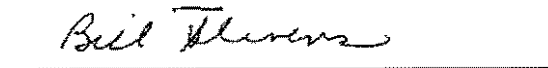

Chairman



Trustee


Vice-Chairman


Trustee


Treasurer


Trustee


Trustee