

**BYLAWS
OF
DOGWOOD HEALTH TRUST**

INDEX OF BYLAWS
OF
DOGWOOD HEALTH TRUST

ARTICLE I

PURPOSE

Section 1	Purpose	1
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ARTICLE II

OFFICES

Section 1	Principal Office.....	1
Section 2	Registered Office	1
Section 3	Other Offices.....	1

ARTICLE III

BOARD OF DIRECTORS

Section 1	General Powers	1
Section 2	Number, Term and Qualifications.....	1
Section 3	Election of Directors.....	2
Section 4	Removal	2
Section 5	Vacancies	2
Section 6	Compensation.....	2

ARTICLE IV

MEETINGS OF DIRECTORS

Section 1	Regular Meetings.....	2
Section 2	Special Meetings.....	2
Section 3	Notice of Meetings	2
Section 4	Waiver of Notice.....	3
Section 5	Quorum.....	3
Section 6	Manner of Acting.....	3
Section 7	Presumption of Assent.....	3
Section 8	Informal Action by Directors	4
Section 9	Committees of the Board	4
Section 10	Advisory Boards.....	4

ARTICLE V

OFFICERS

Section 1	Officers of the Corporation	4
Section 2	Election and Term.....	5
Section 3	Compensation of Officers.....	5
Section 4	Removal	5
Section 5	Chair	5
Section 6	Vice Chair	5
Section 7	Secretary	5
Section 8	Treasurer	5

ARTICLE VI

PRESIDENT & CHIEF EXECUTIVE OFFICER

Section 1	President & Chief Executive Officer	6
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ARTICLE VII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1	Contracts	6
Section 2	Loans.....	6
Section 3	Checks and Drafts	6
Section 4	Deposits.....	6

ARTICLE VIII

GENERAL PROVISIONS

Section 1	Seal	7
Section 2	Indemnification.....	7
Section 3	Fiscal Year.....	8
Section 4	Amendments.....	8
Section 5	Construction of Terms.....	8

BYLAWS
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ARTICLE I

PURPOSE

Section 1 *Purpose.* As set forth in the articles of incorporation of the corporation, the purpose of the corporation shall be to dramatically improve the health and well-being of all people and communities of Western North Carolina. For purposes of these bylaws, "Western North Carolina" shall be defined to include the following counties in the State of North Carolina: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania and Yancey.

ARTICLE II

OFFICES

Section 1 *Principal Office.* The principal office of the corporation shall be located in Western North Carolina.

Section 2 *Registered Office.* The registered office of the corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3 *Other Offices.* The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the corporation may require.

ARTICLE III

BOARD OF DIRECTORS

Section 1 *General Powers.* The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2 *Number, Term and Qualifications.* The number of directors constituting the Board of Directors shall be at least five and not more than nineteen as may be fixed or changed, within the minimum and maximum, by the Board of Directors. Each director shall be elected for a three-year term and until his or her successor is elected and qualifies. The Board of Directors shall be divided into three classes with staggered terms, with each class as nearly equal in number as may be. Accordingly, approximately one-third of the directors' terms of office shall expire each year. Each director shall be eligible to serve on the Board of Directors for three full consecutive three-year terms. Thereafter such director must

cease to serve for a least one year before being eligible for election to the Board of Directors of the corporation. Any person who is elected to replace a director whose term has expired shall be elected to serve a three-year term. Any person elected to replace a director who dies, resigns or is removed prior to the expiration of his or her term shall serve for the remainder of such director's unexpired term and also shall be eligible to serve three additional consecutive three-year terms. Directors shall be qualified to serve as such on the basis of their knowledge, skill, experience and commitment to advance the charitable purpose of the corporation. In addition, the Board shall be comprised of directors who represent the diversity of the residents of Western North Carolina. Notwithstanding the foregoing, the President & Chief Executive Officer shall serve ex officio as a director without voting rights.

- Section 3 *Election of Directors.* The directors shall be elected by the vote of the directors then in office; and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be deemed to have been elected. If any director so demands, the election of directors shall be by ballot.
- Section 4 *Removal.* Any director may be removed at any time with or without cause by the vote of a majority of the directors present at a meeting at which a quorum is present.
- Section 5 *Vacancies.* Any vacancy occurring among the directors may be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.
- Section 6 *Compensation.* Directors shall not be compensated for their services as such but may be reimbursed for any or all reasonable and documented expenses incurred in connection with their service on the Board.

