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Form 990

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2008

OMB No 1545-0047

Department of the Treasury ▶ The organization may have to use a copy of this return to satisfy state reporting requirements Inspection Internal Revenue Service A For the 2008 calendar year, or tax year beginning 04-01-2008 and ending 03-31-2009 D Employer identification number C Name of organization LEGACY HEALTH SYSTEM B Check if applicable Please use IRS 23-7426300 Address change label or Doing Business As E Telephone number Name change print or type. See (503) 415-5600 Initial return Specific Number and street (or P O box if mail is not delivered to street address) Room/suite 1919 NW LOVEJOY STREET **G Gross receipts** \$ 184,630,876 Instruc-Termination tions. Amended return City or town, state or country, and ZIP + 4 PORTLAND, OR 97209 Application pending Name and address of Principal Officer **H(a)** Is this a group return for GEORGE J BROWN MD affiliates? C/O 1919 NW LOVEJOY STREET PORTLAND, OR 97209 H(b) Are all affiliates included? Γ Yes **Γ** No **5**01(c) (3) **◄** (insert no) √ 4947(a)(1) or
√ 527 (If "No," attach a list See instructions) Group Exemption Number 🕨 Web site: ► WWW LEGACYHEALTH ORG L Year of Formation 1970 M State of legal domicile OR Briefly describe the organization's mission or most significant activities Activities & Governance See Additional Data Table Check this box ┌ if the organization discontinued its operations or disposed of more than 25% of its assets Number of voting members of the governing body (Part VI, line 1a) . . 15 13 Number of independent voting members of the governing body (Part VI, line 1b) $\,$. 11,427 Total number of employees (Part V, line 2a) . Total number of volunteers (estimate if necessary) . Total gross unrelated business revenue from Part VIII, line 12, column (C) . 7a 135,705 Net unrelated business taxable income from Form 990-T, line 34 . 7b -2,129 b 665,075 8 Contributions and grants (Part VIII, line 1h) . . 918,189 9 Program service revenue (Part VIII, line 2g) . . 119,594,372 140,777,309 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . 8,482,713 -16,067,046 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) -3,993,599 -2,944,604 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12 125,001,675 122,430,734 885,542 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 891,457 14 Benefits paid to or for members (Part IX, column (A), line 4) 0 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-15 61,597,008 Expenses 70,598,976 10) 16a Professional fundraising fees (Part IX, column (A), line 11e) 0 b (Total fundraising expenses, Part IX, column (D), line 25 $\frac{0}{2}$ **17** Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) 66,054,938 74,501,979 Total expenses—add lines 13-17 (must equal Part IX, line 25, column (A)) 128,543,403 145,986,497 18 Revenue less expenses Subtract line 18 from line 12 19 -3,541,728 -23,555,763 8 % **End of Year** Beginning of Year Assets of Balance 20 Total assets (Part X, line 16) 709,723,529 933,106,061 21 859,623,375 Total liabilities (Part X, line 26) 597,473,046 22 Net assets or fund balances Subtract line 21 from line 20 112,250,483 73,482,686 Part II Signature Block Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge **Please** 2010-02-17 Sign Signature of officer Here PAMELA S VUKOVICH SR VICE PRES & CFO Type or print name and title Date Check if Preparer's PTIN (See Gen Inst) Preparer's signature Paid empolyed 🕨 🦵 Preparer's Firm's name (or yours EIN F if self-employed). **Use Only** address, and ZIP + 4 Phone no

May the IRS discuss this return with the preparer shown above? (See instructions) .

