

FIRST RESTATED
CORPORATE BYLAWS
OF
HEADWATERS HEALTH FOUNDATION OF WESTERN
MONTANA
a Montana Non-Profit Corporation

**FIRST RESTATED
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HEADWATERS HEALTH FOUNDATION OF WESTERN**

MONTANA

ARTICLE I

CORPORATION

Section 1.1 Corporate Name

The name of the Corporation shall be HEADWATERS HEALTH FOUNDATION OF WESTERN MONTANA (the “Corporation”).

Section 1.2 Corporate Offices

(1) *Principal Office.* The Corporation’s principal office shall be located within the State of Montana. The Corporation’s most current Annual Report, filed with the Montana Secretary of State, shall identify the location of the principal office. The Corporation may have other offices, within Montana. The Board of Trustees may designate the location of these other offices.

(2) *Registered Office.* The Corporation’s registered office shall be located within Montana at the address of the Corporation’s registered agent. The location of the registered office may be, but need not be, identical with that of the principal office. The Board of Trustees may change the registered agent and the address of the registered office from time to time, upon filing the appropriate statement with the Secretary of State.

Section 1.3 Nonprofit Public Benefit Corporation

The Corporation is a nonprofit, public benefit corporation organized under the Montana Nonprofit Corporation Act, as amended from time to time (the “Act”) organized exclusively for charitable, educational, religious or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (the “Code”), and which is a private foundation.

Section 1.4 Corporate Purposes

The Corporation is organized and shall be operated exclusively for health and healthcare activities that qualify it for exemption from taxation as an organization described in Section 501(c)(3) of the Code. Specifically, the Corporation is organized for

the purpose of promoting healthcare services available to the public in the geographic area which comprises the primary and secondary service area of Community Medical Center, Inc., as of January 16, 2015, the date when Community Medical Center, Inc., sold substantially all of its assets to RCHP Billings – Missoula, LLC (“RCHP”) pursuant to the terms of an Asset Purchase Agreement dated September 24, 2014, (as amended the “APA”), which geographic area is shown on Exhibit “A” attached hereto and which is hereafter referred to (and is defined in the Articles) as the “Region.” Such promotion of health and healthcare when deemed appropriate by the Board of Trustees may be, but shall not be required to be, guided by the Institute for Healthcare Improvement’s “Triple Aim Initiative” for optimizing health system performance by: improving the patient experience (including quality and satisfaction); improving the health of populations; and reducing the per capita cost of health care, all as set forth in the Corporation’s Articles of Incorporation. The Corporation shall not change or amend its purpose or mission, without first receiving the express, written approval of the Montana Attorney General.

The Corporation shall not engage in activities prohibited by a corporation exempt from federal income tax under Section 501(c)(3) of the Code and applicable Treasury Regulations as they now exist, or as they hereafter be amended. The Corporation shall not attempt to influence legislation by propaganda or otherwise, nor shall it intervene in, or participate in, any political campaign on behalf of any candidate for public office. No part of the net earnings of the Corporation shall inure to the benefit of or be distributed to, any member of the Corporation (if the Corporation has members at any time in the future) or any private shareholder or individual, and no Trustee or officer of the Corporation shall receive any pecuniary benefit from the Corporation, except such reasonable compensation as may be allowed for services actually rendered to the Corporation.

Section 1.5 Corporate Powers

The Corporation shall have all of the corporate powers set forth in the Act.

ARTICLE II

MEMBERSHIP

Section 2.1 Non-Membership Organization

The Corporation is organized and will be operated without members, pursuant to Section 35-2-512, MCA.

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ARTICLE III

BOARD OF TRUSTEES

Section 3.1 Powers

(a) *General.* All of the business and affairs of the Corporation shall be managed by or under the direction of the Corporation's Board of Trustees, subject to the limitations of the laws of the State of Montana, the Articles of Incorporation, these Bylaws and any applicable federal laws or regulations. The Board of Trustees shall have full authority to control and to take all actions necessary to manage the business and the day-to-day affairs of the Corporation, and to carry out all of the other functions of a Board of Trustees as authorized by the Act.

Except for the actions set forth below, or elsewhere in these Bylaws or in the Act which require a supermajority vote, the act of a majority of the Trustees entitled to vote based on the manner of acting described in Section 3.13, below, shall be considered the act of the Board of Trustees.

In addition to all other actions the Board may take by a majority vote, the Board of Trustees may, by a majority vote, delegate to the President (or his/her equivalent as the chief executive officer), and the other officers or committees of the Corporation, if any, such power and authority to manage the day-to-day business and affairs of the Corporation as the Board of Trustees may expressly provide in the written resolutions of the Board of Trustees delegating such authority. Provided, however, the Board may not delegate the power and authority to take any action that is required to be approved by more than a majority vote of the Board.

