



HALIFAX HEALTH

Board of Commissioners Meeting

May 27, 2020
4:00pm - France Tower
Conference Room A

Conference Call Participation
Dial In Number: 888-585-9008
Participant Room: 532-800-500

HALIFAX HEALTH BOARD OF COMMISSIONERS MEETING

303 No. Clyde Morris Boulevard, Daytona Beach, FL

France Tower Conf. Room A

May 27, 2020

Conference Call Option

Dial In: 888-585-9008

Participant Room: 532-800-500

AGENDA

Call to Order

Roll Call

Mission Statement

New Business

- Amended and Restated Bylaws – Medical Center of Deltona, Inc.

Old Business

- COVID-19 Update

Public Participation

Next Meeting

- June 10, 2020 – 4pm – FT Conf. Room A w/Conf. Call Option

Adjourn



OUR MISSION is to be the community healthcare leader through exceptional talent and superior patient centered service delivered in a financially sustainable manner.

OUR VISION is to develop talented teams dedicated to providing competent, accountable patient centered healthcare in a financially sustainable manner.

OUR VALUES:

Halifax Health will cultivate a positive workplace in which each team member is valued, respected, and has an opportunity for personal and professional growth. We will develop patient centered systems of care.

OUR SERVICE PHILOSOPHY:

Halifax Health will ensure that those we serve are treated with courtesy and respect in a safe, compassionate, and professional environment.

Halifax Health will provide exemplary medical, emotional, and spiritual care for each of our patients and their families.

Adopted 7/14/10



HALIFAX HEALTH

TO: Board of Commissioners, Halifax Hospital Medical Center
FROM: Kelly Kwiatek, Senior Vice President and General Counsel
DATE: May 22, 2020
RE: Adoption of Amended Bylaws of MCD

Within thirty (30) days of receipt of the 501(c)(3) determination for Medical Center of Deltona, Inc. (MCD), the MCD Board of Directors must adopt the Amended and Restated Bylaws of the Medical Center of Deltona, Inc.

The co-managers of MCD - Halifax Hospital Medical Center (HHMC) and Shands Teaching Hospital and Clinics, Inc. (Shands) - desire to reduce the number of MCD Board of Directors from 4 HHMC directors and 4 Shands directors, as previously approved, to 3 HHMC directors and 3 Shands directors.

The MCD Board of Directors may not, without the approval of the Board of Commissioners of HHMC, amend MCD bylaws. As such, attached are redline and clean versions of proposed changes, all contained in Articles IV and V, to the Amended and Restated Bylaws of Medical Center of Deltona, Inc. for your consideration and approval.

AMENDED AND RESTATED BYLAWS
OF
MEDICAL CENTER OF DELTONA, INC.

ARTICLE I – NAME

The name of this corporation is Medical Center of Deltona, Inc. (hereinafter referred to as the “Corporation”). The principal office will be in the City of Deltona, County of Volusia, Florida. The corporation may have other offices as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II – PURPOSES

Section 1. The Corporation has been formed by, and is intended to be an instrumentality of, the Halifax Hospital Medical Center, a special taxing district of the State of Florida (hereinafter referred to as “Halifax”). Halifax is expressly authorized, pursuant to Chapter 2003-374, Laws of Florida, as amended by Chapter 2019-172, Laws of Florida, (hereinafter referred to as the “Enabling Act”) to establish corporations pursuant to Chapter 617, Florida Statutes, which are under the control of the District. The Corporation has been formed by Halifax for the purpose of owning and operating a hospital in Deltona, Florida in order to provide that community with a hospital and high-quality medical care – all in furtherance of Halifax’s mission of providing health care to the public. Halifax and not-for-profit corporations formed by Halifax, to include the Corporation, are expressly authorized by the Enabling Act to contract with other entities, including but not limited to other hospitals and health care providers, for the purpose of providing health care to the public.

In light of the foregoing, the Corporation is organized exclusively for such charitable, educational and scientific purposes as will qualify it for exemption from federal income tax as an

organization described by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), or the corresponding section of any future United States Internal Revenue Law. The Corporation is organized as a not for profit corporation under Chapter 617, Florida Statutes, on a non-stock basis.

Within the scope of the foregoing, the Corporation shall be authorized to exercise the powers permitted not for profit corporations under Chapter 617, Florida Statutes; provided however, that the Corporation while exercising any one or more powers shall do so exclusively in furtherance of the corporate purpose described in this Article II and only in furtherance of a charitable, educational or scientific purpose, within the meaning of Section 501(c)(3) of the Code.

Section 2. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to any director or officer of the Corporation or other private person, except as reasonable compensation for services rendered to make payments in furtherance of the purposes set forth in this Article II. No substantial part of the activities of the Corporation shall be for the carrying on of a program of propaganda or otherwise attempting to influence legislation (except to the extent permitted pursuant to an election made under Section 501(h) of the Code). The Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any

activities not permitted to be carried on by (a) an organization exempt from federal income taxation under Section 501(c)(3) of the Code, or any corresponding section of any future United States Internal Revenue Law, or (b) an organization to which contributions are deductible under Section 170(c)(2) of the Code, or corresponding section of any future United States Internal Revenue Law.

ARTICLE III – MEMBERSHIP

Section 1. Members. The sole member of the Corporation shall be Halifax.

Section 2. Transfer of Membership. Membership in the Corporation is not transferable or assignable.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. Composition and Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of a Board of Directors, which may delegate the performance of any duties or the exercise of any powers to such officers and agents as the Board of Directors may from time to time designate. The required number of Directors shall be six (6). The then-current Board of Directors shall have the power to increase the number of Directors from time to time; provided that any such increase will include an equal number of Halifax Directors and Shands Directors (as defined below).

Section 2. Term of Office, Replacement. Directors shall serve terms of two (2) years subject to their earlier removal as contemplated herein; and provided that any sitting director shall continue to serve until his or her successor has been appointed. Vacancies shall be filled by appointment as provided for herein.

Section 3. Appointment of Directors. The Directors shall be appointed by the Chairman of the Board of Commissioners of Halifax, as provided in these Bylaws. The initial set of Directors shall be the Chief Executive officer of Halifax and two other members designated by Halifax, the Chief Financial Officer of Shands Teaching Hospital and Clinics, Inc. (hereinafter “Shands”), and two other members designated by Shands, each of whom shall serve a two (2) year term (said Directors referred to hereafter as the “First Term Directors”). At the conclusion of the term of the First Term Directors, the second set of directors shall be the Chief Financial Officer of Halifax, and two other members designated by Halifax, the Chief Executive officer of Shands, and two other members designated by Shands, each of whom shall serve a two (2) year term (said Directors referred to hereafter as the “Second Term Directors”). Each of the Directors who is a representative of Halifax or otherwise designated by Halifax is referred to herein as a “Halifax Director” and each of the Directors who is a representative of Shands or otherwise designated by Shands is referred to herein as a “Shands Director.” Thereafter, Directors shall be appointed in the same manner as the First Term Directors and serve two year terms and then shall be appointed in the same manner as the Second Term Directors and shall serve a two year term, and the manner of appointment shall continue to rotate for each subsequent two year term. Any Director may be removed from the Board of Directors, with or without cause, in either of two ways:

- (a) For a Halifax Director: (i) By written termination executed by both the Chairman of the Board of Commissioners of Halifax and the Chief Executive Officer of Halifax, or (ii) a resolution duly adopted by the Board of Commissioners of Halifax at a properly noticed meeting of such Board of Commissioners at which a quorum was present.

