

Governance Manual

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Board/Committee Members



**THE DEEGEN
FOUNDATION**

Board of Directors
Officers for 2013

Chair: John R. Taylor
Vice-Chair: David Craig
Treasurer: Mike Rappoport
Secretary: Dr. James Burgess

Executive Committee: Investment/Finance Grants Committee: Public Relations & Communications Committee:

John R. Taylor, Chair
David Craig, Vice-Chair
Mike Rappoport, Treasurer
Dr. James Burgess, Secretary
Tom Webb, ex officio

Mike Rappoport, Chair
Judy Boreham
Benny Gooden, Ed.D.
Ronnie Hawkins
Jim Patridge
John Taylor
Dennis Bauer, ex officio
Tom Webb, ex officio

David Craig, Chair
Jeff Beauchamp
Dr. Jim Greene
Dr. Lee Johnson
Kyle Parker
Pat Satterfield
John Taylor
Dennis Bauer, ex officio
Tom Webb, ex officio

Karen Pharis, Chair
Bob Cooper
David Craig
Don Hutchings
Bennie Westphal
John Taylor
Tom Webb, ex officio

Board/Staff Contact Information

2013 Degen Foundation Board of Directors

Term Ends December 2013	Term Ends December 2014	Term Ends December 2015
<p>James Burgess, Secretary PO Box 2592 Greenwood, AR 72901 479/996-2963 Home 479/650-0113 Cell jburgess49@yahoo.com Year Term Began 2008</p>	<p>Jeff Beauchamp 2801 Rogers Ave Fort Smith, AR 72901 479/785-1212 Work 479/719-5037 Cell jeffb@bedfords.com Year Term Began 2004</p>	<p>Judy Boreham 4223 S 35th St Fort Smith, AR 72903 479/646-1397 Home 479/651-7141 Cell Boreham43@yahoo.com Year Term Began 2010</p>
<p>Robert Cooper 6001 S Zero Fort Smith AR 72903 479/646-4366 479/651-7450 Cell rcooper@farrellcooper.com Year Term Began 2008</p>	<p>Ronnie Hawkins 110 S 7th Van Buren AR 72956 479/474-1227 Work 479/782-2024 Home Ronnie.Hawkins@hawkins-weir.com Year Term Began 2009</p>	<p>Benny Gooden, Ed.D. Fort Smith Public Schools PO Box 1948 Fort Smith AR 72902 479/785-3664 (X1202) Work bgooden@fortsmithschools.org Year Term Began 2010</p>
<p>David Craig, Vice Chair 322 N 8th Fort Smith, AR 72901 479/452-0996 Work 479/785-0448 Home dcraig@octwealth.com Year Term Began 2008</p>	<p>Don Hutchings PO Box 1077 Fort Smith AR 72901 479/782-9121 Work 479/646—1029 Home pastordon@excitinget.com Year Term Began 2009</p>	<p>Dr. James Greene 700 Beaty Ave Pocola OK 74902-3439 918/626-4053 Home 479/441-5011 Work 479/461-1309 Cell Docseek3@gmail.com Year Term Began 2013</p>
<p>Pat Satterfield 536 Hwy 71 Alma AR 72921 479-632-4040 Work 479/651-3893 Cell pat@psrealtors.org Year Term Began 2008</p>	<p>Mike Rappeport, Treasurer 3220 Old Greenwood Rd Fort Smith AR 72903 479/441-2123 Work mike_rappeport@ml.com Year Term Began 2006</p>	<p>Dr. Lee Johnson 3101 Ashebury Point Greenwood AR 72936 479/441-5011 Work 479/883-6393 Cell Leemoj2020@gmail.com Year Term Began 2013</p>
	<p>John R. Taylor, Chair 820 S 21st St Fort Smith AR 72901 479/782-2527 Work JohnTaylor@sterneagee.com Year Term Began 2003</p>	<p>Kyle Parker 4701 S Cliff Dr. Fort Smith AR 72903 479/459-8800 Cell kdparker1957@gmail.com Year Term Began 2010</p>
	<p>Bennie Westphal 109 N 6th St Fort Smith AR 72901 479/783-2792 Work 479/650-8482 Cell Bbwest54@hotmail.com Year Term Began 2003</p>	<p>Jim Patridge BancorpSouth PO Box 47 Fort Smith, AR 72902 479/785-8408 Work jimpatridge@bxs.com Year Term Began 2010</p>
		<p>Karen Pharis Pharis Broadcasting, Inc. PO Box 908 Fort Smith, AR 72902 479/785-1230 Work 479/414-8647 Cell Karenpharis40@yahoo.com Year Term Began 2013</p>

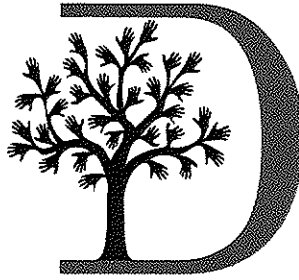
Staff Contact Information:

Executive Director: ***Thomas H. Webb, Jr.***
Office: ***479/434-3066***
Home: ***479/646-4010***
Cell: ***479/459-4574***