(b) *Supermajority Vote Requirement.* Without a supermajority vote of the Trustees based on the manner of acting set forth in Section 3.13, below, the Corporation, no Trustee and no person or entity to whom the Board of Trustees have delegated authority pursuant to Section 3.1(a), above, shall have the authority to do any of the following:

- (1) Remove a Trustee per Section 3.3;
- (2) To cause the Corporation to merge with or into any other entity or any entity to merge with or into the Corporation;
- (3) To cause the Corporation to sell, transfer or otherwise dispose of all or substantially all of its assets;

- (4) To take any action that would cause or approve or recommend any plan for the dissolution of the Corporation;
- (5) To take any action that would materially alter the purposes of the Corporation; or
- (6) Approve a format for affiliated organizations or other corporate restructuring.

Notwithstanding the foregoing, the Trustees shall not have the authority to amend or alter the Articles or Bylaws without the approval of the Montana Attorney General as provided in the Articles and Section 13.1 hereof.

Section 3.2 Number, Appointment, Tenure, and Qualifications of Trustees

The Initial Board of Trustees shall be comprised of nine (9) Trustees, appointed by CMC Missoula, Inc., as provided for in the Articles of Incorporation. The number of Trustees may be increased by the Board of Trustees, provided, however, that at all times there shall be no fewer than three (3) Trustees.

Trustees shall have staggered terms so that one-third (1/3) of the seats will become open each year. The Initial Board shall consist of three (3) members who formerly served as board members of Community Medical Center, Inc., prior to the date appointed, with one (1) such member having a three (3) year term, one (1) having a two (2) year term, and one (1) having a one (1) year term. The other six (6) Initial Board members shall be individuals appointed by CMC Missoula, Inc., after engaging in a public process by advertising and utilizing a press release to solicit recommendations for and applications from qualified individuals. All such Trustees shall meet all qualifications set forth below. Two (2) of these six (6) additional members shall have a term of three (3) years, two (2) shall have a term of two (2) years, and two (2) shall have a term of one (1) year. CMC Missoula, Inc. shall determine the initial term of each Board member.

Except for the Initial Board members whose terms are for less than three (3) years, all Board members (including initial Board members with shorter terms who are re-elected), shall be elected to serve a three (3) year term.

Trustees shall be allowed to serve a maximum of three (3) three (3) year terms; however, those Initial Board members who are appointed for terms of less than three (3) years, shall be permitted to serve three (3) full three (3) year terms after expiration of their initial terms.

The Board, or a governance/nominating committee appointed by the Board, shall have the authority to nominate qualified individuals to be elected or re-elected to the Board. All Trustees whose terms have expired will be elected annually by a majority vote of the Board of Trustees based on the manner of acting set forth in Section 3.13, below, excluding those Board members whose terms have expired and are eligible to be re-elected to the Board. Except for the appointment of the Initial Board members, the Board will not be required to use the public process described above to nominate and select subsequent Board members.

All Trustees must meet the following qualifications: Except as provided below, Trustees must reside in the Region. All must have an interest in and concern for the Corporation and its non-profit healthcare mission, be objective and impartial, have a willingness and ability to commit time to Corporation affairs, and must be committed to the purpose of the Corporation as a whole and not to any other special interests. No Trustee may also be a current board member, or officer or employee of post-closing RCHP, or any other party to the APA, with the exception of physicians or mid-levels who are employed by post-closing RCHP or Community Physicians Group (or its successor) who would otherwise be eligible to serve. At no time shall there be more than three (3) Trustees who formerly served as board members of Community Medical Center, Inc., prior to January 16, 2015.

In order to accommodate reasonable flexibility and discretion in selecting Board members, there is no requirement that a specific number of Board members must be from a particular classification or category. However, CMC Missoula, Inc., in connection with the establishment of the Initial Board, and the Board thereafter, will use reasonable and good faith efforts to include individuals on the Board with special and relevant knowledge, expertise, skills, and experience to bring value to the operation of the Corporation and its healthcare mission. This will include individuals who possess these qualities in the areas of investments and asset management, accounting, finance, law, non-profit administration, clinical healthcare, and healthcare administration. The Board shall at all times have at least one (1) physician and a maximum of two (2) clinical healthcare providers. Notwithstanding the requirement above that all Trustees must reside in the Region, up to two (2) Trustees may at any one time reside outside the Region if the Board in its reasonable discretion determines it is necessary to do so in order to populate the Board with qualified individuals in the areas of experience or expertise outlined above.