- (b) For a Shands Director: (i) By written notice of termination executed by the Chief Executive Officer of Shands, or (ii) a resolution duly adopted by the Board of Directors of Shands at a properly noticed meeting of such Board at which a quorum was present. The notice of termination or resolution of the Board of Directors of Shands, as the case may be, shall be delivered to the Chief Executive Officer of Halifax, who shall thereafter terminate the Director immediately by written termination.

Removal of a Director from the Board of Directors pursuant to either of the above two procedures shall be effective immediately. There shall be no right for appeal or court challenge of such removal as each Director, at the time he or she accepted appointment, agreed to removal as specified immediately above.

Section 4. Replacement of Directors.

- (a) Whenever a vacancy exists on the Board of Directors, whether by death, resignation, or otherwise, the vacancy shall be filled by the same appointment procedure as was utilized in the appointment of the Director whose office was vacated; provided, however, that a vacancy created by the departure of a Shands Director shall be filled with an officer or employee of Shands.
- (b) Any person appointed to fill a vacancy in the Board of Directors shall hold office for the balance of the term of the Director he or she replaced subject to the power of removal contained herein.

Section 5. Liability of Directors. The Directors of this Corporation shall not be personally liable for the actions, debts, liabilities, or other obligations of the Corporation.

Section 6. Restrictions on Authority of Directors. The Board of

Directors of the Corporation may not, without a two-thirds (2/3) vote of the Board of Directors, and the approval of the Board of Commissioners of Halifax:

- (a) Adopt a plan of dissolution of the Corporation;
- (b) Authorize the Corporation to engage in, or enter into, any transaction providing for the sale, mortgage, or other disposition of all or substantially all of the assets of the Corporation;
- (c) Adopt a plan of merger or consolidation of the Corporation with another corporation, or a member substitution;
- (d) Adopt any annual or long-term capital and operational budgets of the Corporation or approve any changes therein;
- (e) Make any expenditure or take any other action that would, or reasonably could be expected to, cause the Corporation to exceed its annual capital or operating budget by a variance (on an annualized basis) of more than ten percent of total annual budgeted expenses;
- (f) Incur any long-term debt in an amount greater than five hundred thousand dollars (\$500,000);
- (g) Initiate a bankruptcy proceeding, assignment for the benefit of creditors, liquidation, dissolution, or similar proceeding or process; or
- (h) Consummate a direct or indirect transfer or assignment of any type, whether by contract or by operation of law (including, without limitation, by consolidation, membership substitution, or merger), of all or any part of any interest of the Corporation in all or any portion of the hospital that it operates, including,

without limitation, the Corporation's leasehold interests in such hospital, to any party other than Shands or an Affiliate of Shands.

- (i) Amend the articles of incorporation or these Bylaws; provided, however, that in the event of the expiration, or termination of the Management Services, Contribution, and Governance Agreement among the Corporation, Shands, Halifax, Halifax Management System, Inc., and Halifax Hospice, Inc. dated December 18, 2019 (the "Management Agreement") the articles of incorporation and these Bylaws may be amended by a vote or unanimous consent of Halifax as sole member at any time that Shands is no longer entitled to serve on the Board of Directors (as specified in the Management Agreement).

Section 7. Compensation. No member of the Board of Directors shall receive any compensation from the Corporation for the performance of their duties, but shall be reimbursed for their expenses incurred in the performance of their duties as Directors.

Section 8. Deadlock. In the event that Board of Directors is unable to reach agreement on approval of any matter material to the operation or governance of the Corporation (a "Deadlock") and such Deadlock remains unresolved for a period of thirty (30) days, then any Director may by written notice (a "Deadlock Notice") to all other Directors invoke the provisions set forth in this Section 8. The Directors shall agree upon a neutral, third-party arbitrator experienced in the healthcare industry within five (5) business days of receipt of the Deadlock Notice who shall, after hearing and evidence presented by the Directors in Volusia County, Florida, resolve the issue giving rise to the Deadlock. If the Directors are unable to agree on a single arbitrator within five (5) business days of receipt of the Deadlock Notice, then within the next five (5) business days the Halifax Directors shall be entitled to appoint an arbitrator, and the Shands

Directors shall be entitled to appoint an arbitrator, and those two arbitrators so appointed shall mutually agree on a third arbitrator, and the Deadlock matter shall be resolved by the decision of a majority of the three arbitrator panel. If either the Halifax Directors or the Shands Directors fail to timely appoint an arbitrator, then they shall be deemed to have consented to resolution of the matter by the single arbitrator appointed by the other party. The decision of the arbitrator (or the panel of arbitrators, as the case may be) shall be binding upon the Board of Directors and the Corporation. All costs of the arbitration shall be borne by the Corporation; provided however, that if the Board of Directors is unable to agree on a single arbitrator, then Halifax Hospital Medical Center shall bear the costs specific to the arbitrator appointed by the Halifax Directors, and Shands Teaching Hospital and Clinics, Inc. shall bear the costs specific to the arbitrator appointed by the Shands Directors, with all other costs being borne by the Corporation. During the pendency of any Deadlock, the Corporation shall continue to operate in a manner consistent with past practice. It is intended that the procedures set forth in this Section 8 shall be an alternative dispute resolution process agreed upon by the Corporation and the Directors, and the procedures set forth herein shall be in lieu of any right a member or Director may have to institute proceedings for judicial dissolution under Florida Statutes Section 617.1430, and each member and Director shall be deemed to have waived any right to institute proceedings under section 617.1430.

ARTICLE V – MEETINGS OF DIRECTORS

Section 1. Annual Meeting. The annual meeting of the Corporation shall be held during the month of December of each year at a time and place designated by the Board of Directors. Business transacted at the annual meeting of the Corporation shall include the election of officers

of the Corporation in accordance with the provisions of these Bylaws and the Articles of Incorporation.

Section 2. Regular Meetings. Regular meetings shall be held on such dates and at such locations as the Board may designate. Notice of such meetings shall be given by the Secretary to the Directors not less than six, nor more than ten days prior to the date thereof; provided, however, that this requirement may be waived by resolution of the Board of Directors.

Section 3. Special Meetings. The President may, as he deems necessary and appropriate, and the Secretary shall, if so requested in writing by a majority of the Board of Directors, call a special meeting of the Board. In such event, three days written notice to each Director shall be deemed sufficient. An emergency meeting of the Board of Directors may be called by the President, or his or her designee, without the necessity of any notice so long as the notice provisions are waived by a majority of the members present at such meeting of the Board.

Section 4. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but no action, except to recess or adjourn, shall be effective unless approved by at least four (4) directors, at least two (2) Shands Directors, and at least two (2) Halifax Directors.

Section 5. Officers of the Board. The Officers of the Board of Directors shall consist of a Chair, a Vice-Chair, and a Recording Secretary. The Chair of the Board of Directors shall preside at all meetings of the Board of Directors. The Vice-Chair shall perform such duties as may be assigned to him by the Board or by the Chair. In the absence of the Chair or in the event of his disability, inability, or refusal to act, the Vice-Chair shall perform the duties of the Chair with the full powers of and subject to the restrictions upon the Chair. The Recording Secretary shall record or arrange for the recording of the minutes of all meetings of the membership and of

the Board of Directors, shall send or arrange for sending all notices of all meetings, and shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 6. Parliamentary Procedure. All meetings of the Board of Directors shall be governed by Sturgis Standard Code of Parliamentary Procedure (“Sturgis”), including such revisions thereof as may from time to time be published, except insofar as such rules are inconsistent with these Bylaws, with the Articles of Incorporation of this Corporation, or with applicable law. The failure of the Board to fully and completely conduct the meeting according to Sturgis shall not invalidate any action taken by the Board as long as it is clear from the action taken at the meeting (and the minutes so reflect) that a majority of the members of the Board present at a meeting at which a quorum was present voted in support of the action taken by the Board.