Chief Financial Officer: ***Dennis R Bauer***
Office: ***479/434-3064***
Home: ***479/649-8576***
Cell: ***479/459-7626***

Office Manager: ***Rebecca Ameis***
Office: ***479/434-3060***
Home: ***None***
Cell: ***479/739-7072***

Organizational Documents



THE DEGEN FOUNDATION

"We have all drunk from wells we did not dig; We have been warmed by fires we did not build; We have sat in the shade of trees we did not plant; We are where we are because of what someone else did." — Author Unknown

Mission Statement:

*Providing for our region's
healthcare needs by investing in
practical solutions today
with a vision for tomorrow*

**CERTIFICATE OF AMENDMENT AND RESTATEMENT
OF
THE ARTICLES OF INCORPORATION
OF
SPARKS HEALTH SYSTEM FOUNDATION**

(Changing its name to "The Degen Foundation," and making other amendments)

Sparks Health System Foundation, a non-profit corporation duly organized, created and existing under and by virtue of the laws of the State of Arkansas, by and through its Chairman of the Board, DOES HEREBY CERTIFY AS FOLLOWS:

- A. The name of the corporation filing these Amended and Restated Articles of Incorporation ("Restated Articles") is Sparks Health System Foundation, which is changing its name to The Degen Foundation and making other amendments ("Corporation").
- B. The text of the Restated Articles of Incorporation is attached hereto for filing.
- C. The date of the adoption of the Restated Articles by the Board of Directors was June 21, 2010.
- D. The Corporation has no members.
- E. The Directors voted unanimously in favor of adoption of said Restated Articles, and the consent or approval of any other person was not required.

[Signature page follows.]

IN WITNESS WHEREOF, said nonprofit corporation has caused its corporate name to be subscribed by its Chairman of the Board, on this 7th day of July, 2010, who hereby verifies that the statements contained in the foregoing Certificate are true and correct to the best of his knowledge and belief.



Jeff Beauchamp, Chairman of the Board

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SPARKS HEALTH SYSTEM FOUNDATION
(Changing its name to The Degen Foundation, and making other amendments)**

The undersigned Chairman and Secretary, respectively, of the Board of Directors of Sparks Health System Foundation do hereby certify that on June 21, 2010, the Board of Directors of Sparks Health System Foundation voted to amend and restate its Articles of Incorporation in accordance with the Arkansas Nonprofit Corporation Act of 1993 (hereinafter referred to as "Act"), as follows:

FIRST: The name of the corporation shall be "The Degen Foundation" (hereinafter referred to as "Foundation").

SECOND: The Foundation shall be a public benefit corporation.

THIRD: The Foundation is organized as a nonprofit corporation exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and related Treasury Regulations ("Code"). Without limiting the generality of the foregoing, the Foundation is organized for the following specific purposes: (i) to promote and develop access to and delivery of healthcare services in Western Arkansas and Eastern Oklahoma; (ii) to improve the quality and availability of healthcare services in Western Arkansas and Eastern Oklahoma to all persons regardless of race, color, sex, handicap, national origin, religious creed, or financial status; (iii) to facilitate and promote healthcare education in Western Arkansas and Eastern Oklahoma, including, but not limited to, granting scholarships to individuals in furtherance of their education as a healthcare service provider, in accordance with policies and procedures adopted by the Foundation from time to time; (iv) to aid, support, maintain, and assist, by gift, donation or otherwise, established religious or charitable institutions, which have qualified under Section 501(c)(3) of the Code or corresponding provisions of any subsequent Federal tax laws; and (v) to engage in such other activities as are permitted under the Act. The Foundation shall have and exercise all powers, privileges and rights conferred on nonprofit corporations by the laws of the State of Arkansas and all powers and rights incidental to carrying out the purposes for which this Foundation is formed, except such as are inconsistent with the express provisions of the Act under which this is incorporated. The enumeration of the foregoing purposes shall not be limited to or restrict in any manner the general powers conferred on this Foundation by the laws of the State of Arkansas.

FOURTH: The following provisions shall apply with respect to the Foundation:

(a) **Use of Earnings**: No part of the net earnings of the Foundation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political

campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Foundation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code (or the corresponding provision of any future United States Internal Revenue Law) or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code (or the corresponding provision of any future United States Internal Revenue Law).

(b) Dissolution: Upon the dissolution of the Foundation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all the assets of the Foundation to such organization or organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

FIFTH: The principal office of the Foundation shall be located at 810 Lexington Avenue, Fort Smith, Arkansas 72901. The name of the registered agent and the address of the registered office of the corporation are as follows:

Thomas H. Webb, Jr.
810 Lexington Avenue
Fort Smith, Arkansas 72901

SIXTH: The Foundation will have no members, classes of membership, or membership fees. The Foundation shall not have or issue shares of stock, no dividends shall be paid, and no part of the income of the Foundation shall be distributed to its directors or officers.

SEVENTH: The Foundation shall be under the direction of the Board of Directors initially consisting of not more than twenty-one (21) persons and not less than seven (7) persons. The manner and method for electing directors (including the terms served by directors) shall be more fully set out in the Bylaws of the Foundation.