The President of the Corporation (or his/her equivalent chief executive officer of the Corporation) shall be an ex-officio non-voting member of the Board.

Section 3.3 Removal of Trustees

Any Trustee may be removed from the Board, with or without cause, upon a supermajority vote of the remaining Trustees on the Board.

Section 3.4 Resignation of Trustees

A Trustee may resign at any time by delivering written notice of such resignation to the President of the Board of Trustees. The resignation shall become effective as of the date specified in the notice of resignation.

Section 3.5 Vacancies

If a vacancy occurs on the Board of Trustees, including a vacancy resulting from an increase in the number of Trustees, the Board is authorized to appoint such Trustee to fill the vacancy in the same manner that such Trustee was elected to the position pursuant to Section 3.2 of these Bylaws.

Section 3.6 Attorney General

The Montana Attorney General or a representative of the Montana Attorney General shall be entitled to attend all regular and special meetings of the Board in a non-voting capacity. Notice of both regular and special meetings shall be provided to the Attorney General in accordance with Section 3.10.

Section 3.7 Annual Meeting

The Board of Trustees shall hold an annual meeting during the fourth quarter of each fiscal year at the time and location designated by Board resolution. Notice of the meeting shall be provided in accordance with Section 3.10. At the annual meeting, the Trustees and officers of the Board shall be elected and the Board shall transact any other business that may come before the meeting.

Section 3.8 Special Meetings

The Chair or one (1) of the remaining Trustees then in office may call and give notice of special meetings of the Board of Trustees. Those authorized to call special board meetings may fix any location in the state where the principal office of the Corporation is located for the special meeting. Special Board of Trustees meetings may be held by conference telephone or similar communications equipment, if convened in accordance with Section 3.9.

Section 3.9 Meetings by Conference Telephone

Any member of the Board of Trustees, or any member of any designated committee of the Corporation may participate in a Board or committee meeting by means of a conference telephone or similar communications equipment, provided all persons entitled to participate in the meeting received proper notice of the telephone meeting and provided all persons participating in the meeting can hear each other at the same time. A Trustee or committee member participating in a conference telephone meeting is deemed present in person at the meeting. The Chair of the meeting may establish reasonable rules as to conducting the meeting by telephone or similar communications equipment.

Section 3.10 Notice of Trustee Meetings

(a) *Notice.* The Board's Chair (or Secretary if appointed) shall give written notice to the Montana Attorney General and all Trustees of any Trustee meeting at least two (2) but not more than thirty (30) days before the meeting. Provided, however any Board action to remove a Trustee or to approve a matter that would require approval by the members if the Corporation had members, is not valid unless each Trustee is given at least seven (7) days' written notice that the matter will be voted upon or unless notice is waived. The notice shall include the meeting place, day, and hour. If the meeting is to be held by conference telephone or similar communications equipment (regardless of whether it is regular or special), the Chair (or the Secretary if appointed) must provide instructions for participating in the telephone meeting.

(b) *Effective Date.* If personally delivered, the notice of any Trustee meeting will be deemed effective as of the date of delivery. If mailed, notice of any Trustee meeting shall be deemed to be effective at the earliest of:

- (1) Three (3) days after deposited in the United States mail, addressed to the Trustee's business office, with postage prepaid; or
- (2) The date shown on the return receipt (if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the Trustee); or
- (3) The date when received.

If sent via facsimile, email or any other electronic communication, notice of any Trustee meeting shall be deemed to be effective on the date transmitted if such transmitted date is contained on a printed transmission verification.

Section 3.11 Waiver of Notice

Any Trustee may waive notice of any meeting. The waiver must be in writing, signed by the Trustee entitled to the notice, and filed with the minutes or corporate records. A Trustee's attendance at a meeting waives the Trustee's right to object to lack of notice or defective notice of the meeting, unless the Trustee, at the beginning of the meeting (or promptly upon arrival), objects to holding the meeting or transacting business at the meeting, and does not vote for or assent to action taken at the meeting.

Section 3.12 Quorum

A majority of the total number of Trustees with voting rights shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

Section 3.13 Manner of Acting

(a) *Required Number to Constitute Act.* The act of a majority of the Trustees present and entitled to vote at a meeting at which a quorum is present (when the vote is taken) shall be the act of the Board of Trustees, unless different voting requirements (such as a supermajority vote) are required by these Bylaws or the Act. In this regard for purposes of these Bylaws "supermajority vote" shall mean a two-thirds (2/3) majority vote. If no quorum is present at a meeting of Trustees, the Trustees may not take action on any Board matter other than to adjourn the meeting to a later date.