ARTICLE VI – OFFICERS OF THE CORPORATION

Section 1. Designation of Officers. The officers of the Corporation shall be a President (and/or Chief Executive Officer), a Vice-President, and a Treasurer (and/or Chief Financial Officer) and such other officers as may be elected or appointed by the Board of Directors. The Board of Directors may elect or appoint such other officers as it shall deem desirable, and such officers shall have the authority to perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of this Corporation shall be appointed by the Board of Directors and shall hold office for a term of one (1) year, or until his

or her successor shall take office or until his or her earlier resignation, removal from office or death, unless agreed to otherwise in writing.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed from office by the Board of Directors for any reason.

Section 4. Duties. The officers of this Corporation shall have the following duties:

The President shall be the chief executive officer of the Corporation and shall be given the necessary authority and be responsible to the Board for the general supervision and control overall activities of the Corporation, subject to such policies as may be adopted or issued by the Board or by any of its committees to which the Board has delegated power for such action. The President shall act as the duly authorized representative of the Corporation in all matters in which the Board has not formally designated some other person for that specific purpose including but not limited to the authority to execute such contracts as are necessary for the operation of the Corporation.

The Vice-President shall perform such duties as may be assigned by the Board or by the President. In the absence of the President, or in the event of the President's disability, inability or refusal to act, the Vice-President shall perform the duties of the President with full powers and subject to the restrictions which are applicable to the President.

The Treasurer shall have the custody of all corporate funds and financial records, shall keep or make arrangements for keeping full and accurate accounts of receipts and disbursements, shall render accounts or receipts and disbursements at the annual meetings, and shall perform such other duties as may be prescribed by the Board of Directors or the President. If so required by the Board

of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors may deem appropriate.

ARTICLE VII – COMMITTEES

Section 1. Standing Committees. The Board of Directors shall establish the standing committees described in this Article VII, and may establish other standing committees from time to time as it deems appropriate, with such powers and responsibilities as determined by the Board of Directors; provided, at least one (1) member of each committee is a Halifax Director and at least one (1) member of each committee is a Shands Director. The Chairperson of each committee shall establish reasonable procedures for conducting committee meetings and providing notice to committee members of such meetings. A majority of the members of any committee shall constitute a quorum for the conduct of business. The Chairman of each committee shall ensure that appropriate minutes and records are maintained by the committee. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment. Members of committees established by the Board of Directors may include individuals who are not members of the Board of Directors. Committees shall make recommendations to the Board of Directors for approval or action to be taken by the Board of Directors.

Section 2. Finance Committee. The matter of controlling, managing, investing, and disposing of the property of this Corporation for the purpose of earning an income therefrom, as distinguished from the matter of applying property and funds to charitable purposes, shall be exclusively vested in a finance committee which shall consist of three (3) voting members; two (2) of which shall be appointed by Halifax and one (1) of which shall be appointed by Shands. Any two (2) voting members of the committee shall constitute a quorum. The act of a majority of

voting members present at a meeting of the Finance Committee at which a quorum is present shall be the act of the Finance Committee. The Chair of the Finance Committee shall be appointed by Halifax.

Section 3. Quality and Clinical Integration Committee.

(a) The Corporation, within one-hundred twenty (120) days from the Effective Date, shall establish the Quality and Clinical Integration Committee (“Quality Committee”). The Quality Committee shall consist of seven (7) voting members. Four (4) voting members shall be appointed by Shands and three (3) voting members shall be appointed by Halifax. Any four (4) voting members of the committee shall constitute a quorum. The act of a majority of voting members present at a meeting of the Quality Committee at which a quorum is present shall be the act of the Quality Committee. The Chair of the Quality Committee shall be appointed by Shands.

(b) The Quality Committee shall advise the Board as to the Corporation’s quality, clinical integration and safety programs and shall make recommendations to the Board

regarding setting strategic quality, clinical integration and safety goals, directions, plans and initiatives.

(c) In fulfilling its purpose, the Quality Committee shall make recommendations to the Board regarding actions it deems are necessary or desirable to effectuate, sustain and improve the quality of care provided at all clinical sites, including, but not limited to:

(i) Assuring implementation of quality assessment and improvement processes that are integrated into the Corporation's policies and operations;

(ii) Assuring that such processes include identification of systems deficiencies and issues, and that appropriate action is being taken to address any deficiencies;

(iii) Monitoring the Corporation's quality-related performance against established internal and external benchmarks of clinical performance and outcomes, patient safety, and customer service standards;

(iv) Assuring by coordinating and receiving the approval of the Board of Directors, the provision of necessary resources to support patient safety and clinical quality improvement and clinical integration activities;

(v) Promoting an organizational culture that includes transparency and accountability when there are concerns about quality and patient safety;

(vi) Reviewing and approving quality and safety plans and initiatives recommended by Corporation's management and evaluating the effectiveness of the Corporation's performance improvement and quality plans;

(vii) Taking final actions on recommendations regarding corrective actions related to the Corporation's medical and allied health professional staffs;

(viii) Taking final actions on other matters relating to the organization, structure, and/or governance of the medical and allied health professional staffs of the Corporation;

(ix) Establishing an orientation and continuing education process related to quality, clinical integration and patient safety for Quality Committee's members and Board of Directors' members, including without limitation national trends in healthcare quality;

(x) Determining the appropriate level of physician clinical and medico-administrative coverage and selecting the physicians best qualified to provide such coverage; and

(xi) Performing such other duties and obligations as shall be assigned by the Board from time to time.

The Quality Committee shall meet no less frequently than quarterly to perform its duties. The Quality Committee shall make regular reports and recommendations to the Board of Directors regarding actions taken by the Quality Committee and the progress, initiatives, and the effectiveness of the quality program. The recommendations of the Quality Committee become binding on the Corporation upon vote and approval of the Corporation's Board.

ARTICLE VIII – MEDICAL STAFF

Section 1. Organization. The Board of Directors shall organize the physicians, dentists and other appropriate healthcare practitioners in the Corporation's hospital into a medical staff, which shall have Medical Staff Bylaws approved by the Board of Directors. Except as otherwise required by these Bylaws, or by law or accreditation requirements, the Board of Directors shall consider recommendations of the medical staff and appoint to each medical staff the physicians, dentists and other healthcare practitioners who meet the qualifications for membership as set forth in the Medical Staff Bylaws for the facility. Each member of the medical staff shall have appropriate authority and responsibility for the care of patients, subject to such limitations as are contained in these Bylaws and in the relevant Medical Staff Bylaws.

Section 2. Appointment. An initial application for appointment to the medical staff shall be in writing, submitted on the prescribed form and signed by the applicant. The application shall include such information as may be required by the Medical Staff Bylaws and such other information that may be deemed appropriate by the Board of Directors and other committees of the Corporation. All appointments shall be made in accordance with the more detailed appointment process set out in the Medical Staff Bylaws, as approved by the Board of Directors.

Section 3. Hearings. When an appointment or reappointment is not to be renewed, or when privileges have or are proposed to be reduced, altered, suspended or terminated, by corrective action or other action taken specifically with respect to the affected practitioner, the practitioner shall be afforded the opportunity of a hearing as and to the extent set forth in the Medical Staff Bylaws. Such hearing shall be conducted under procedures prescribed in the Medical Staff Bylaws.