EIGHTH: The names and addresses of the persons who are currently serving as Chairman and Secretary respectively of the Foundation are:

Chairman: Jeff Beauchamp
810 Lexington Avenue
Fort Smith, Arkansas 72901

Secretary: Loretta Parker
810 Lexington Avenue
Fort Smith, Arkansas 72901

NINTH: The Foundation shall be permitted to indemnify its officers, directors, employees and agents to the fullest extent allowed by the Act and as more particularly described in the Foundation's Bylaws.

TENTH: The original incorporators of the Foundation were as set forth in the original Articles of Incorporation.

ELEVENTH: Neither these Articles nor the Bylaws of the Foundation may be amended or changed unless approved by the Board of Directors of the Foundation.

[Signature page follows.]

IN TESTIMONY WHEREOF, the undersigned, as Chairman and Secretary, respectively, of the Foundation, hereby execute and certify to these Amended and Restated Articles of Incorporation in their entirety as of this 7th day of July, 2010.

THE DEGEN FOUNDATION
(Formerly known as Sparks Health System Foundation)

By: 
Jeff Beauchamp, Chairman

ATTEST:


Loretta Parker, Secretary

**AMENDED AND RESTATED BYLAWS
OF
THE DEGEN FOUNDATION
(Formerly known as Sparks Health System Foundation)**

These Amended and Restated Bylaws (hereinafter referred to as "Bylaws") of The Degen Foundation (hereinafter referred to as "Foundation") are adopted as of the day and date set forth below by the Board of Directors of the Foundation. These Bylaws shall replace, in their entirety, all previous Bylaws of the Foundation. To the extent that these Bylaws conflict with the Amended and Restated Articles of Incorporation of the Foundation (hereinafter referred to as "Articles"), the Articles shall control. To the extent these Bylaws conflict with any other document or writing, other than the Articles adopted by the Foundation, these Bylaws shall control.

**ARTICLE I
Corporate Name and Offices**

The name of the Foundation shall be "The Degen Foundation." The principal office of the Foundation shall be located at 6101 Phoenix Ave, #4, Fort Smith, Arkansas 72903 The Foundation may have such other offices as the Board of Directors may determine from time to time.

**ARTICLE II
Purpose**

The Foundation is organized as a nonprofit corporation exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and related Treasury Regulations ("Code"). Without limiting the generality of the foregoing, the Foundation is organized for the following specific purposes: (i) to promote and develop access to and delivery of healthcare services in Western Arkansas and Eastern Oklahoma; (ii) to improve the quality and availability of healthcare services in Western Arkansas and Eastern Oklahoma to all persons regardless of race, color, sex, handicap, national origin, religious creed, or financial status; (iii) to facilitate and promote healthcare education in Western Arkansas and Eastern Oklahoma, including, but not limited to, granting scholarships to individuals in furtherance of their education as a healthcare service provider, in accordance with policies and procedures adopted by the Foundation from time to time; (iv) to aid, support, maintain, and assist, by gift, donation or otherwise, established religious or charitable institutions, which have qualified under Section 501(c)(3) of the Code or corresponding provisions of any subsequent Federal tax laws; and (v) to engage in such other activities as are permitted under the Act. The Foundation shall have and exercise all powers, privileges and rights conferred on nonprofit corporations by the laws of the State of Arkansas and all powers and rights incidental to carrying out the purposes for which this Foundation is formed, except such as are inconsistent with the express provisions of the Act under which this is incorporated. The enumeration of the foregoing purposes shall not be limited to or restrict in any manner the general powers conferred on this Foundation by the laws of the State of Arkansas.

ARTICLE III
Public Benefit Corporation

The Foundation is a public benefit corporation. The Foundation shall have no members. The Foundation shall be governed as a public benefit corporation under the Arkansas Nonprofit Corporation Act of 1993 (“Act”).

ARTICLE IV
Board of Directors

4.1 Generally. The Foundation shall be governed by a Board of Directors. All members of the Board of Directors of the Foundation shall be appointed and elected by the Board of Directors. Persons accepting appointment and serving on the Board of Directors of the Foundation shall be committed to carry out the purposes of the Foundation.

4.2 Number and Term. As of the date of these Amended and Restated Bylaws, the current directors and the respective dates of expiration of their terms are set forth on Exhibit A, which is attached hereto and incorporated herein by reference. The minimum number of Directors at any one time shall be seven (7). Members to the Board of Directors shall be elected by a vote of the majority of the Board of Directors of the Foundation. Members of the Board are elected or appointed to serve three (3) year terms and may be re-elected to serve additional terms. The Board of Directors, in its discretion, may reduce the size of the Board, but not below seven (7) members.

4.3 Compensation. Directors as such shall not receive any compensation, but by resolution of the Board of Directors may be reimbursed for expenses paid or incurred in the performance of their duties as Directors.

4.4 Resignation, Vacancies, New Positions. Any Director may resign from the Board by filing a written resignation with the Secretary. Any Director of the Board missing 3 unexcused meetings during 12 consecutive months, either full Board meetings or scheduled committee meetings, will be assumed to have resigned from the Board. A letter from the Chairman will be sent to the individual acknowledging their resignation with a copy provided to the Secretary for reference. Vacancies shall be filled in the same manner as new members are selected, except that the length of the initial term shall be the time remaining for that position.