For purposes of voting at Board meetings and determining whether an issue before the Board has been approved, each Trustee shall be entitled to one (1) vote.

(b) *Trustee Approval.* The Corporation shall deem a Trustee to have approved of an action taken if the Trustee is present at a meeting of the Board unless:

- (1) The Trustee objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or
- (2) The Trustee's dissent or abstention from the action taken is entered in the minutes of the meeting; or

- (3) The Trustee delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Trustee who votes in favor of the action taken.

Section 3.14 Conduct of Meetings

The Chair, or in the Chair's absence, the Vice-Chair, or in their absence, any person chosen by the Trustees present shall call the meeting of the Trustees to order and shall act as the chair of the meeting. The Chair, or the Chair's designee, shall establish rules of the meeting that will freely facilitate debate and decision-making. The Chair will indicate who may speak when and when a vote will be taken. The Secretary of the Board shall act as the Secretary of all meetings of the Trustees, but in the Secretary's absence, the presiding officer may appoint any other person to act as the Secretary of the meeting.

Section 3.15 Trustee Action Without a Meeting

The Trustees may act on any matter generally required or permitted at a Board meeting, without actually meeting if all the Trustees take the action, each one signs a written consent describing the action taken, and the Trustees file all the consents with the records of the Corporation. Such action can be taken by electronic means, so long as the entire resolution is included on the transmission and the Corporation can document the approval of each individual Trustee. Action taken by consent is effective when the last Trustee signs the consent, unless the consent specifies a different effective date. The Secretary shall provide the Board with an certificate of action documenting such unanimous approval and include the approval in the Corporation records. A signed consent has the effect of a unanimous vote and may be referred to as a unanimous vote in any document.

Section 3.16 Reserved

Section 3.17 Compensation, Loans to, or Guarantees for Trustees

(a) *Trustee Compensation.* The Trustees shall serve without compensation for their role as Trustees; provided, however that the Board of Trustees may, upon approval of a majority of the Board, pay each Trustee's actual and reasonable expenses, if any, of attendance at each Board meeting or committee meeting of the Board, and of attendance at any educational seminars or conferences approved in advance by the Board. For mileage, the Board shall use the applicable IRS reimbursement rate.

(b) *Loans to or Guaranties for Trustees.* The Corporation may not lend money to or guarantee the obligation of a Trustee of the Corporation or of affiliates of the

Corporation.

Section 3.18 Corporate Records

(a) *Minutes and Accounting Records.* The Corporation shall keep a permanent record of the minutes of all meetings of its Board of Trustees, a record of all actions taken by the Board of Trustees without a meeting, and a record of all actions, if any, taken by a committee of the Board of Trustees acting at the direction of the Board of Trustees. The Corporation shall maintain appropriate accounting records.

(b) *Form.* The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(c) *Other Records.* The Corporation shall keep a copy of the following records at its principal office or at a location from which the records may be recovered within two (2) business days:

- (1) The Articles or Restated Articles of Incorporation and all amendments thereto currently in effect;
- (2) The Corporate Bylaws or Restated Corporate Bylaws and all amendments thereto currently in effect;
- (3) Resolutions adopted by the Board of Trustees;
- (4) Financial statements showing in reasonable detail the Corporation's assets, liabilities, and the results of the operation;
- (5) A list of the names and business addresses of the current Trustees and Officers; and
- (6) The most recent annual report delivered to the Secretary of State.

Section 3.19 Electronic Transmissions.

(a) Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board of Trustees may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile, e-mail, or similar computer software provided (i) for electronic transmissions from the Corporation, the Corporation sends the transmission to the fax number, email address or other electronic address provided by the recipient to the Corporation for its records; (ii) for electronic transmissions to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such

transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 3.20 Electronic Signatures.

- (a) The provisions of the Uniform Electronic Transaction Act, Sections 30-18-101, *et. seq.*, MCA shall apply to all documents executed in connection with the operation and governance of the Corporation so that signatures transmitted electronically shall be effective in all respects as originals.

ARTICLE IV OFFICERS

OF THE BOARD

Section 4.1 Number of Officers

The officers of the Board shall be a Chair, a Vice-Chair, a Secretary, and a Treasurer. The Board of Trustees shall appoint each of these officers. The Board may appoint other officers and assistant officers, if it deems it necessary. If the Board of Trustees specifically authorizes an officer to appoint one or more officers or assistant officers, the officer may do so. The same individual may simultaneously hold more than one office on the Board, except that the same person cannot simultaneously serve as Chair and Secretary.

