

INTRODUCTION

The Western Marquette County Health Foundation (Doing Business as the West End Health Foundation) is a conversion 501 c (3) foundation that materialized on July 1, 2014 following Bell Hospital's agreement to its purchase by LifePoint Hospitals. It is a stand-alone corporation and is not affiliated in any way with LifePoint, Bell Hospital, or Superior Health Foundation (formerly Marquette General Foundation).

The Bell Foundation, which provided funding to Bell Hospital to invest in new technology, equipment, and to build the new hospital, transitioned into the West Health Foundation. In July 2019, the Western Marquette County Health Foundation started to use the Doing Business a name of the West End Health Foundation. The Bell Foundation non-profit tax ID was transferred to the new foundation.

The original sale agreement of Bell Hospital included a \$1M donation to a locally governed charity to provide grants to the community. While \$1M is certainly a lot of money, the board of directors of the foundation understood that it was not enough to create a sustainable, independent grant making organization. Operational costs and granting expenses, as well as compliance expenses associated with being the 'watch dog' organization, would deplete the \$1M quickly. The board reviewed its options, which included affiliating with an already existing foundation, establishing a plan to be a grant making organization with a sunset date, or requesting the attorney general consider increasing the \$1M to a sustainable level. In short, on July 1, 2013, the board of directors did not know what form the foundation would take.

While the sale agreement was under review by the Attorney General, the foundation board of directors had opportunities to meet with staffers from the Attorney General's Office and establish their case requesting the \$1M be revisited. The key components of the case focused on large amount of funds raised by the community during the 2005-2008 Capital Campaign and ongoing fundraising for technological initiatives, which totaled over \$7M in cash and in-kind gifts. Comparing this amounts with the \$1M figure, ongoing costs for compliance, and best practices with how granting organizations are funded (utilizing 3-5% of interest), helped the foundation board of directors' case that \$1M was insufficient to create an independent, and locally governed, grant making foundation.

In November, the foundation was notified that the \$1M contribution would be made upon finalization of the sale. In addition, however, any unused funds from the sale of the hospital would also be provided to the foundation. It was announced that the final amount (to be determined once all covenants of the sale were met) would be in the range of \$3M-\$7M. By July 1, 2014 the final amount received was \$7M.

PURPOSE OF THE FOUNDATION

The mission of the Western Marquette County Health Foundation is *Advancing health and wellness in the West End community*. The Vision of the Western Marquette County Health Foundation is *to build a culture encouraging healthy lifestyles in the West End*.

ARTICLES OF INCORPORATION OF THE FOUNDATION (AMENDED AND RESTATED)

(a Michigan Nonprofit Corporation)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Amended and Restated Articles:

1. The present name of the corporation is Western Marquette County Health Foundation (DBA the West End Health Foundation)
2. The identification number issued by the Bureau is 734651
3. Former names of the Corporation: The Bell Foundation
4. The date of filing the original Articles of Incorporation was March 5, 1992

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and restated and shall be the Articles of Incorporation of the Corporation:

Article I

The name of the Corporation is Western Marquette County Health Foundation (Doing Business as the West End Health Foundation).

Article II

The Corporation is organized exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") by receiving and administering funds to support healthcare and related activities in the Western portion of Marquette County, and conducting all activities incidental or necessary to accomplishing the foregoing purposes or otherwise permitted by Section 501(c)(3) of the Code.

Article III

The Corporation will at all times be conducted as an organization described in Section 501(c)(3) of the Code. The Corporation will not carry on any activities which are not permitted to be carried on by (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Code, (b) a corporation eligible to receive tax deductible contributions under Section 170(c) and Section 2055, Section 2522 or Section 2106 of the Code, or (c) a nonprofit corporation organized under the laws of the State of Michigan pursuant to the Act.

No part of the assets or net earnings of the Corporation may inure to the benefit of or be distributable to its Directors, officers, or other private persons; provided,

however, that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its charitable purposes.

No substantial part of the activities of the Corporation will be the carrying on of propaganda or otherwise attempting to influence legislation. The Corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office and shall not publish or distribute statements relating to political campaigns.

Article IV

At all times during which the Corporation is classified as a Public Charity under Section 509(a) of the Code:

A. The Corporation will distribute its income at a time and in a manner so that it does not become subject to the tax on undistributed income imposed by Section 4942 of the Code.

B. The Corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Code.

C. The Corporation will not retain any excess business holdings as defined in Section 4943(c) of the Code.

D. The Corporation will not make any investments in a manner as to subject it to tax under Section 4944 of the Code.

E. The Corporation will not make any taxable expenditures as defined in Section 4945(d) of the Code.

Article V

The Corporation is organized on a non-stock basis.