4.5 Honorary Director Status. Upon retirement from the Board of Directors, a retiring member may be named an Honorary Foundation Director in the discretion of the Board; provided, however, that this designation shall not carry with it any voting rights and shall not be deemed to fill a Board position.

ARTICLE V
Directors Meetings

5.1 Annual Meeting. An annual meeting of the Board of Directors shall be held during the last quarter of each calendar year in Fort Smith, Arkansas, at a time, date, and place

set by the Chairman. At the annual meeting of the Board of Directors, the Board shall elect officers as provided in these Bylaws and shall transact such other business as may be brought before the meeting. In the event that officers are not elected at the annual meeting, they may be elected at the next special or regular meeting of the Board of Directors.

5.2 Regular Meetings. Written notice of regular meetings shall be delivered (via regular, certified or electronic mail, or any other method or form permitted under the Act) to each member of the board certified to vote at such meeting, not less than three (3) nor more than thirty (30) days before the date of such meeting. The business to be transacted at a regular meeting need not be specified unless specifically required by the Act or by these Bylaws.

5.3 Special and Urgent Meetings. Special meetings of the Board of Directors may be called by the Chairman, or by any four (4) or more Directors of the Board. Notice (by any authorized means) of any special meeting of the Board of Directors shall be given at least two (2) days prior to the meeting. If an urgent meeting is needed, members will be notified by telephone, electronic mail or facsimile (with no two (2) day notice requirement), and under these circumstances, the purpose of the meeting notification described below shall be waived. For special meetings only the notice is required to state the purpose or purposes for which the meeting is called. Such special meetings of the Board of Directors shall be held in Sebastian County, Arkansas, at a time, date, and place designated in the notice.

5.4 Waiver of Notice. Any Director may waive notice of any meeting, either before or after the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

5.5 Quorum Requirements; Taking Action. A majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors. The affirmative vote of a majority of the directors present at a meeting when a quorum is present shall be the act of the board of directors. Any action required or permitted to be taken at a meeting of the board of directors, or any committee designated by the board, may be taken without a meeting if the action is taken by all members of the board of directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken. Any action taken under this Section shall be effective when the last director has signed the consent, unless the consent specifies a different effective date, which effective date shall control. A consent delivered by facsimile transmission or email shall constitute a valid signed consent. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document.

5.6 Telephonic Meetings. Members of the board of directors (including non-voting representatives), or any committee designated by the board, may participate in a meeting of such board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting. The purpose of this Section is to be an accommodation to the Board of Directors if the

means for a telephonic meeting are available and desirable for use. This Section is not intended to permit any single director to require or force a telephonic meeting.

ARTICLE VI

Committees

6.1 Executive Committee. The Executive Committee shall consist of the Chairman, the Vice Chairman, the Secretary and the Treasurer of the Board. The Chairman may appoint *ad hoc* members as deemed necessary. The Executive Committee shall be a standing committee and shall meet, as is necessary, to conduct the normal business of the Foundation; and to consider matters of policy for referral to the Foundation's Board of Directors. The presence of a majority of all of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting of the Executive Committee. Each member shall be entitled to one vote on any question properly before any meeting of the Executive Committee. At all meetings of the Executive Committee, all questions shall be decided by the vote of a majority of the members entitled to vote thereon who shall be physically present at the meeting; provided, however, that telephonic meetings shall be permitted. Any action that might be taken at a meeting of the Executive Committee may be taken without a meeting if a written consent to such action is signed by all members of the Executive Committee. All actions of the Executive Committee shall be reported in writing to the other members of the Foundation's Board of Directors within thirty (30) days after such action is taken or at a meeting of the Board of Directors, if a meeting is held within that period of time.

6.2 Investment Advisory Committee. The Executive Committee shall appoint an Investment Advisory Committee to oversee and direct the implementation of any and all investment policies and guidelines which the Board of Directors adopts from time to time.

6.3 Standing Committees. Standing Committees shall be appointed as deemed necessary and appropriate by the Board.

6.4 Operating Committee. Operating Committees may be created and abolished by the Board. Such committees shall discharge such responsibilities as may be assigned to them.

6.5 Scholarship and Grant Committees. There shall be designated a Scholarship and Grant Committee, comprised of at least five (5) members of the Board of Directors, which shall have the authority and duty to review applications and candidates for individual scholarships and for grants and other distributions of funds to other charitable organizations and make recommendations to the Board of Directors regarding awarding of such scholarships and granting of such other funds to individuals and other charitable organizations in furtherance of the stated purposes of the Foundation.

Scholarships shall only be awarded and distributed in accordance with Foundation policies and procedures, which shall include, at a minimum, the following:

(a) All applicants for scholarships will be required to submit a written application for scholarship on such forms as may be adopted from time to time by the Foundation or the Scholarship and Grant Committee.

(b) No scholarship to any individual shall exceed \$10,000 for any one calendar year.

(c) No one individual shall receive scholarship funds in excess of \$40,000 in the aggregate during any four (4) consecutive years.