Section 4.2 Appointment and Term of Office

The Board of Trustees shall appoint officers of the Board for a term that the Board determines. If the Board does not specify a term, the officers shall hold office for one year or, within that year, until they resign, die, or are removed in a manner provided in Section 4.3 of Article IV. A designation of a specified term does not grant to the officer any contract rights, and the Board can remove the officer at any time prior to the termination of the designated term.

Section 4.3 Removal of Officers

The Board of Trustees may remove any officer or agent any time, with or without cause. The removal shall be without prejudice to the contract rights, if any, of the person removed. A Board's appointment of an officer or agent shall not of itself create contract rights.

Any officer described may resign at any time by giving written notice to the Board of Trustees or to the Chair or Secretary of the Board. Any such resignation shall take effect at the time specified therein, or, if no time is specified, such resignation shall take effect immediately. Unless otherwise specified in the resignation, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.4 Chair

The Chair shall when present, preside at all meetings of the Board of Trustees. The Chair may sign, with the Secretary or any other proper officer of the Corporation that the Board has authorized, minutes, deeds, mortgages, bonds, contracts, or other instruments authorized by the Board.

Section 4.5 Vice-Chair

The Vice-Chair shall perform, in good faith, the Chair's duties if the Chair is absent, dies, is unable, or refuses to act. If the Vice-Chair acts in the absence of the Chair, the Vice-Chair shall have all powers of the Chair and be subject to all the restrictions upon the Chair. (If the Vice-Chair is unable or refuses to act, then the Secretary shall perform the Chair duties.) The Vice-Chair shall perform any other duties that the Chair or Board may assign to the Vice-Chair.

Section 4.6 Secretary

The Secretary shall in good faith: (1) create and maintain one or more books for the minutes of the proceedings of the Board of Trustees; (2) provide that all notices are served in accordance with these Bylaws or as required by law; (3) be custodian of the corporate records; (4) when requested or required, authenticate any records of the Corporation; (5) keep a current register of the post office address of each Trustee; and (6) in general perform all duties incident to the office of Secretary and any other duties that the Chair or the Board may assign to the Secretary.

Section 4.7 Treasurer

The Treasurer shall: (1) have or supervise charge and custody of and be responsible for all funds and securities of the Corporation; (2) receive and give receipts for moneys due and payable to the Corporation from any source, and deposit all moneys in the Corporation's name in banks, trust companies, or other depositories that the Board shall select; (3) submit the books and records to a Certified Public Accountant or other accountant for annual audit or review; and (4) in general perform all of the duties incident to the office of Treasurer and any other duties that the Chair or Board may assign to the Treasurer. If required by the Board of Trustees, the Treasurer shall give a bond for the faithful performance of the Treasurer's duties and as insurance against the misappropriation of funds. If a bond is required, it shall be in a sum and with the surety or sureties that the Board of Trustees shall determine.

Section 4.8 Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be filled by the Board of Trustees.

Section 4.9 Compensation, Loans to, or Guarantees for Officers

The officers of the Board of Trustees shall serve without compensation for their roles as officers; provided, however the Board of Trustees may pay an officer's actual and reasonable expenses in the manner provided in Section 3.17 dealing with the Trustees. The Corporation may not lend money to or guarantee the obligation of an officer of the Corporation.

ARTICLE V

BOARD COMMITTEES

Section 5.1 Establishment, Appointment, and Limits on Activities

The Board, by resolution adopted by a majority of Trustees in office, may create one or more standing, special or ad hoc Committees. Such Committees, except as expressly authorized by the Board resolution establishing such committee, shall be advisory in nature and shall not have authority to take action on behalf of or otherwise bind the Corporation or Board of Trustees, but shall undertake to review matters described herein and to take such findings and recommendations to the full Board of Trustees. The Chair of the Board shall appoint the members of, and the chair of, each Committee, subject to approval by the Board of Trustees.

Section 5.2 General Composition of Committees

Each Committee shall be composed of as many Trustees as the Board of Trustees may designate by resolution, but in all cases, the chair of a Committee shall be a Trustee. A non-Trustee may also serve on a Committee as approved by the Board. The President of the Corporation, shall serve as an ex-officio non-voting member of each committee.

Section 5.3 Term of Office

Each member of a Committee shall serve until his or her successor is appointed at or after the next annual meeting of the Board of Trustees, unless such member's death, resignation or removal occurs earlier, or unless the Committee is terminated earlier.