As of June 30, 2012, the Corporation had no real property and personal property consisting of savings and temporary cash investments in the amount of 327,978.78 and investments in the amount of \$183,927.63.

The Corporation is financed through contributions and investment income.

The Corporation is organized on a directorship basis.

Article VI

The address of the registered office is Post Office Box 211, Ishpeming, MI 49855. The business office of the Foundation is located at 910 US 41 West, Ishpeming, MI 49849.

The name of the resident agent at the registered office is Kori Tossava, Secretary of the Board of Directors.

Article VII

Except as otherwise provided by law, a volunteer Director or volunteer officer of the Corporation is not personally liable to the Corporation for monetary damages for a breach of the Director's or officer's fiduciary duty.

The Corporation assumes all liability to any person other than the Corporation for all acts or omissions of a volunteer Director incurred in the good faith performance of his or her duties as a Director.

The Corporation assumes the liability for all acts or omissions of a volunteer officer, provided that:

- (a) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (b) the volunteer was acting in good faith;
- (c) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- (d) the volunteer's conduct was not an intentional tort; and
- (e) the volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in Section 209(e)(v) of the Act.

Article VIII

Upon the termination, dissolution or winding up of the Corporation, all remaining assets of the Corporation will be distributed for a purpose or to an organization or organizations described in Section 501(c)(3) of the Code.

These Restated Articles of Incorporation were duly adopted on the 26th day of August, 2013 in accordance with Section 642 of the Michigan Nonprofit Corporation Act. These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation and were duly adopted by the sole Member. The necessary votes were cast in favor of these Restated Articles of Incorporation.

AMENDED AND RESTATED BYLAWS (8.2017) (A Michigan Nonprofit Corporation)

ARTICLE I

Board of Directors

Section 1. Directorship. The Corporation is organized upon a directorship basis. The property, business and affairs of the Corporation will be managed by its Board of Directors.

Section 2. Number and Term of Office. The Board of Directors of this Corporation will consist of not less than five persons, as determined by the Board of Directors.

Except for the Attorney General Designee (defined below), the term of office of any Director will commence upon his or her election or appointment by the affirmative vote of a majority of the Directors then in office. The Director's term will continue until the next annual meeting of the Corporation and thereafter until his or her successor is

chosen or until his or her death, resignation or removal prior to the next annual meeting.

The Attorney General may appoint one member to the Foundation's Board of Directors (the "Attorney General Designee"). The Attorney General Designee's term shall begin upon appointment and shall continue until such time as he or she resigns or is removed by the sitting Attorney General.

Section 3. Resignation, Removal and Vacancies. A Director may resign by written notice to the Corporation. The resignation will be effective upon its receipt by the Corporation or a subsequent time as set forth in the notice of resignation. Except for the Attorney General Designee, who may only be removed by the sitting Attorney General, a Director may be removed, either with or without cause, by the affirmative vote of a majority of the Directors then in office.

If a vacancy has occurred among the members of the Board as a result of death, resignation, removal, or otherwise, the vacancy may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. Notwithstanding the foregoing, in the event of a vacancy in the Attorney General Designee position, the vacancy shall not be filled except by appointment of the sitting Attorney General.

Section 4. General Powers as to Negotiable Paper. The Board of Directors may, from time to time, authorize the making, signature or endorsement of checks, drafts, notes and other negotiable paper or other instruments for the payment of money and designate the persons who will be authorized to make, sign or endorse the same on behalf of the Corporation.

Section 5. Powers as to Other Documents. All material contracts, conveyances and other instruments may be executed on behalf of the Corporation by the or any Vice President, and, if necessary, attested by the Secretary or the Treasurer.

Section 6. Compensation. Directors will serve without compensation but may be reimbursed for actual, reasonable and necessary expenses incurred by a Director in his or her capacity as a Director, consistent with policies adopted by the Board.

ARTICLE II

Meetings

Section 1. Annual Meeting. The annual meeting of the Directors of the Corporation will be held at the principal office of the Corporation during the month preceding the first meeting of the fiscal year, or at any other place and date as designated by the Directors for the purpose of electing Directors and officers for the ensuing year, presenting to the Directors a copy of the Corporation's financial report for the preceding fiscal year and for the transaction of other business properly brought before the meeting.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held without notice if the time and place of the meeting has been determined by

resolution of the Board. At least one regular meeting of the Board must be held each year.