ARTICLE IV

MEETINGS OF DIRECTORS

- Section 1 *Regular Meetings.* A regular meeting of the Board of Directors shall be held annually at the principal office of the corporation or at such other place as the Board of Directors may designate. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.
- Section 2 *Special Meetings.* Special meetings of the Board of Directors may be called by or at the request of the Chair or of any two directors. Such a meeting shall be held within the State of North Carolina.
- Section 3 *Notice of Meetings.* Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of

the Board of Directors shall, at least five days prior to the meeting, give written notice thereof delivered personally or sent by United States mail, facsimile or electronic mail to each director at his or her address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. If sent by facsimile or electronic mail, such notice shall be deemed delivered upon receipt of an electronic acknowledgment of delivery. Such notice need not specify the purpose for which the meeting is called.

Section 4 *Waiver of Notice.* Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5 *Quorum.* A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6 *Manner of Acting.* Except as otherwise provided in these bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The following actions shall require the affirmative vote of eighty-five percent of the then-current members of the Board of Directors:

- (a) Changing the name of the corporation by amending, modifying or repealing Article 1 of the articles of incorporation or by adopting an assumed name;
- (b) Modifying the statement of purpose of the corporation by amending, modifying or repealing Article 2 of the articles of incorporation or Article I of these bylaws;
- (c) Amending, modifying or repealing Article III, Section 2 of these bylaws (Board of Directors; Number, Term and Qualifications);
- (d) Appropriating for expenditure in any fiscal year an amount greater than seven percent of the fair market value of the corporation's investment assets, calculated on the basis of market values averaged over the period of (i) the corporation's existence or (ii) the five fiscal years immediately preceding the fiscal year in which the appropriation for expenditure is made, whichever period is shorter; and
- (e) Approving dissolution, merger, or the sale, pledge or transfer of all or substantially all of the corporation's assets.

For purposes of calculating the super-majority voting requirement in this Section 6, abstentions shall be considered negative votes.

- Section 7 *Telephonic Meetings.* The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.
- Section 8 *Presumption of Assent.* A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (a) his or her contrary vote is recorded; (b) his or her dissent is otherwise entered in the minutes of the meeting; (c) he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof; or (d) he or she shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.
- Section 9 *Informal Action by Directors.* Action taken by the directors without a meeting is nevertheless Board action if written consent to the action in question is approved in writing by all of the directors, whether done before or after the action so taken. Such approval may be evidenced by signature or electronic indicia of assent, and shall be filed with the minutes of the proceedings of the Board.
- Section 10 *Committees of the Board.* The Board of Directors, by resolution adopted by a majority of the directors present at a meeting at which a quorum is present, may designate certain directors to constitute an Executive Committee and any other committees, each of which, to the extent authorized by law and provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the corporation; provided, however, that no committee of the Board shall (a) authorize distributions; (b) authorize or approve any dissolution, merger or sale, pledge, transfer or other distribution of all or substantially all of the corporation's assets; (c) elect, appoint or remove any directors, officers, committee chairs or committee members, or the Chair, or fill any vacancy; (d) adopt, amend or repeal the articles of incorporation or the bylaws; or (e) engage in any other act not specifically delegated to such committee by these bylaws or by resolution of the Board. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it or him or her by law. In addition, the Board of Directors may designate committees that include persons not currently serving as directors; provided, however, that such committees may not exercise the authority of the Board of Directors.
- Section 11 *Advisory Boards.* The Board of Directors, by resolution adopted by a majority of the directors present at a meeting at which a quorum is present, may designate persons to serve as members of one or more advisory boards. Such advisory board or boards shall provide counsel to

the Board of Directors and shall have no authority to manage the affairs of the corporation.