┌Yes ┌No

Cat No 11282Y

Form 990, Part I, Line 1 - Briefly describe the Organization's mission or most significant activities:

Legacy Health System (Legacy) formed in 1970 operates a system of healthcare facilities (the "System"). The System was founded on the tradition and values of the community and the healing ministries of the Lutheran and Episcopal churches. The System is the largest Oregon-based, nonprofit healthcare system in the State of Oregon and is one of the largest employers in the Portland metropolitan area. The System provides an integrated network of healthcare services, including acute and critical care, inpatient and outpatient treatment, primary and specialty physician services, hospice, laboratory, research, education and a variety of specialty services. Facilities within the System include five hospitals, inpatient and home hospice programs, and primary and specialty care clinics. Our mission: Our legacy is good health for our people, our patients, our communities, and our world. We will work as a team to demonstrate our values: Respect - Treat all people with respect and compassion Service -

4	Section 501(c)(3	mpt purpose achievemen) and (4) organizations al expenses, and revenue, if	nd 4947(a)(1) t	trusts are required to r	report the amount of grar	
3	services?	on cease conducting or r		_		┌ Yes ┌ No
	•	O or 990-EZ? these new services on S				┌ Yes ┌ No

Legacy provides administrative services for the System in the areas of general administration, finance, legal services, human resources, information management, patient billing, quality and patient safety, and marketing and also oversees and supports health education and community wellness programs throughout the System's service area. Legacy is the sole corporate member of six nonprofit corporations. Legacy Emanuel Hospital & Health Center (LIEHHC), Legacy Good Samaritan Hospital and Medical Center (LIGHHC), Legacy Wendian Park Hospital LIDHH), Legacy Mount Hood Medical Center (LIGHHC), Legacy Good Samaritan Hospital and Medical Center (LIGHHC), Legacy Community Dendition of the more deviced of the more deviced of the more of the region's largest providers of uncompensated care in the four-country metropolitan area. Legacy is provided over \$60 million, \$63 million, \$45 million, and \$1 million in uncompensated care attributable to its financial assistance, Medicard, Medicare, and other government programs, respectively, in fiscal year 2009. In addition, Legacy provided over \$60 million in other community benefit activities during fiscal year 2009. In addition in other community benefit activities during fiscal year 2009. In addition in other community benefit activities during fiscal year 2009. In addition, Legacy provides and uninsured discount of 15% to patients who have resided within Legacy's primary service area for a period of six months, are uninsured for hospital care, and have a household income of less than \$100,000 annually. Furt

 4b
 (Code
) (Expenses \$ including grants of \$) (Revenue \$)

In 1999, the Legacy Board allocated \$10 million to establish a Community Health Fund from operating revenue to address major community health issues. For more than a decade, \$500,000 has been granted annually to community-based projects addressing racial and ethnic inequities and root causes. These dollars are in addition to Legacy's other charitable contributions. The Community Health Fund has provided 29 grants since 1999 totaling more than \$5 million. Contributions were made to community sponsored initiatives totaling \$389,000 in 2009 Recognizing that education, employment and income inequities exist for communities of diversity, and that health professions are lacking in diversity, Legacy established the Youth Employment in Summer program. African American and Hispanic youth receive paid summer employment in departments where they worked with health professionals and earned college scholarships between \$2,500 and \$5,000 annually. Students can remain in the program as long as they stay in school and pursued healthcare careers. Some students have remained in this program for as long as seven years and graduated with degrees in a variety of healthcare fields. Legacy encourages and supports employee volunteerism. Legacy donates \$100 to nonprofit health, human service or education organizations in honor of employees who volunteer on personal time 50 hours a year. Employees may receive paid time when volunteering in one or two week time periods in local nonprofit organizations through Legacy's community service leave program Non-cash donations of resources include clinical and non-clinical services and items, e.g., screenings and support services, internships, information and referral services and health fairs Legacy's warehouse is open to nonprofit organizations to obtain surplus equipment and furniture. In addition, conference room space is made available to local nonprofits for Board and community meetings.

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

Total program service expenses \$ 143,260,841 Must equal Part IX, Line 25, column (B).