Section 4. Patient Care and Its Evaluation. The Board of Directors shall, in the exercise of its overall responsibility, assign to the medical staff reasonable authority for insuring

appropriate professional care to the Corporation's patients. The medical staff shall conduct an ongoing review and appraisal of the quality of professional care rendered in the facilities and shall report such activities and their results to the Quality Committee. The Executive Committee of the medical staff shall make recommendations to the Quality Committee concerning: (a) The mechanism used to review credentials and to delineate individual privileges; (b) Approval of applications of individuals for medical staff membership; (c) Delineation of clinical privileges for each specialty or professional category; (d) The participation of the medical staff in organization performance-improvement activities; (e) The mechanism by which medical staff membership may be terminated; (f) The mechanism for fair-hearing procedures; and (g) Such other specific matters as may properly come before it.

Section 5. Medical Staff Bylaws. There shall be Medical Staff Bylaws which set forth the organization and governance of the medical staff. The Medical Staff Bylaws may only be amended by mutual agreement of the Board of Directors and the medical staff; except that nothing in this section, or in the Medical Staff Bylaws and related documents, is intended to prevent the Board from exercising its full power and authority to make any decisions or take any actions necessary to assure compliance with its legal and fiduciary responsibilities.

ARTICLE IX – RESTRICTIONS ON ACTIONS OF THE CORPORATION

Section 1. Prohibition on Private Inurement and Private Benefit. The property, assets, profits, and net income of the Corporation are dedicated irrevocably to the purposes established within the Articles of Incorporation and these Bylaws. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any director, trustee or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation and payments and distributions may be made in

furtherance of one or more of its purposes); and no director, trustee, officer, or any private individual shall be entitled to share in the distributions of any of the corporate assets on dissolution of the Corporation.

Section 2. Prohibition on Political Activities. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Section 3. Prohibition on Activities of Tax-Exempt Organizations. The Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Code and its Regulations as they now exist or as they may hereafter be amended or replaced, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Code and Regulations as they now exist or they may hereafter be amended or replaced, or by a not-for-profit corporation under the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes.

Section 4. Distribution of Assets Upon Dissolution. Upon the dissolution of the Corporation, fifty percent (50%) of the residual assets of the Corporation shall be transferred to Halifax Hospital Medical Center, a special taxing district of the State of Florida, and fifty percent (50%) of the residual assets of the Corporation shall be transferred to Shands Teaching Hospital and Clinics, Inc., a Florida not-for-profit corporation, which is an organization described in section 501(c)(3) of the Internal Revenue Code, which is exempt from federal income taxation pursuant to section 501(a) of the Internal Revenue Code.

ARTICLE X – CONFLICTS OF INTEREST POLICY

Section 1. Purpose. The purpose of the conflict of interest policy is to protect Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

(a) **Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any Member or any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

(b) **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; (ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 2 (b) of this Article X, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) An interested person may make a presentation at the Board or committee meeting, but after the presentation, such interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(ii) The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the Corporation, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

(i) If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board and all committees with Board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation.

(a) A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to his or her compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to his or her compensation.

(c) No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements. Each Director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Agrees to comply with the policy and disclose any conflicts of interest he or she may have, and
- (d) Understands that the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews. To ensure that the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8. Use of Outside Experts. When conducting the periodic reviews as provided for in this Article X, the Corporation may, but need not, use outside advisors. If outside experts

are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**ARTICLE XI – SUPPLEMENTAL DEFENSE AND
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Corporation is formed as an instrumentality of Halifax and, as such, the Corporation enjoys sovereign immunity pursuant to Section 768.28, Florida Statutes. Pursuant to Section 768.28(9)(a), Florida Statute, no officer, employee, or agent of the Corporation shall be held personally liable in tort or named as a party defendant in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function, unless such officer, employee, or agent acted in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The exclusive remedy for injury or damage suffered as a result of an act, event, or omission of an officer, employee, or agent of the Corporation shall be by action against the Corporation, unless such act or omission was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The Corporation shall not be liable in tort for the acts or omissions of an officer, employee, or agent committed while acting outside the course and scope of her or his employment or committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The following provisions of this Article XI shall only be effective in the event that a court of competent jurisdiction determines that an officer, employee or agent of the Corporation does not enjoy the protections and immunities set forth in Section 768.28(9)(a), Florida Statute.

The inclusion of the following provisions of this Article XI shall not in any way be deemed as a waiver of the Corporation's sovereign immunity.

Section 1. Purpose. In order to encourage qualified persons to serve as directors, officers, employees and agents, the Corporation specifically states its intent for all directors to be immune from civil liability as provided in Florida Statutes §617.0834, in the event that such directors are not deemed to be immune from civil liability in accordance with Section 768.28, Florida Statute. Furthermore, to the extent that its directors, officers, employees and agents are ever denied the benefits of sovereign immunity in accordance with Section 768.28, Florida Statute, then in that event, and only in that event, the Corporation shall, to the extent permitted by law, indemnify directors, officers, employees and agents with respect to any expenses arising from a proceeding in which such Director, officer, employee or agent was involved as a result of his serving as a Director, officer, employee or agent of the Corporation in accordance with the provisions of this Article XI. All definitions in Florida Statutes §617.0831 are incorporated herein by reference. The indemnification and advancement of expenses provided in this Article XI are not exclusive and the Corporation may make any other or further indemnification or advancement of expenses to any of its directors, officers, employees or agents as approved by majority vote of the Corporation's disinterested directors.

Section 2. Third Party Suits. To the extent permitted by Florida law and subject to the provisions of this Article, the Corporation shall indemnify any person who was or is a party to any proceeding (other than an action by or in the right of the Corporation which is specifically dealt with in Section 3 immediately below), by reason of the fact that he is or was a Director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or

other enterprise, against liability incurred in connection with such proceedings, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 3. Suits by or in the Right of the Corporation. To the extent permitted by Florida law and subject to the provisions of this Article, the Corporation shall indemnify any person who was or is a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expenses of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made under this subsection in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all

circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

Section 4. Indemnification Against Expenses. To the extent that a Director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Article XI, Section 2 or Section 3, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him or her in connection therewith.

Section 5. Determination That Indemnification Was Proper. Any indemnification under Article XI, Section 2 or Section 3, unless pursuant to a determination by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in said Section 2 or Section 3. Determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such proceeding; or

(b) If such a quorum is not obtainable, or, even if obtainable, by a majority vote of a committee duly designated by the Board of Directors (directors who are parties may participate in such designation vote) consisting solely of three or more directors not at the time parties to the proceeding; or

(c) By independent legal counsel selected as follows:

1. Selected by the Board of Directors prescribed in subsection (a) or the committee prescribed in subsection (b); or

2. If a quorum of the directors cannot be obtained for subsection (a) and the committee cannot be designated under subsection (b), selected by a majority vote of the full Board of Directors (in which directors who are parties may participate).

Section 6. Evaluation of Reasonableness of Expenses. The reasonableness of the expenses shall be evaluated, and the authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons specified by Section 5(c) shall evaluate the reasonableness of expenses and may authorize indemnification.

Section 7. Reimbursement of Expenses. Expenses incurred by an officer or Director in defending a civil or criminal proceeding may be paid by the Corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such Director or officer to repay such amount if he is ultimately found not to be entitled to indemnification by the Corporation, pursuant to this section. Expenses incurred by other employees or agents may be paid in advance upon such terms or conditions that the Board of Directors deem appropriate.

Section 8. Bylaws Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any personal may be entitled under any bylaws, agreement, vote of disinterested directors or otherwise, except to the extent that such indemnification may be contrary to the law. The indemnification provided by this Article shall continue as to a person who has ceased to be a Director or officer, and shall inure to the benefit of the heirs, executors and administrators of such a person, in the event of his death.