Section 5.4 Meetings, Notice, and Reports

Each Committee shall meet as often as is necessary to perform its duties. Meetings shall be as determined by the Committee or upon call of its chair or the Chair of

the Board. Notice may be given at any time and in any manner reasonably designed to inform the members of the time and place of the meeting. Notice of a special meeting shall specify the purpose of the meeting. Minutes of each meeting shall be kept by all Committees and filed with the Secretary of the Board. At each annual and regular meeting of the Board of Trustees, unless such a requirement is waived by the Board, each Committee shall report to the Board of Trustees action taken by the Committee since the last meeting of the Board of Trustees.

Section 5.5 Quorum and Manner of Acting

Unless otherwise provided by the resolution of the Board of Trustees establishing a Committee, a majority of the voting members of a Committee shall constitute a quorum and the act of a majority of the members present and voting at a duly called meeting at which a quorum is present shall be the act of the Committee.

Section 5.6 Informal Action

Any action which is required by law, the Articles of Incorporation or these Bylaws to be taken at a meeting of a Committee, or any other action which may be taken at a meeting of a Committee, may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed by all of the members of the Committee entitled to vote with respect to the subject matter thereof. Any such consent signed by all of the members of the Committee shall have the same force and effect as a unanimous vote at a duly called and constituted meeting of the Committee.

Section 5.7 Meeting by Conference Call

Any action which is required by law or the Articles of Incorporation or these Bylaws to be taken at a meeting of a Committee, or any other action which may be taken at a meeting of a Committee, may be taken through the use of a conference telephone or other similar communications equipment by reason of which all persons participating in the meeting can hear each other. Participation in such a meeting shall be equivalent to attendance and presence in person at the meeting of the persons so participating.

Section 5.8 Resignation and Removal

Any member of a Committee may resign at any time by giving notice to the chair of the Committee or to the Chair or Secretary of the Board. Resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt of notice or any later time specified in the notice. The Chair of the Board, upon ratification by resolution of the Board of Trustees, may remove any member of any Committee.

Section 5.9 Vacancies

Vacancies in the membership of any Committee shall be filled by appointments made in the same manner as the original appointment to that Committee.

ARTICLE VI

OFFICERS OF THE CORPORATION

Section 6.1 Officers

The Corporation may have a President (or other equivalent chief executive officer). The Board of Trustees may appoint additional officers of the Corporation and prescribe the authority and duties of any such additional officers. The Board of Trustees shall have authority to appoint and remove the President. The President shall serve as the chief executive officer of the Corporation. The President shall supervise and direct the day-to-day affairs of the Corporation, shall carry out the programs and activities of the Corporation, shall provide assistance to the Board of Trustees in fulfillment of their responsibilities as Trustees, officers of the Board, and chairs of Committees, and shall perform such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or which may be prescribed from time to time by resolution approved by the Board of Trustees. The President shall attend meetings of the Board of Trustees and serve as an ex-officio member of the Board of Trustees and its committees, without voting rights.

Section 6.2 Removal

Any officer described in this Article VI may be removed from office by the Board of Trustees, whenever in the judgment of the Board the best interests of the Corporation would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 6.3 Salaries, Loans to, or Guarantees for Officers

The Board of Trustees may fix and or adjust compensation of the officers from time to time. The Corporation may not lend money to or guarantee the obligation of an officer of the Corporation.

ARTICLE VII

INDEMNIFICATION; INSURANCE

Section 7.1 Indemnification of Trustees

General. To the full extent permitted by the Act, the Corporation shall indemnify and save harmless each Trustee, and persons to whom the Trustee has delegated management authority pursuant to the Bylaws (collectively, the “Indemnitees”) from and against any and all claims, liabilities, damages, losses, costs, and expenses (including amounts paid in satisfaction of judgments, compromises, and settlements, as fines and penalties and legal or other costs and expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Indemnitee and arise out of or in connection with the business of the Corporation or the performance by such Indemnitee of any of the Trustee’s responsibilities under the Bylaws. The rights created by this provision shall continue as to an Indemnitee who has ceased to be a Trustee or person to whom management authority is delegated, and shall inure to the benefit of such Indemnitee’s heirs, executors, administrators, legal representatives, successors, and assigns.

Section 7.2 Advance Expenses for Trustees

The Corporation may pay for or reimburse, in advance of final disposition of the proceeding, the reasonable expenses incurred by a Trustee who is a party to a proceeding to the full extent permitted by and in accordance with the Act.

Section 7.3 Indemnification of Officers, Agents, and Employees

The Corporation will indemnify and advance expenses to any officer of the Board or the Corporation or to a member of any committee, any employee, or agent of the Corporation, to the full extent permitted by and applying the standards as set forth in the Act.