ARTICLE V

OFFICERS

- Section 1 *Officers of the Corporation.* The officers of the corporation shall consist of a Chair, one or more Vice Chairs, a Secretary, an Assistant Secretary, a Treasurer, an Assistant Treasurer and other officers as the Board of Directors may elect. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.
- Section 2 *Election and Term.* The officers of the corporation shall be elected from their number annually by the Board of Directors and each officer shall hold office for two years or until his or her successor shall have been elected and qualified; provided, however, that the Assistant Secretary and the Assistant Treasurer need not be directors and may serve without term limits. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.
- Section 3 *Compensation of Officers.* Officers of the corporation shall not be compensated for their service as such or in any other capacity unless such compensation shall be authorized by the Board of Directors; provided, however, that the Assistant Secretary and the Assistant Treasurer may be compensated for their services to the corporation.
- Section 4 *Removal.* Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby.
- Section 5 *Chair.* The Chair shall oversee the activities of the Board of Directors and, when present, preside at all meetings of the Board of Directors.
- Section 6 *Vice Chair.* In the absence of the Chair or in the event of his or her death, inability or refusal to act, the Vice Chair, unless otherwise determined by the Board of Directors, shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. If there is more than one Vice Chair, the Board of Directors shall determine which shall perform the duties of the Chair in the instances described above. The Vice Chair shall perform such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors, or by these bylaws.
- Section 7 *Secretary.* The Secretary shall (a) keep the minutes of the meetings of the Board of Directors and of all committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the

corporation, if any, and see that the seal of the corporation is affixed to all documents executed on behalf of the corporation which require the seal of the corporation; and (d) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the Chair, by the Board of Directors, or by these bylaws. The Secretary may be assisted in the discharge of the duties described herein by professional staff and other persons as he or she deems necessary or desirable.

Section 8 *Treasurer.* The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such depositories as shall be selected in accordance with the provisions of these bylaws; and (c) in general, perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors, or by these bylaws. The Treasurer may be assisted in the discharge of the duties described herein by professional staff and other persons as he or she deems necessary or desirable.

ARTICLE VI

PRESIDENT & CHIEF EXECUTIVE OFFICER

Section 1 *President & Chief Executive Officer.* The President & Chief Executive Officer shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall sign any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. In addition, he or she shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board of Directors. The compensation of the President & Chief Executive Officer shall be determined by the Board of Directors.

ARTICLE VII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1 *Contracts.* The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2 *Loans.* No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized

by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3 *Checks and Drafts.* All checks, drafts or other orders for the payment of money, issued in the name of the corporation, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall be determined by resolution of the Board of Directors. In the absence of such resolution, such instruments shall be signed by the Chief Executive Officer or Chief Financial Officer or equivalent.

Section 4 *Deposits.* All funds of the corporation not otherwise employed shall be deposited to the credit of the corporation in such depositories as the Board of Directors may select.

ARTICLE VIII

GENERAL PROVISIONS

Section 1 *Seal.* The seal of the corporation, if any, shall consist of two concentric circles between which is the name of the corporation and in the center of which is inscribed SEAL.

Section 2 *Indemnification.* Any person who at any time serves or has served (a) as a director, officer, committee member or employee of the corporation, or (b) upon the request of the corporation, in such capacity for any other corporation, partnership, joint venture, trust or other enterprise, shall have a right to be indemnified by the corporation to the fullest extent permitted by law against (i) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, brought by a third party, seeking to hold him or her liable by reason of the fact that he or she is or was acting in such capacity, and (ii) reasonable payments made by him or her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he or she may have become liable in any such action, suit or proceeding. Such person shall not be indemnified by the corporation against suits brought by or on behalf of the corporation, seeking to hold him or her liable by reason of the fact that he or she is or was acting in such capacity, unless such person is found blameless by a court of law or other properly constituted tribunal.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him.

Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board

of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, committee member or employee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized in this bylaw.

Any person who at any time after the adoption of this bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

In addition to the foregoing, the Board of Directors shall have the right and power to purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member or employee of the corporation, or is or was serving at the request of the corporation as director, officer, committee member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability.

- Section 3 *Fiscal Year.* The fiscal year of the corporation shall be the calendar year.
- Section 4 *Amendments.* These bylaws may be amended or repealed and new or amended bylaws may be adopted by the affirmative vote of two-thirds of the directors then holding office at any regular or special meeting of the Board of Directors at which a quorum is present; provided, however, that amendment, modification or repeal of Article IV, Section 6 (Meetings of Directors, Manner of Acting) of these bylaws shall require the affirmative vote of eighty-five percent of the then-current members of the Board of Directors with abstentions considered as negative votes.
- Section 5 *Construction of Terms.* Where appropriate, any word denoting or referring to one gender shall be deemed to include any other gender.

Approved by the Board of Directors on May 23, 2018.