Section 9. Insurance. The Corporation may self-insure, participate in a risk retention plan or purchase and maintain insurance (and pay the entire premium or cost of such insurance, self-

insurance or participation in a risk retention plan) on behalf of any person who is or was a director or officer of the Corporation or is or was serving at the request of the Corporation, as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify against such liability under the provisions of this Article or under the laws of the State of Florida.

Section 10. Severability. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

Section 11. Gender and Number. As used in these Bylaws, the masculine shall include the feminine, the feminine shall include the masculine, the neuter shall include both masculine and feminine, the singular shall include the plural and the plural shall include the singular.

ARTICLE XII – BOOKS AND RECORDS/FISCAL YEAR

Section 1. Books and Records. The Corporation shall prepare and maintain correct and complete books and records of account and shall keep minutes of the proceedings of its member, Board of Directors and committees. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year.

SECRETARY'S CERTIFICATE

This is to certify that the foregoing Bylaws of Medical Center of Deltona, Inc., a Florida Not-For-Profit Corporation, have been duly adopted by the requisite vote of the Board of Directors of the Corporation on this 29th day of May, 2020.

IN WITNESS WHEREOF, the undersigned, duly appointed and acting Recording Secretary of the Corporation, has signed this Certificate and dated this 29th day of May, 2020.

Recording Secretary

AMENDED AND RESTATED BYLAWS
OF
MEDICAL CENTER OF DELTONA, INC.

ARTICLE I – NAME

The name of this corporation is Medical Center of Deltona, Inc. (hereinafter referred to as the “Corporation”). The principal office will be in the City of Deltona, County of Volusia, Florida. The corporation may have other offices as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II – PURPOSES

Section 1. The Corporation has been formed by, and is intended to be an instrumentality of, the Halifax Hospital Medical Center, a special taxing district of the State of Florida (hereinafter referred to as “Halifax”). Halifax is expressly authorized, pursuant to Chapter 2003-374, Laws of Florida, as amended by Chapter 2019-172, Laws of Florida, (hereinafter referred to as the “Enabling Act”) to establish corporations pursuant to Chapter 617, Florida Statutes, which are under the control of the District. The Corporation has been formed by Halifax for the purpose of owning and operating a hospital in Deltona, Florida in order to provide that community with a hospital and high-quality medical care – all in furtherance of Halifax’s mission of providing health care to the public. Halifax and not-for-profit corporations formed by Halifax, to include the Corporation, are expressly authorized by the Enabling Act to contract with other entities, including but not limited to other hospitals and health care providers, for the purpose of providing health care to the public.

In light of the foregoing, the Corporation is organized exclusively for such charitable, educational and scientific purposes as will qualify it for exemption from federal income tax as an

organization described by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), or the corresponding section of any future United States Internal Revenue Law. The Corporation is organized as a not for profit corporation under Chapter 617, Florida Statutes, on a non-stock basis.

Within the scope of the foregoing, the Corporation shall be authorized to exercise the powers permitted not for profit corporations under Chapter 617, Florida Statutes; provided however, that the Corporation while exercising any one or more powers shall do so exclusively in furtherance of the corporate purpose described in this Article II and only in furtherance of a charitable, educational or scientific purpose, within the meaning of Section 501(c)(3) of the Code.

Section 2. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to any director or officer of the Corporation or other private person, except as reasonable compensation for services rendered to make payments in furtherance of the purposes set forth in this Article II. No substantial part of the activities of the Corporation shall be for the carrying on of a program of propaganda or otherwise attempting to influence legislation (except to the extent permitted pursuant to an election made under Section 501(h) of the Code). The Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any

activities not permitted to be carried on by (a) an organization exempt from federal income taxation under Section 501(c)(3) of the Code, or any corresponding section of any future United States Internal Revenue Law, or (b) an organization to which contributions are deductible under Section 170(c)(2) of the Code, or corresponding section of any future United States Internal Revenue Law.

ARTICLE III – MEMBERSHIP

Section 1. Members. The sole member of the Corporation shall be Halifax.

Section 2. Transfer of Membership. Membership in the Corporation is not transferable or assignable.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. Composition and Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of a Board of Directors, which may delegate the performance of any duties or the exercise of any powers to such officers and agents as the Board of Directors may from time to time designate. The required number of Directors shall be ~~eight-six~~ (86). The then-current Board of Directors shall have the power to increase the number of Directors from time to time; provided that any such increase will include an equal number of Halifax Directors and Shands Directors (as defined below).

Section 2. Term of Office, Replacement. Directors shall serve terms of two (2) years subject to their earlier removal as contemplated herein; and provided that any sitting director shall continue to serve until his or her successor has been appointed. Vacancies shall be filled by appointment as provided for herein.

Section 3. Appointment of Directors. The Directors shall be appointed by the Chairman of the Board of Commissioners of Halifax, as provided in these Bylaws. The initial set of Directors shall be the Chief Executive officer of Halifax and ~~three~~two other members designated by Halifax, the Chief Financial Officer of Shands Teaching Hospital and Clinics, Inc. (hereinafter “Shands”), and ~~three~~two other members designated by Shands, each of whom shall serve a two (2) year term (said Directors referred to hereafter as the “First Term Directors”). At the conclusion of the term of the First Term Directors, the second set of directors shall be the Chief Financial Officer of Halifax, and ~~three~~two other members designated by Halifax, the Chief Executive officer of Shands, and ~~three~~two other members designated by Shands, each of whom shall serve a two (2) year term (said Directors referred to hereafter as the “Second Term Directors”). Each of the Directors who is a representative of Halifax or otherwise designated by Halifax is referred to herein as a “Halifax Director” and each of the Directors who is a representative of Shands or otherwise designated by Shands is referred to herein as a “Shands Director.” Thereafter, Directors shall be appointed in the same manner as the First Term Directors and serve two year terms and then shall be appointed in the same manner as the Second Term Directors and shall serve a two year term, and the manner of appointment shall continue to rotate for each subsequent two year term. Any Director may be removed from the Board of Directors, with or without cause, in either of two ways:

- (a) For a Halifax Director: (i) By written termination executed by both the Chairman of the Board of Commissioners of Halifax and the Chief Executive Officer of Halifax, or (ii) a resolution duly adopted by the Board of Commissioners of Halifax at a properly noticed meeting of such Board of Commissioners at which a quorum was present.

- (b) For a Shands Director: (i) By written notice of termination executed by the Chief Executive Officer of Shands, or (ii) a resolution duly adopted by the Board of Directors of Shands at a properly noticed meeting of such Board at which a quorum was present. The notice of termination or resolution of the Board of Directors of Shands, as the case may be, shall be delivered to the Chief Executive Officer of Halifax, who shall thereafter terminate the Director immediately by written termination.

Removal of a Director from the Board of Directors pursuant to either of the above two procedures shall be effective immediately. There shall be no right for appeal or court challenge of such removal as each Director, at the time he or she accepted appointment, agreed to removal as specified immediately above.

Section 4. Replacement of Directors.

- (a) Whenever a vacancy exists on the Board of Directors, whether by death, resignation, or otherwise, the vacancy shall be filled by the same appointment procedure as was utilized in the appointment of the Director whose office was vacated; provided, however, that a vacancy created by the departure of a Shands Director shall be filled with an officer or employee of Shands.
- (b) Any person appointed to fill a vacancy in the Board of Directors shall hold office for the balance of the term of the Director he or she replaced subject to the power of removal contained herein.

Section 5. Liability of Directors. The Directors of this Corporation shall not be personally liable for the actions, debts, liabilities, or other obligations of the Corporation.