(d) Scholarships shall be granted without regard to any candidate's race, color, sex, handicap, national origin, religious creed, or financial status.

(e) Reasonable efforts shall be made to publicize the availability of scholarships in the community.

(f) The Foundation shall maintain case histories showing recipients of scholarships, which shall include the name and last known address of the recipient, as well as the purpose of the scholarship, the amount of each scholarship, the manner of selection of the candidate to receive the scholarship, and any relationship of the recipient to any officer, director or donor of funds to the Foundation.

(g) All scholarship recipients will be encouraged and may be required to remain in Western Arkansas or Eastern Oklahoma to provide healthcare services for a period of time after completing their education, in order to promote the availability and quality of healthcare services in these areas. Candidates for scholarships will be required to represent to the Foundation that they will do so.

(h) Any member of the Board of Directors or the Scholarship Committee who has any relation to any candidate for scholarship shall abstain from voting with respect to the matter of granting a scholarship to that individual.

(i) If possible, scholarship funds will be paid directly to the educational institution and not to the individual recipient.

(j) Any recipient of scholarship funds will be required to provide proof of academic good standing and grade transcripts periodically at the request of the Foundation. Any recipient not in academic good standing or whose grades do not meet the requirements of the Foundation (as determined by the Foundation from time to time) will be immediately ineligible for further participation in the scholarship program.

(k) All scholarship recipients will be requested to inform the Foundation, in writing, as to the use of scholarship funds and the benefits derived therefrom.

(l) Any recipient who misuses scholarship funds in violation of any representation made to the Foundation will be subject to legal action in the discretion of the Foundation.

Grants to other charitable organizations shall only be awarded and distributed in accordance with Foundation policies and procedures, which shall include, at a minimum, the following:

(a) All charitable organizations applying for a grant of funds from the Foundation will be required to submit a written application for grant on such forms as may be adopted from time to time by the Foundation or the Scholarship and Grant Committee.

(b) No grant to any one charitable organization shall exceed \$500,000 for any one calendar year, with exceptions to be approved by the Board of Directors.

(c) No one charitable organization shall receive grant funds in excess of \$1,000,000 in the aggregate for all calendar years, with exceptions to be approved by the Board of Directors.

(d) Reasonable efforts shall be made to publicize the availability of grant funds in the community.

(e) The Foundation shall maintain case histories showing recipients of grants, which shall include the name and last known address of the recipient organization, as well as the purpose of the grant, the amount of each grant, the manner of selection of the charitable organization to receive the grant, and any relationship of any officer, director or other principal of the recipient organization to any officer, director or donor of funds to the Foundation.

(f) Any member of the Board of Directors or the Scholarship and Grant Committee who has any relation to any charitable organization candidate for a grant shall abstain from voting with respect to the matter of granting funds to that organization.

(g) All organizational grant recipients will be requested to inform the Foundation, in writing, as to the use of grant funds and the benefits derived therefrom.

(h) Any recipient organization who misuses grant funds in violation of any representation made to the Foundation will be subject to legal action in the discretion of the Foundation.

6.6 Committee Composition and Powers Generally. All voting members of any committee of the Board of Directors shall be limited to currently active directors. The Board of Directors may delegate such of its powers as it deems necessary to such committees as it may from time to time establish; provided however, a committee of the board may not (i) approve the dissolution, merger or the sale, pledge or transfer of all or substantially all of the Foundation's

assets; (ii) elect, appoint, or remove directors or fill vacancies on the board or any of its committees; or (iii) adopt, amend, or repeal the articles of incorporation or these bylaws. Any committee may exercise such of the board's authority as the committee is granted by the board of directors, subject to the restrictions contained in the Articles of Incorporation or these Bylaws.

ARTICLE VII

Authority

The Board of Directors shall have the power and authority to:

- (a) receive the income, profits, and rents of the Foundation;
- (b) purchase, subscribe for, retain, invest, and reinvest in securities or other property wherever situated, and whether or not productive or of a wasting nature, and without any requirements for diversification as to kind or amount, which term "securities or other property" shall be deemed to include real or personal property, stocks, common or preferred, any other interest in any corporation, association, investment trust, partnership, limited liability company or investment company including, but not limited to, bonds, notes, debentures, or other evidences of indebtedness or ownership, secured or unsecured;
- (c) sell for cash or on credit, convert, redeem, exchange, for other securities or other property, or otherwise dispose of any securities or other forms of property at any time held by the Foundation;
- (d) alter, repair, improve, erect buildings upon, demolish, manage, partition, mortgage, lease, exchange, grant options to lease or to buy, and sell or dispose of, at public or private sale, and upon such conditions and such terms as to cash and credit as the Board of Directors may deem advisable, real property or interests in real property held by the Foundation;
- (e) settle, compromise, or submit to arbitration, any claims, mortgages, debts, or damages, due or owing to or from the Foundation;
- (f) commence or defend any suits or legal proceedings;
- (g) vote by general or limited proxy any shares of stock which may be held by the Foundation at any time and similarly to exercise by general or limited power of attorney any right appurtenant to an securities or other property held by them at any time;
- (h) employ suitable accountants, agents, counsel, and custodians and to pay their reasonable expenses and compensation;

- (i) make, execute, and deliver all instruments necessary or proper for the accomplishment of the purposes and objectives of this Foundation or of any of the foregoing powers, including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases, and settlements; and
- (j) take any and all other actions as may be reasonable or necessary to further the Foundation's purposes and which are not prohibited by the Act.