Section 3. Special Meetings. Special meetings of the Directors may be called by the President and will be called by the President or Secretary at the direction of not less than two Directors or as may otherwise be provided by law. Special meetings will be held at the principal office of the Corporation unless otherwise directed by the President or Vice President and stated in the notice of meeting. Any request for a meeting by the Directors must state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meeting. Except as otherwise provided by these Bylaws or by law, written notice containing the time and place of all meetings of the Board of Directors will be given personally, by mail, or by electronic transmission to each Director not less than ten days before a regular meeting and not less than two days before a special meeting. Notice by electronic transmission will be deemed to have been given when electronically transmitted to the person entitled to the notice or communication in a manner authorized by the person. Notice of a regular meeting need not state the purpose or purposes of the meeting nor the business to be transacted at the meeting. Notice of a special meeting must state the purpose or purposes of the meeting.

Attendance of a Director at a meeting constitutes a waiver of notice of the meeting, except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 5. Quorum and Voting. A majority of all Directors will constitute a quorum at any meeting. The vote of a majority of the Directors present at a meeting at which a quorum is present will constitute the action of the Board of Directors, unless the vote of a larger number is required by law or by other sections of these Bylaws or the Articles of Incorporation.

Section 6. Conduct at Meetings. Meetings of the Directors will be presided over by the President. The Vice President of the Corporation or, in their absence, a person chosen at the meeting will act as Chair of the meeting.

Section 7. Action by Electronic Consent. Any action required or permitted to be taken at a regular or special meeting of Directors may be taken without a meeting, without prior notice and without a vote, if of a quorum the Directors consent in writing, including by electronic transmission such as electronic mail, to the action so taken. Action must be done purely in voting form of yay or nay, without discussion with a specified deadline. If discussion is initiated, the action is voided, and a special meeting will be called. If a director does not voice vote by specified date, the vote will be consent by default. Written consents will be filed with the minutes of the proceedings of the Board of Directors.

Section 8. Participation by Remote Communication. A Director may participate in a meeting of Directors by conference telephone or other means of remote communication by which all persons participating in the meeting may communicate with each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

ARTICLE III

Officers

Section 1. Election or Appointment. The Board of Directors will elect a President, Vice President, a Secretary and a Treasurer of the Corporation at each annual meeting. The same person may hold any two or more offices, but no officer will execute, acknowledge or verify any instrument in more than one capacity. The Directors may also appoint any other officers and agents as they deem necessary for accomplishing the purposes of the Corporation.

Section 2. Term of Office. The term of office of all officers will commence upon their election or appointment and will continue until the next annual meeting of the Corporation and until their respective successors are chosen or until their resignation or removal. Any officer may be removed from office at any meeting of the Directors, with or without cause, by the affirmative vote of a majority of the Directors then in office, whenever in their judgment the best interest of the Corporation will be served.

An officer may resign by written notice to the Corporation. The resignation will be effective upon its receipt by the Corporation or at a subsequent time specified in the notice of the resignation.

Section 3. Compensation. Any officer who is an employee of the Corporation will receive reasonable compensation for his or her services as fixed by the Board of Directors.

Section 4. President. The President will preside over all board meetings and will perform such other duties prescribed by the Board of Directors. The President will be the chief executive officer of the Corporation and will have general and active management of the activities of the Corporation. The President will see that all orders and resolutions of the Board of Directors are carried into effect, will execute all authorized conveyances, contracts or other obligations in the name of the Corporation except where required by law to be otherwise signed and executed and except where the signing and execution is expressly delegated by the Directors to some other person.

Section 5. Vice President. The Vice President will, in the absence or disability of the President, perform the duties and exercise the powers of the President and will perform any other duties prescribed by the Board of Directors or the President

Section 6. The Secretary. The Secretary will attend meetings of the Board of Directors and record or cause to be recorded the minutes of all proceedings in a book to be kept for that purpose. The Secretary will give or cause to be given notice of all meetings of the Board of Directors for which notice may be required and will perform any other duties prescribed by the Directors.

Section 7. The Treasurer. The Treasurer will oversee the financial activities of the Corporation. The Treasurer will perform all duties incident to the office of Treasurer and other administrative duties as may be prescribed by the Board of Directors. All books, papers, vouchers, money and other property of whatever kind

belonging to the Corporation which are in the Treasurer's possession or under his or her control will be returned to the Corporation at the time of his or her death, resignation or removal from office.

ARTICLE IV Committees

Section 1. Executive Committee. The Board of Directors may establish an Executive Committee consisting of two or more members of the Board. The Executive Committee, subject to those limitations as may be required by law or imposed by resolution of the Board of Directors, may exercise all powers and authority of the Board of Directors in the management of the business and affairs of the Corporation between meetings of the Board of Directors, except that such Executive Committee will not have power or authority to:

- (a) Amend the Articles of Incorporation;
- (b) Adopt an agreement of merger or consolidation;
- (c) Approve the sale, lease or exchange of all or substantially all of the Corporation's property and assets;
- (d) Approve the dissolution of the Corporation or a revocation of a dissolution;
- (e) Amend the Bylaws of the Corporation;
- (f) Fill vacancies on the Board; or
- (g) Fix compensation of the Directors for serving on the board or on a committee.