Section 6. Restrictions on Authority of Directors. The Board of

Directors of the Corporation may not, without a two-thirds (2/3) vote of the Board of Directors, and the approval of the Board of Commissioners of Halifax:

- (a) Adopt a plan of dissolution of the Corporation;
- (b) Authorize the Corporation to engage in, or enter into, any transaction providing for the sale, mortgage, or other disposition of all or substantially all of the assets of the Corporation;
- (c) Adopt a plan of merger or consolidation of the Corporation with another corporation, or a member substitution;
- (d) Adopt any annual or long-term capital and operational budgets of the Corporation or approve any changes therein;
- (e) Make any expenditure or take any other action that would, or reasonably could be expected to, cause the Corporation to exceed its annual capital or operating budget by a variance (on an annualized basis) of more than ten percent of total annual budgeted expenses;
- (f) Incur any long-term debt in an amount greater than five hundred thousand dollars (\$500,000);
- (g) Initiate a bankruptcy proceeding, assignment for the benefit of creditors, liquidation, dissolution, or similar proceeding or process; or
- (h) Consummate a direct or indirect transfer or assignment of any type, whether by contract or by operation of law (including, without limitation, by consolidation, membership substitution, or merger), of all or any part of any interest of the Corporation in all or any portion of the hospital that it operates, including,

without limitation, the Corporation's leasehold interests in such hospital, to any party other than Shands or an Affiliate of Shands.

- (i) Amend the articles of incorporation or these Bylaws; provided, however, that in the event of the expiration, or termination of the Management Services, Contribution, and Governance Agreement among the Corporation, Shands, Halifax, Halifax Management System, Inc., and Halifax Hospice, Inc. dated December 18, 2019 (the "Management Agreement") the articles of incorporation and these Bylaws may be amended by a vote or unanimous consent of Halifax as sole member at any time that Shands is no longer entitled to serve on the Board of Directors (as specified in the Management Agreement).

Section 7. Compensation. No member of the Board of Directors shall receive any compensation from the Corporation for the performance of their duties, but shall be reimbursed for their expenses incurred in the performance of their duties as Directors.

Section 8. Deadlock. In the event that Board of Directors is unable to reach agreement on approval of any matter material to the operation or governance of the Corporation (a "Deadlock") and such Deadlock remains unresolved for a period of thirty (30) days, then any Director may by written notice (a "Deadlock Notice") to all other Directors invoke the provisions set forth in this Section 8. The Directors shall agree upon a neutral, third-party arbitrator experienced in the healthcare industry within five (5) business days of receipt of the Deadlock Notice who shall, after hearing and evidence presented by the Directors in Volusia County, Florida, resolve the issue giving rise to the Deadlock. If the Directors are unable to agree on a single arbitrator within five (5) business days of receipt of the Deadlock Notice, then within the next five (5) business days the Halifax Directors shall be entitled to appoint an arbitrator, and the Shands

Directors shall be entitled to appoint an arbitrator, and those two arbitrators so appointed shall mutually agree on a third arbitrator, and the Deadlock matter shall be resolved by the decision of a majority of the three arbitrator panel. If either the Halifax Directors or the Shands Directors fail to timely appoint an arbitrator, then they shall be deemed to have consented to resolution of the matter by the single arbitrator appointed by the other party. The decision of the arbitrator (or the panel of arbitrators, as the case may be) shall be binding upon the Board of Directors and the Corporation. All costs of the arbitration shall be borne by the Corporation; provided however, that if the Board of Directors is unable to agree on a single arbitrator, then Halifax Hospital Medical Center shall bear the costs specific to the arbitrator appointed by the Halifax Directors, and Shands Teaching Hospital and Clinics, Inc. shall bear the costs specific to the arbitrator appointed by the Shands Directors, with all other costs being borne by the Corporation. During the pendency of any Deadlock, the Corporation shall continue to operate in a manner consistent with past practice. It is intended that the procedures set forth in this Section 8 shall be an alternative dispute resolution process agreed upon by the Corporation and the Directors, and the procedures set forth herein shall be in lieu of any right a member or Director may have to institute proceedings for judicial dissolution under Florida Statutes Section 617.1430, and each member and Director shall be deemed to have waived any right to institute proceedings under section 617.1430.

ARTICLE V – MEETINGS OF DIRECTORS

Section 1. Annual Meeting. The annual meeting of the Corporation shall be held during the month of December of each year at a time and place designated by the Board of Directors. Business transacted at the annual meeting of the Corporation shall include the election of officers

of the Corporation in accordance with the provisions of these Bylaws and the Articles of Incorporation.

Section 2. Regular Meetings. Regular meetings shall be held on such dates and at such locations as the Board may designate. Notice of such meetings shall be given by the Secretary to the Directors not less than six, nor more than ten days prior to the date thereof; provided, however, that this requirement may be waived by resolution of the Board of Directors.

Section 3. Special Meetings. The President may, as he deems necessary and appropriate, and the Secretary shall, if so requested in writing by a majority of the Board of Directors, call a special meeting of the Board. In such event, three days written notice to each Director shall be deemed sufficient. An emergency meeting of the Board of Directors may be called by the President, or his or her designee, without the necessity of any notice so long as the notice provisions are waived by a majority of the members present at such meeting of the Board.

Section 4. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but no action, except to recess or adjourn, shall be effective unless approved by at least ~~five-four~~ (54) directors, at least two (2) Shands Directors, and at least two (2) Halifax Directors.

Section 5. Officers of the Board. The Officers of the Board of Directors shall consist of a Chair, a Vice-Chair, and a Recording Secretary. The Chair of the Board of Directors shall preside at all meetings of the Board of Directors. The Vice-Chair shall perform such duties as may be assigned to him by the Board or by the Chair. In the absence of the Chair or in the event of his disability, inability, or refusal to act, the Vice-Chair shall perform the duties of the Chair with the full powers of and subject to the restrictions upon the Chair. The Recording Secretary shall record or arrange for the recording of the minutes of all meetings of the membership and of

the Board of Directors, shall send or arrange for sending all notices of all meetings, and shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 6. Parliamentary Procedure. All meetings of the Board of Directors shall be governed by Sturgis Standard Code of Parliamentary Procedure (“Sturgis”), including such revisions thereof as may from time to time be published, except insofar as such rules are inconsistent with these Bylaws, with the Articles of Incorporation of this Corporation, or with applicable law. The failure of the Board to fully and completely conduct the meeting according to Sturgis shall not invalidate any action taken by the Board as long as it is clear from the action taken at the meeting (and the minutes so reflect) that a majority of the members of the Board present at a meeting at which a quorum was present voted in support of the action taken by the Board.

ARTICLE VI – OFFICERS OF THE CORPORATION

Section 1. Designation of Officers. The officers of the Corporation shall be a President (and/or Chief Executive Officer), a Vice-President, and a Treasurer (and/or Chief Financial Officer) and such other officers as may be elected or appointed by the Board of Directors. The Board of Directors may elect or appoint such other officers as it shall deem desirable, and such officers shall have the authority to perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of this Corporation shall be appointed by the Board of Directors and shall hold office for a term of one (1) year, or until his

or her successor shall take office or until his or her earlier resignation, removal from office or death, unless agreed to otherwise in writing.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed from office by the Board of Directors for any reason.

Section 4. Duties. The officers of this Corporation shall have the following duties:

The President shall be the chief executive officer of the Corporation and shall be given the necessary authority and be responsible to the Board for the general supervision and control overall activities of the Corporation, subject to such policies as may be adopted or issued by the Board or by any of its committees to which the Board has delegated power for such action. The President shall act as the duly authorized representative of the Corporation in all matters in which the Board has not formally designated some other person for that specific purpose including but not limited to the authority to execute such contracts as are necessary for the operation of the Corporation.