ARTICLE VIII

Officers

8.1 Types of Officers. The officers of the Foundation shall be a Chairman, a Vice-Chairman, a Secretary, a Treasurer, and, if deemed desirable, an Assistant Treasurer. Any two or more offices may be held by the same person, except the offices of Chairman and Secretary. All officers, except Assistant Treasurer, must be members of the Foundation's Board of Directors.

8.2 Election. The officers of the Foundation shall be elected at the annual meeting of the Board of Directors. Officers shall hold office until their successor has been duly elected and qualified.

8.3 Vacancy. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Executive Committee for the unexpired portion of the term.

8.4 Authority. Each officer shall have the power and authority and shall perform and discharge the duties of officers of the same title serving in nonprofit corporations having the same or similar general purposes and objectives as the Foundation.

ARTICLE IX

Corporate Status

Notwithstanding any other provision of these Bylaws, no power or authority shall be exercised by the Board of Directors or the officers of the Foundation in any manner or for any purpose whatsoever that might jeopardize the status of the Foundation as an exempt organization pursuant to the Internal Revenue Code and its regulations as they now exist or they may hereafter be amended; nor shall the Directors or officers engage in any act of self-dealing as defined in the Internal Revenue Code; nor retain any excess business holdings as defined in the Internal Revenue Code; nor make any investments in such manner as to incur tax liability under Section 4944 of the Internal Revenue Code; nor make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

ARTICLE X
Records

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members and Board of Directors. All books and records of the Foundation may be inspected by any member of the Board of Directors for any proper purpose at any reasonable time. Minutes shall be recorded at all meetings and a Treasurer's report shall be prepared at least annually.

ARTICLE XI
Gifts

If any person or persons at any time is or are disposed to make gifts or bequests of any type or kind to the Foundation, power and authority is hereby conferred upon the Board of Directors to receive such gifts and bequests and to apply the principal and income therefrom to the purposes and objectives of the Foundation, under the powers, authorities, and discretions contained in these Bylaws, the Articles or the Foundation's Gift Acceptance Policy; provided, that such gifts or bequests are not made upon any terms or conditions that would conflict with the uses, purposes, and provisions of these Bylaws, the Articles or the Foundation's Gift Acceptance Policy, except that restrictions in such gifts and bequests may be agreed to by the Board of Directors and accepted subject thereto.

ARTICLE XII
Fiscal Year

The fiscal year of the Foundation shall begin on the 1st day of July in each year and end at midnight on the 30th day of June. At the close of each fiscal year, the accounts of the Foundation will be audited. The audit report will include a balance sheet and any other financial reports directed by the Board as of the close of the fiscal year. Neither the auditors selected nor any member or employee of any auditing firm selected shall be a director or an officer of the Foundation. A copy of the report of the auditor shall be made available to each member of the Board of Directors as soon as practical, and such report shall be presented at the annual meeting of the Board of Directors.

ARTICLE XIII
Amendment

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or any special meeting, if at least ten (10) days written notice is given of the intention to alter, amend, or repeal or to adopt new Bylaws at such meeting.

ARTICLE XIV

Indemnification

14.1 Mandatory Indemnification. In accordance with Ark. Code Ann. §§ 4-33-852 and 4-33-856, the Foundation shall indemnify any director or officer and such person's estate or personal representative who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director or officer is a party by virtue of such person's status as a director or officer of the Foundation.

14.2 Permissible Indemnification. Pursuant to Ark. Code Ann. § 4-33-851, and except as provided in Section 14.3 below, the Foundation may indemnify a director, officer or employee made a party to a proceeding by virtue of such person's status as a director, officer or employee against liability incurred in the proceeding if the following conditions are met: (i) the director, officer or employee conducted himself or herself in good faith; (ii) with respect to conduct in his or her official capacity, the director, officer or employee had reason to believe that his or her conduct was in the best interests of the Foundation; and (iii) in cases of conduct not in his or her official capacity, the director, officer or employee had reason to believe that his or her conduct was at least not opposed to the best interests of the Foundation.

14.3 Prohibition of Indemnification in Certain Cases. The Foundation shall not indemnify a director, officer or employee in connection with any proceeding by or in the right of the Foundation in which the director, officer or employee was adjudged liable to the Foundation, or in connection with any other proceeding charging improper personal benefit to the director, officer or employee, whether or not involving action in his or her official capacity, in which the director, officer or employee was adjudged liable on the basis that personal benefit was improperly received by the director, officer or employee.