Section 2. Other Committees. The Board of Directors may designate other committees as deemed appropriate. The committees will have the authority as delegated to them by the Board of Directors.

Section 3. Procedure. All committees, and each member thereof, will serve at the pleasure of the Board of Directors. The Board of Directors will have the power at any time to increase or decrease the number of members of any committee, to fill vacancies thereon, to change any member thereof, and to change the functions or terminate the existence of any committee. Regular or special meetings of any committee may be held in the same manner provided in these Bylaws for regular or special meetings of the Board of Directors, and a majority of any committee will constitute a quorum at the meeting.

ARTICLE V Indemnification

Section 1. Indemnification. The Corporation will, to the fullest extent now or hereafter permitted by law, indemnify any Director or officer of the Corporation (and, to the extent provided in a resolution of the Board of Directors or by contract, may indemnify any volunteer, employee or agent of the Corporation) who was or is a party to or threatened to be made a party to any threatened, pending, or completed action,

suit or proceeding by reason of the fact that the person is or was a Director, officer, volunteer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, partner, volunteer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses including attorneys' fees (which expenses may be paid by the Corporation in advance of a final disposition of the action, suit or proceeding as provided by law), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person acted (or refrained from acting) in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful.

Section 2. Rights to Continue. This indemnification will continue as to a person who has ceased to be a Director or officer of the Corporation. Indemnification may continue as to a person who has ceased to be a volunteer, employee or agent of the Corporation to the extent provided in a resolution of the Board of Directors or in any contract between the Corporation and the person. Any indemnification of a person who was entitled to indemnification after such person ceased to be a Director, officer, volunteer, employee or agent of the Corporation will inure to the benefit of the heirs and personal representatives of that person.

ARTICLE VI

Conflicts of Interest

Section 1. Disclosure. When a member of the Board, an officer or a committee member is affiliated with an organization seeking to provide services or facilities to the Corporation, or when a member of the Board, an officer or committee member has any duality of interest or possible conflict of interest, real or apparent, such affiliation or conflict of interest should be disclosed to the Board of Directors and made a matter of record, either when the interest becomes a matter of Board action or committee action or as part of a periodic procedure to be established by the Board. An affiliation with an organization will be considered to exist when a Board member, officer or committee member, or a member of his or her immediate family or close relative is an officer, director, trustee, partner, employee or agent of the organization, or has any other substantial interest or dealings with the organization.

Section 2. Voting. Any Board member, officer or committee member having a duality of interest or possible conflict of interest on any matter should not vote or use his or her personal influence on the matter, however, he or she may be counted in determining a quorum for the meeting at which the matter is voted upon, as permitted by law. The Board should obtain and rely on appropriate comparability data. The minutes of the meeting should reflect that the disclosure was made, that the interested Board member or committee member abstained from voting, whether his or her presence was counted in determining a quorum, and whether comparability data was

considered and used as a basis for making the decision. The comparability data should be attached to the minutes and made a part of the record.

Section 3. Determining Compensation. The process for determining compensation of the Corporation's chief executive officer, executive director, other officers or key employees will include review and approval by independent persons, use of comparability data and contemporaneous substantiation of the deliberation and decision. An independent person is defined as a director, officer or member of a committee with governing Board delegated powers who does not have a direct or indirect financial interest in the Corporation.

Section 4. Statement of Position. The foregoing requirements should not be construed to prevent a Board member or officer from stating his or her position on the matter under consideration, nor from answering questions of other Board members relating to the matter.

ARTICLE VII Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Corporation will end on the last day of December.

Section 2. Amendments. These Bylaws may be amended or repealed by the affirmative vote of a majority of the Directors of the Corporation then in office.

Section 3. Loans and Guarantees. The Corporation will not provide loans to or guarantee obligations of an officer or Director of the Corporation, unless expressly permitted under State law.

AUTHORIZATION OF THE FOUNDATIONS AS AN IRS RECOGNIZED 501(C)(3)
The West End Health Foundation is organized as a public charity under the IRS 501 (c) 3 code of the law. This requires a diversified income of 10 percent of revenue (approx. \$) annually. Should the foundation be reclassified as a private non-operating foundation under the IRS 501 (c) 3 code of the law (based on income tests), the foundation will be required to provide 5 percent (annually) of assets to operations and charitable gifts. For examples refer to Table 1.1. For a full explanation of the IRS Classifications refer to the IRS website.