The Vice-President shall perform such duties as may be assigned by the Board or by the President. In the absence of the President, or in the event of the President's disability, inability or refusal to act, the Vice-President shall perform the duties of the President with full powers and subject to the restrictions which are applicable to the President.

The Treasurer shall have the custody of all corporate funds and financial records, shall keep or make arrangements for keeping full and accurate accounts of receipts and disbursements, shall render accounts or receipts and disbursements at the annual meetings, and shall perform such other duties as may be prescribed by the Board of Directors or the President. If so required by the Board

of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors may deem appropriate.

ARTICLE VII – COMMITTEES

Section 1. Standing Committees. The Board of Directors shall establish the standing committees described in this Article VII, and may establish other standing committees from time to time as it deems appropriate, with such powers and responsibilities as determined by the Board of Directors; provided, at least one (1) member of each committee is a Halifax Director and at least one (1) member of each committee is a Shands Director. The Chairperson of each committee shall establish reasonable procedures for conducting committee meetings and providing notice to committee members of such meetings. A majority of the members of any committee shall constitute a quorum for the conduct of business. The Chairman of each committee shall ensure that appropriate minutes and records are maintained by the committee. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment. Members of committees established by the Board of Directors may include individuals who are not members of the Board of Directors. Committees shall make recommendations to the Board of Directors for approval or action to be taken by the Board of Directors.

Section 2. Finance Committee. The matter of controlling, managing, investing, and disposing of the property of this Corporation for the purpose of earning an income therefrom, as distinguished from the matter of applying property and funds to charitable purposes, shall be exclusively vested in a finance committee which shall consist of three (3) voting members; two (2) of which shall be appointed by Halifax and one (1) of which shall be appointed by Shands. Any two (2) voting members of the committee shall constitute a quorum. The act of a majority of

voting members present at a meeting of the Finance Committee at which a quorum is present shall be the act of the Finance Committee. The Chair of the Finance Committee shall be appointed by Halifax.

Section 3. Quality and Clinical Integration Committee.

(a) The Corporation, within one-hundred twenty (120) days from the Effective Date, shall establish the Quality and Clinical Integration Committee (“Quality Committee”). The Quality Committee shall consist of seven (7) voting members. Four (4) voting members shall be appointed by Shands and three (3) voting members shall be appointed by Halifax. Any four (4) voting members of the committee shall constitute a quorum. The act of a majority of voting members present at a meeting of the Quality Committee at which a quorum is present shall be the act of the Quality Committee. The Chair of the Quality Committee shall be appointed by Shands.

(b) The Quality Committee shall advise the Board as to the Corporation’s quality, clinical integration and safety programs and shall make recommendations to the Board

regarding setting strategic quality, clinical integration and safety goals, directions, plans and initiatives.

(c) In fulfilling its purpose, the Quality Committee shall make recommendations to the Board regarding actions it deems are necessary or desirable to effectuate, sustain and improve the quality of care provided at all clinical sites, including, but not limited to:

(i) Assuring implementation of quality assessment and improvement processes that are integrated into the Corporation's policies and operations;

(ii) Assuring that such processes include identification of systems deficiencies and issues, and that appropriate action is being taken to address any deficiencies;

(iii) Monitoring the Corporation's quality-related performance against established internal and external benchmarks of clinical performance and outcomes, patient safety, and customer service standards;

(iv) Assuring by coordinating and receiving the approval of the Board of Directors, the provision of necessary resources to support patient safety and clinical quality improvement and clinical integration activities;

(v) Promoting an organizational culture that includes transparency and accountability when there are concerns about quality and patient safety;

(vi) Reviewing and approving quality and safety plans and initiatives recommended by Corporation's management and evaluating the effectiveness of the Corporation's performance improvement and quality plans;

(vii) Taking final actions on recommendations regarding corrective actions related to the Corporation's medical and allied health professional staffs;

(viii) Taking final actions on other matters relating to the organization, structure, and/or governance of the medical and allied health professional staffs of the Corporation;

(ix) Establishing an orientation and continuing education process related to quality, clinical integration and patient safety for Quality Committee's members and Board of Directors' members, including without limitation national trends in healthcare quality;

(x) Determining the appropriate level of physician clinical and medico-administrative coverage and selecting the physicians best qualified to provide such coverage; and

(xi) Performing such other duties and obligations as shall be assigned by the Board from time to time.

The Quality Committee shall meet no less frequently than quarterly to perform its duties. The Quality Committee shall make regular reports and recommendations to the Board of Directors regarding actions taken by the Quality Committee and the progress, initiatives, and the effectiveness of the quality program. The recommendations of the Quality Committee become binding on the Corporation upon vote and approval of the Corporation's Board.

ARTICLE VIII – MEDICAL STAFF

Section 1. Organization. The Board of Directors shall organize the physicians, dentists and other appropriate healthcare practitioners in the Corporation's hospital into a medical staff, which shall have Medical Staff Bylaws approved by the Board of Directors. Except as otherwise required by these Bylaws, or by law or accreditation requirements, the Board of Directors shall consider recommendations of the medical staff and appoint to each medical staff the physicians, dentists and other healthcare practitioners who meet the qualifications for membership as set forth in the Medical Staff Bylaws for the facility. Each member of the medical staff shall have appropriate authority and responsibility for the care of patients, subject to such limitations as are contained in these Bylaws and in the relevant Medical Staff Bylaws.

Section 2. Appointment. An initial application for appointment to the medical staff shall be in writing, submitted on the prescribed form and signed by the applicant. The application shall include such information as may be required by the Medical Staff Bylaws and such other information that may be deemed appropriate by the Board of Directors and other committees of the Corporation. All appointments shall be made in accordance with the more detailed appointment process set out in the Medical Staff Bylaws, as approved by the Board of Directors.

Section 3. Hearings. When an appointment or reappointment is not to be renewed, or when privileges have or are proposed to be reduced, altered, suspended or terminated, by corrective action or other action taken specifically with respect to the affected practitioner, the practitioner shall be afforded the opportunity of a hearing as and to the extent set forth in the Medical Staff Bylaws. Such hearing shall be conducted under procedures prescribed in the Medical Staff Bylaws.

Section 4. Patient Care and Its Evaluation. The Board of Directors shall, in the exercise of its overall responsibility, assign to the medical staff reasonable authority for insuring

appropriate professional care to the Corporation's patients. The medical staff shall conduct an ongoing review and appraisal of the quality of professional care rendered in the facilities and shall report such activities and their results to the Quality Committee. The Executive Committee of the medical staff shall make recommendations to the Quality Committee concerning: (a) The mechanism used to review credentials and to delineate individual privileges; (b) Approval of applications of individuals for medical staff membership; (c) Delineation of clinical privileges for each specialty or professional category; (d) The participation of the medical staff in organization performance-improvement activities; (e) The mechanism by which medical staff membership may be terminated; (f) The mechanism for fair-hearing procedures; and (g) Such other specific matters as may properly come before it.

Section 5. Medical Staff Bylaws. There shall be Medical Staff Bylaws which set forth the organization and governance of the medical staff. The Medical Staff Bylaws may only be amended by mutual agreement of the Board of Directors and the medical staff; except that nothing in this section, or in the Medical Staff Bylaws and related documents, is intended to prevent the Board from exercising its full power and authority to make any decisions or take any actions necessary to assure compliance with its legal and fiduciary responsibilities.