14.4 Procedure for Authorizing Indemnification of Directors. Before the Foundation may indemnify any director, officer or employee pursuant to Section 14.2 above, a determination must be made that indemnification of a director, officer or employee is permissible because the director, officer or employee has met the standards of conduct set forth in Section 14.2 of this Article, if applicable. The board of directors shall make that determination by a majority vote of a quorum consisting of directors who are not at the time parties to the proceeding; provided however, if such a quorum cannot be obtained, the determination shall be made either by a committee designated by the board of directors or by special legal counsel in accordance with Ark. Code Ann. § 4-33-855(b)(2) and (3). Furthermore, the Foundation may not indemnify a director, officer or employee until twenty (20) days after the effective date of the written notice of the proposed indemnification to the Attorney General of the State of Arkansas. The Foundation may pay for or reimburse the reasonable expenses incurred by a director, officer or employee who is a party to a proceeding in advance of final disposition of the proceeding upon authorization made in accordance with Ark. Code Ann. § 4-33-855 and upon satisfaction of all the conditions prescribed in Ark. Code Ann. § 4-33-853.

14.5 Insurance. The Foundation may purchase and maintain insurance on behalf of its directors, officers and employees to insure against liabilities asserted against or incurred by the Foundation's directors, officers and employees in that capacity or arising from their status as

directors, officers and employees, whether or not the Foundation would have the power to indemnify them against the same liability under the preceding Sections of this Article.

14.6. Definitions. The following definitions apply to the indemnification provisions of this Article:

- (i) Proceeding. “Proceeding” means any threatened, pending or completed civil action, suit or proceeding, whether judicial, administrative, or investigative, and whether formal or informal.
- (ii) Liability. “Liability” means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses actually incurred with respect to a proceeding.
- (iii) Expenses. Indemnification against expenses which is mandated or permitted under this Article is limited to reasonable expenses, including attorneys’ fees, incurred in connection with a proceeding.
- (iv) Ark. Code Ann. All citations in these bylaws to “Ark. Code Ann.” shall refer to the Arkansas Code of 1987 Annotated, as amended from time to time by the Arkansas Legislature.

ARTICLE XV Dividends Prohibited

The Foundation shall not have or issue shares of stock, and no dividend shall be paid, and no part of the income of the Foundation shall be distributed to its directors or officers. The Foundation may pay compensation in a reasonable amount to its directors or officers for services rendered, and may reimburse its directors, officers, and employees for expenses incurred in attending to their authorized duties; provided however, such expenses shall be evidenced by receipt or other proper document.

ARTICLE XVI Contracts, Loans, Checks, and Deposits

16.1 Contracts. The board of directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

16.2 Loans. No loans shall be made by the Foundation to its directors or officers. Any directors who vote for or assent to the making of a loan to a director or officer, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Foundation for the amount of such loan until repayment thereof in accordance with the provisions of the Act. No loans shall be contracted on behalf of the Corporation and no

evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

16.3 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall from time to time be determined by resolution of the board of directors.

16.4 Deposits. All funds of the Foundation not otherwise employed shall be deposited from time to time to the credit of the Foundation in such banks, trust companies or other depositories as the board of directors may select.

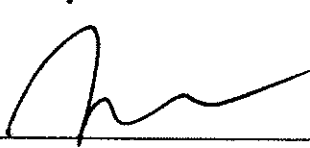
ARTICLE XVII Dissolution

Upon the dissolution of the Foundation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all the assets of the Foundation to such organization or organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.


[Certification page and Exhibit A follow.]

These Amended and Restated Bylaws are hereby adopted by a majority vote of the Board of Directors of the Foundation at a meeting of the Board held on the 18th day of March, 2013.

THE DEGEN FOUNDATION

By: 
Signature
John Taylor, Chairman

ATTEST:


Signature
Dr. Jim Burgess, Secretary

[Exhibit A follows.]

EXHIBIT A

DIRECTORS AS OF JUNE 21, 2010

Term Ending December 2010

James Burgess
Robert Cooper
David Craig
Robert E. Miller
Donnie Pendegraft
Pat Satterfield
Ed Dell Wortz

Term Ending December 2011

Jeff Beauchamp, Chair
Lyn Caselman
Ronnie Hawkins
Don Hutchings
Loretta Parker, Secretary
Mike Rappeport, Vice Chair
John R. Taylor, Treasurer
Bennie Westphal

Term Ending December 2012

Judy Boreham (Renewed)
Benny Gooden, Ed.D. (Renewed)
Bill Hanna
Kyle Parker (Renewed)
Jim Patridge
Jim Walcott (Renewed)

Term Ending December 2013

James Burgess, Secretary
Robert Cooper
David Craig, Vice Chair
Pat Satterfield

**Fort Smith Regional HealthCare Foundation
810 Lexington Ave, Suite B
Fort Smith, AR 72901**

October 5, 2010

Internal Revenue Service
Exempt Organizations Determination Office
PO Box 2508, Room 4024
Cincinnati, Ohio 45201

Via Certified Mail

Re: The Degen Foundation (f/k/a Sparks Regional Medical Center Foundation
and then Sparks Health System Foundation),
Referred to herein as the "Foundation,"
Tax ID No. 71-0575827

Ladies and Gentlemen:

The purpose of this letter is to inform you of certain material events which have occurred with respect to the referenced Foundation. The Foundation was originally incorporated under the name Sparks Regional Medical Center Foundation on April 1, 1983, as a non-profit corporation under the laws of the State of Arkansas, to be a Type I supporting organization to Sparks Regional Medical Center ("Sparks Hospital"), another Arkansas non-profit corporation which operated a hospital in Fort Smith, Arkansas. After its incorporation, the Foundation sought and received a determination from the Internal Revenue Service ("Service") that the Foundation is a tax-exempt, public charity. For your reference, we have enclosed a May 2002 letter from the Service which affirms the Foundation's exempt status.