Section 7.4 Mandatory Indemnification

Notwithstanding any other provisions of these Bylaws, the Corporation shall indemnify a Trustee or officer, who was wholly successful, on the merits or otherwise, in

the defense of any proceeding to which the Trustee or officer was a party because he or she is or was a Trustee of the Corporation or an officer of the Board or the Corporation, against expenses incurred by the Trustee or officer in connection with the proceeding.

Section 7.5 Trustee and Officer Liability Insurance

The Corporation may purchase and maintain a director and officer liability insurance policy insuring the Corporation and its individual Trustees and officers against the costs of defending a claim or paying a settlement or decision. The right of the Trustee and officer to indemnification by the Corporation shall be in addition to, and not exclusive of, all other rights to indemnification to which he or she otherwise may be entitled, including any rights to indemnification under the terms of the Trustee and officer liability insurance policy.

ARTICLE VIII CONFLICT

OF INTEREST

The Board shall by written resolution approve a conflict of interest and periodic review policy for the Corporation that is consistent with and at least as protective as the applicable conflict of interest provisions under the Act. If the Board fails to adopt a conflict of interest policy, any conflicts of interest will be governed by the Act. The purpose of the policy is to protect the Corporation's interest when it is contemplating entry into a transaction or arrangement (a "conflict of interest transaction") that might benefit the private interest of a Trustee, officer of the Board, officer of the Corporation or member of a committee ("interested person").

ARTICLE IX

CONTRACTS AND FINANCES

Section 9.1 Contracts

The Board of Trustees may by resolution authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instruments in the name of and on behalf of the Corporation and such authorization may be general or confined to specific instruments.

Section 9.2 Loans

The Corporation shall not allow anyone to contract on behalf of it for indebtedness for borrowed money unless the Board of Trustees authorizes such a contract by resolution. The Corporation shall not allow anyone to issue evidence of the Corporation's indebtedness unless the Board of Trustees authorizes the issuance by resolution. The authorization may

be general or specific.

Section 9.3 Checks, Drafts, etc.

The Board of Trustees shall authorize by resolution, which officer(s) or agent(s) may sign and issue all Corporation checks, drafts or other orders for payment of money, and notes or other evidence of indebtedness. The Board of Trustees shall also determine by resolution the manner in which these documents will be signed and issued.

Section 9.4 Deposits

The Corporation shall deposit all funds of the Corporation, that are not being used, (e.g. not being invested), in banks and other depositories; the Board of Trustees shall designate by Board resolution particular authorized banks and depositories as well as which officer(s) or agent(s) are authorized to make the deposits.

Section 9.5 Annual Independent Audit

The Board of Trustees shall ensure that the Corporation undergoes an annual audit by an independent auditor and that the results of such annual audit are distributed in a timely fashion to all Trustees. This requirement can be waived by a supermajority vote of the Board of Trustees.

ARTICLE X

FISCAL YEAR

The Corporation's fiscal year shall begin on January 1 and end on December 31.

ARTICLE XI

DISSOLUTION OF THE CORPORATION

Dissolution of the Corporation shall be authorized if it is approved in accordance with Section 3.1, pursuant to a plan of dissolution prepared in writing by the Board of Trustees and approved at a meeting after notice given pursuant to the dissolution provisions of the Act. The plan of dissolution shall indicate the distribution of the assets owned or held by the Corporation in accordance with the provisions of Section 12.2 herein. The Corporation shall give notice of any intended dissolution to the Montana Attorney General pursuant to the requirements of the Act.

ARTICLE XII
DISTRIBUTIONS

Section 12.1 Prohibited Distributions

Except as authorized by Section 12.2 herein, the Corporation shall not issue any dividends or otherwise make any distribution of any assets, including net income, of the Corporation.

Section 12.2 Authorized Distributions

Distributions of the Corporation's assets may only be made in accordance with the requirements for authorized distributions as set forth in the Act and consistent with the Code and the applicable Regulations governing private foundations. The Board of Trustees shall, upon dissolution of the Corporation, provided that all creditors of the Corporation shall have first been paid, make a distribution of the assets held or owned by the Corporation to an Internal Revenue Code Section 501(c)(3) tax exempt entity approved by the Board, and after the notice and/or consent requirements of Section 35-2-722, MCA, have been satisfied.

ARTICLE XIII

AMENDMENTS TO ORGANIZATIONAL DOCUMENTS

Section 13.1 Amendments to Organizational Documents

The Corporation may amend these Bylaws or the Articles of Incorporation in the manner authorized by law at the time of the amendment. However, prior to any such amendment, the Corporation shall first provide notice of such proposed amendment to the Montana Attorney General. The Montana Attorney General shall be deemed to have approved of such amendment if no objection is made in writing, containing the grounds for such objection within twenty (20) days after the Montana Attorney General has received notice of the proposed amendment. If the Montana Attorney General does object within twenty (20) days, then the Corporation shall not make any amendments until such objections are resolved.