ARTICLE IX – RESTRICTIONS ON ACTIONS OF THE CORPORATION

Section 1. Prohibition on Private Inurement and Private Benefit. The property, assets, profits, and net income of the Corporation are dedicated irrevocably to the purposes established within the Articles of Incorporation and these Bylaws. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any director, trustee or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation and payments and distributions may be made in

furtherance of one or more of its purposes); and no director, trustee, officer, or any private individual shall be entitled to share in the distributions of any of the corporate assets on dissolution of the Corporation.

Section 2. Prohibition on Political Activities. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Section 3. Prohibition on Activities of Tax-Exempt Organizations. The Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Code and its Regulations as they now exist or as they may hereafter be amended or replaced, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Code and Regulations as they now exist or they may hereafter be amended or replaced, or by a not-for-profit corporation under the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes.

Section 4. Distribution of Assets Upon Dissolution. Upon the dissolution of the Corporation, fifty percent (50%) of the residual assets of the Corporation shall be transferred to Halifax Hospital Medical Center, a special taxing district of the State of Florida, and fifty percent (50%) of the residual assets of the Corporation shall be transferred to Shands Teaching Hospital and Clinics, Inc., a Florida not-for-profit corporation, which is an organization described in section 501(c)(3) of the Internal Revenue Code, which is exempt from federal income taxation pursuant to section 501(a) of the Internal Revenue Code.

ARTICLE X – CONFLICTS OF INTEREST POLICY

Section 1. Purpose. The purpose of the conflict of interest policy is to protect Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

(a) **Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any Member or any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

(b) **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; (ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 2 (b) of this Article X, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) An interested person may make a presentation at the Board or committee meeting, but after the presentation, such interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(ii) The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the Corporation, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

(i) If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board and all committees with Board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation.

(a) A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to his or her compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to his or her compensation.

(c) No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements. Each Director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Agrees to comply with the policy and disclose any conflicts of interest he or she may have, and
- (d) Understands that the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews. To ensure that the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8. Use of Outside Experts. When conducting the periodic reviews as provided for in this Article X, the Corporation may, but need not, use outside advisors. If outside experts

are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**ARTICLE XI – SUPPLEMENTAL DEFENSE AND
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Corporation is formed as an instrumentality of Halifax and, as such, the Corporation enjoys sovereign immunity pursuant to Section 768.28, Florida Statutes. Pursuant to Section 768.28(9)(a), Florida Statute, no officer, employee, or agent of the Corporation shall be held personally liable in tort or named as a party defendant in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function, unless such officer, employee, or agent acted in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The exclusive remedy for injury or damage suffered as a result of an act, event, or omission of an officer, employee, or agent of the Corporation shall be by action against the Corporation, unless such act or omission was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The Corporation shall not be liable in tort for the acts or omissions of an officer, employee, or agent committed while acting outside the course and scope of her or his employment or committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The following provisions of this Article XI shall only be effective in the event that a court of competent jurisdiction determines that an officer, employee or agent of the Corporation does not enjoy the protections and immunities set forth in Section 768.28(9)(a), Florida Statute.

The inclusion of the following provisions of this Article XI shall not in any way be deemed as a waiver of the Corporation's sovereign immunity.

Section 1. Purpose. In order to encourage qualified persons to serve as directors, officers, employees and agents, the Corporation specifically states its intent for all directors to be immune from civil liability as provided in Florida Statutes §617.0834, in the event that such directors are not deemed to be immune from civil liability in accordance with Section 768.28, Florida Statute. Furthermore, to the extent that its directors, officers, employees and agents are ever denied the benefits of sovereign immunity in accordance with Section 768.28, Florida Statute, then in that event, and only in that event, the Corporation shall, to the extent permitted by law, indemnify directors, officers, employees and agents with respect to any expenses arising from a proceeding in which such Director, officer, employee or agent was involved as a result of his serving as a Director, officer, employee or agent of the Corporation in accordance with the provisions of this Article XI. All definitions in Florida Statutes §617.0831 are incorporated herein by reference. The indemnification and advancement of expenses provided in this Article XI are not exclusive and the Corporation may make any other or further indemnification or advancement of expenses to any of its directors, officers, employees or agents as approved by majority vote of the Corporation's disinterested directors.

Section 2. Third Party Suits. To the extent permitted by Florida law and subject to the provisions of this Article, the Corporation shall indemnify any person who was or is a party to any proceeding (other than an action by or in the right of the Corporation which is specifically dealt with in Section 3 immediately below), by reason of the fact that he is or was a Director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or

other enterprise, against liability incurred in connection with such proceedings, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 3. Suits by or in the Right of the Corporation. To the extent permitted by Florida law and subject to the provisions of this Article, the Corporation shall indemnify any person who was or is a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expenses of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made under this subsection in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all

circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

Section 4. Indemnification Against Expenses. To the extent that a Director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Article XI, Section 2 or Section 3, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him or her in connection therewith.

Section 5. Determination That Indemnification Was Proper. Any indemnification under Article XI, Section 2 or Section 3, unless pursuant to a determination by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in said Section 2 or Section 3. Determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such proceeding; or

(b) If such a quorum is not obtainable, or, even if obtainable, by a majority vote of a committee duly designated by the Board of Directors (directors who are parties may participate in such designation vote) consisting solely of three or more directors not at the time parties to the proceeding; or

(c) By independent legal counsel selected as follows:

1. Selected by the Board of Directors prescribed in subsection (a) or the committee prescribed in subsection (b); or

2. If a quorum of the directors cannot be obtained for subsection (a) and the committee cannot be designated under subsection (b), selected by a majority vote of the full Board of Directors (in which directors who are parties may participate).

Section 6. Evaluation of Reasonableness of Expenses. The reasonableness of the expenses shall be evaluated, and the authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons specified by Section 5(c) shall evaluate the reasonableness of expenses and may authorize indemnification.

Section 7. Reimbursement of Expenses. Expenses incurred by an officer or Director in defending a civil or criminal proceeding may be paid by the Corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such Director or officer to repay such amount if he is ultimately found not to be entitled to indemnification by the Corporation, pursuant to this section. Expenses incurred by other employees or agents may be paid in advance upon such terms or conditions that the Board of Directors deem appropriate.

Section 8. Bylaws Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any personal may be entitled under any bylaws, agreement, vote of disinterested directors or otherwise, except to the extent that such indemnification may be contrary to the law. The indemnification provided by this Article shall continue as to a person who has ceased to be a Director or officer, and shall inure to the benefit of the heirs, executors and administrators of such a person, in the event of his death.

Section 9. Insurance. The Corporation may self-insure, participate in a risk retention plan or purchase and maintain insurance (and pay the entire premium or cost of such insurance, self-

insurance or participation in a risk retention plan) on behalf of any person who is or was a director or officer of the Corporation or is or was serving at the request of the Corporation, as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify against such liability under the provisions of this Article or under the laws of the State of Florida.

Section 10. Severability. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

Section 11. Gender and Number. As used in these Bylaws, the masculine shall include the feminine, the feminine shall include the masculine, the neuter shall include both masculine and feminine, the singular shall include the plural and the plural shall include the singular.

ARTICLE XII – BOOKS AND RECORDS/FISCAL YEAR

Section 1. Books and Records. The Corporation shall prepare and maintain correct and complete books and records of account and shall keep minutes of the proceedings of its member, Board of Directors and committees. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year.

SECRETARY'S CERTIFICATE

This is to certify that the foregoing Bylaws of Medical Center of Deltona, Inc., a Florida Not-For-Profit Corporation, have been duly adopted by the requisite vote of the Board of Directors of the Corporation on this 29th day of May, 2020.

IN WITNESS WHEREOF, the undersigned, duly appointed and acting Recording Secretary of the Corporation, has signed this Certificate and dated this 29th day of May, 2020.

Recording Secretary