Effective as of December 1, 2009, the Sparks Hospital (which the Foundation was organized to support) sold substantially all of its assets to a third party buyer, which now operates a hospital at the same location in Fort Smith, Arkansas. With its supported organization in the midst of winding down, the Foundation has been in the process of developing a new mission and purpose. In that regard, the Foundation has adopted Amended and Restated Articles of Incorporation and Amended and Restated Bylaws, copies of which are enclosed with this letter for your reference ("Amended Governing Documents"). In addition to modifying the stated purpose of the Foundation and making other revisions, the Amended Governing Documents also change the name of the Foundation to "The Degen Foundation," in honor of the founder of Sparks Hospital.

As you will see in the Amended Governing Documents, the Foundation remains a public benefit corporation. Specifically, Article "THIRD" of the Foundation's Amended and Restated Articles of Incorporation provides that the Foundation's exempt purposes are as follows:

... (i) to promote and develop access to and delivery of healthcare services in Western Arkansas and Eastern Oklahoma; (ii) to improve the quality and availability of healthcare services in Western Arkansas and Eastern Oklahoma to all persons regardless of race, color, sex, handicap, national origin, religious creed, or financial status; (iii) to facilitate and promote healthcare education in Western Arkansas and Eastern Oklahoma, including, but not limited to, granting scholarships to individuals in furtherance of their education as a healthcare service provider, in accordance with policies and procedures adopted by the Foundation from time to time; (iv) to aid, support, maintain, and assist, by gift, donation or otherwise, established religious or charitable institutions, which have qualified under Section 501(c)(3) of the Code or corresponding provisions of any subsequent Federal tax laws; and (v) to engage in such other activities as are permitted under the [Arkansas Non-profit Corporation Act]

One of the Foundation's primary purposes will be to award scholarships and grants to individuals and organizations which the Foundation believes will further the Foundation's exempt purposes through use of such funds. We call your attention specifically to Section 6.5 of the Foundation's Amended and Restated Bylaws for a discussion of the processes and procedures the Foundation will use to award these scholarships and grants.

With respect to distribution of the Foundation's assets upon dissolution, subsection (b) of Article "FOURTH" of the Foundation's Amended and Restated Articles of Incorporation provides as follows:

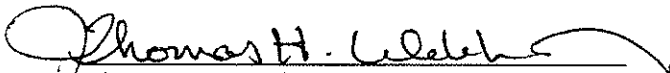
(b) Dissolution: Upon the dissolution of the Foundation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all the assets of the Foundation to such organization or organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

With regard to the Foundation's specific activities, the Foundation does not support political campaigns in any way, nor does it attempt to influence legislation. The Foundation also does not operate any bingo or other gaming activities. Also, in furtherance of its stated purposes, the Foundation anticipates that it will attempt to collect at least one-third (1/3) of its future support from public / governmental contributions.

The Foundation respectfully requests that the Service confirm that the Foundation remains a tax-exempt, public charity and provide the Foundation with an updated exempt status letter to reflect the change of the name of the Foundation. If you require any additional information from the

Foundation, please do not hesitate to contact me using the contact information contained in the letterhead of this letter.

Under penalties of perjury, I declare that I have examined this request, including the accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct and complete.


Thomas H. Webb, Jr., Executive Director

Oct. 5, 2010

Enclosures (Original Determination Letter)
(Amended Governing Documents)

STATE OF ARKANSAS



Charlie Daniels
SECRETARY OF STATE

To All to Whom These Presents Shall Come, Greetings:

I, Charlie Daniels, Secretary of State of Arkansas, do hereby certify that the following and hereto attached instrument of writing is a true and perfect copy of

Articles of Amendment with Restatement

of

SPARKS HEALTH SYSTEM FOUNDATION

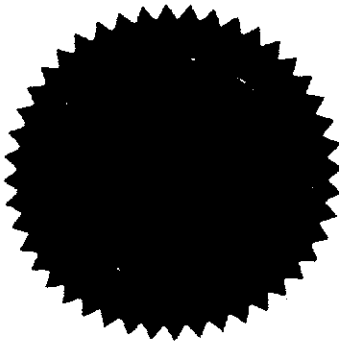
changing the name to

THE DEGEN FOUNDATION

filed in this office

August 3, 2010.

In Testimony Whereof, I have hereunto set my hand and affixed my official Seal. Done at my office in the City of Little Rock, this 3rd day of August 2010.



Charlie Daniels

Secretary of State

Policy Manual

POLICY MANUAL

Compiled: October 25, 2011

Updated: December 3, 2012

Updated: March 18, 2013

Updated: April 22, 2013

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