Section 13.2 Contents of Notice to Amend Organizational Documents

The contents of any notice of a Board meeting to consider one or more proposed amendments to the Articles of Incorporation or the Bylaws shall conform to the provisions of Section 3.10 of these Bylaws and any applicable provisions of the Act. If the Board seeks to have the amendment approved by written consent or written ballot, the material soliciting the approval must contain or be accompanied by a copy or summary of the proposed amendment.

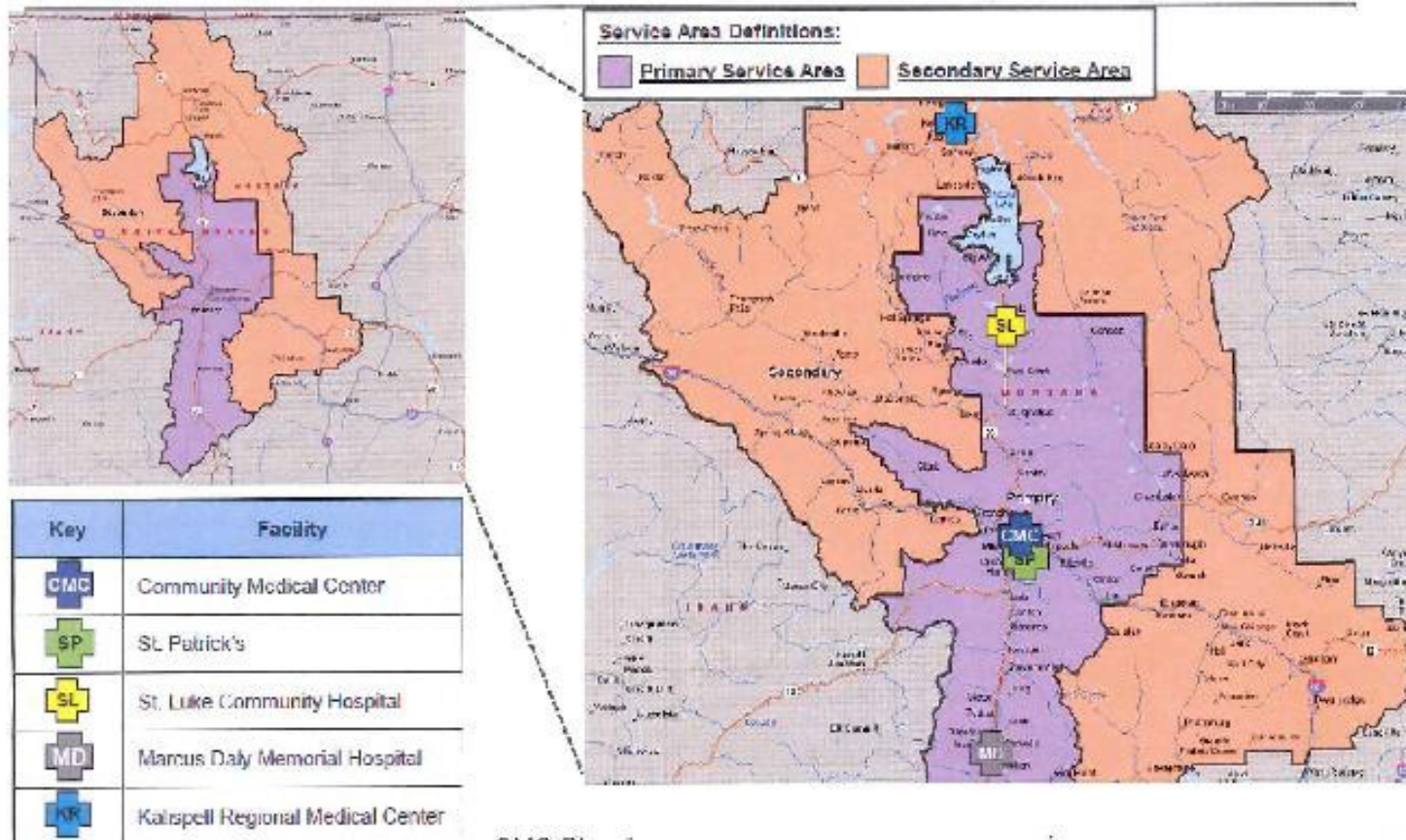
Adoption Date: _____, 2019.

_____	_____
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_____	_____

“Board of Trustees”

“Secretary”

Primary and Secondary Service Area



CMC Planning

Attachment A