4e

Form 990, Part III, Line 1 - Briefly describe the organization's mission:

Legacy Health System (Legacy) formed in 1970 operates a system of healthcare facilities (the "System"). The System was founded on the tradition and values of the community and the healing ministries of the Lutheran and Episcopal churches. The System is the largest Oregon-based, nonprofit healthcare system in the State of Oregon and is one of the largest employers in the Portland metropolitan area. The System provides an integrated network of healthcare services, including acute and critical care, inpatient and outpatient treatment, primary and specialty physician services, hospice, laboratory, research, education and a variety of specialty services. Facilities within the System include five hospitals, inpatient and home hospice programs, and primary and specialty care clinics. Our mission: Our legacy is good health for our people, our patients, our communities, and our world. We will work as a team to demonstrate our values: Respect - Treat all people with respect and compassion Service -

Part IV	Chec	klist of	Required	Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 💋	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		No
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? If "Yes," complete Schedule D, Part V 🕏	10		No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII .	12		No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a	Yes	
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part I	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15		Νο
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16		No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		Νο
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		Νo
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20		Νο
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No." go to question 25	24a	Yes	
h	complete Schedule K. If "No," go to question 25			N o
	Did the organization maintain an escrow account other than a refunding escrow at any time during the year	24b		No
. ا	to defease any tax-exempt bonds?	24c		No
	Section $501(c)(3)$ and $501(c)(4)$ organizations. Did the organization engage in an excess benefit transaction with	24d		
ь	a disqualified person during the year? If "Yes," complete Schedule L, Part I Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person	25a		No
	from a prior year? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No

Part IV Checklist of Required Schedules (Continued)

			1 63	110
8	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
а	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part			
	IV	28a		Νo
b	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b		Νο
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV.	28c		Νo
9	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		Νo
0	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		Νo
3 1	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		Νo
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		Νo
3	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33	Yes	
4	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
5	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	Yes	
6	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		Νο
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R,	37		Νo

Pa	rt V Statements Regarding Other IRS Filings and Tax Compliance	e				
					Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal					
	of U.S. Information Returns. Enter -0- if not applicable					
		1a	1,040			
Ь	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments t	o ven	dors and reportable	_		
_	gaming (gambling) winnings to prize winners?	 i		1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	11,427			
b	If at least one is reported in 2a, did the organization file all required federal employs Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file thi	nent t	ax returns?	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during return?			3a	Yes	
ь	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Sch	edule (0	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a s	-	•			
	over, a financial account in a foreign country (such as a bank account, securities acaccount)?	count	, or other financial	4a	Yes	
b	If "Yes," enter the name of the foreign country CJ					
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , <i>Re Financial Accounts</i> .	eport o	f Foreign Bank and			
5a	Was the organization a party to a prohibited tax shelter transaction at any time duri	ng the	tax year?	5a		Νο
b	Did any taxable party notify the organization that it was or is a party to a prohibited	tax sh	nelter transaction?	5b		No
с	If "Yes," to 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exemp	t Entit	ty Regarding Prohibited	5c		Νο
6a	Did the organization solicit any contributions that were not tax deductible?			6a		No
	If "Yes," did the organization include with every solicitation an express statement the					
	were not tax deductible?			6b		No
7	Organizations that may receive deductible contributions under section 170(c).					
а	Did the organization provide goods or services in exchange for any quid pro quo cor more?	itributi	on of \$75 or	7a		No.
b	If "Yes," did the organization notify the donor of the value of the goods or services p	rovide	d?	7b		No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal prope file Form 8282?	rty for	which it was required to	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	0			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay benefit contract?			7e		N o
f	Did the organization, during the year, pay premiums, directly or indirectly, on a pers			7f		No
g	For all contributions of qualified intellectual property, did the organization file Form	8899	as required?	7g		Νο
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization f	ile a F	orm 1098-C as	-		
	required?			7h		No
8	Section $501(c)(3)$ and other sponsoring organizations maintaining donor advised funds a supporting organizations. Did the supporting organization, or a fund maintained by a excess business holdings at any time during the			8		No
9	year?		İ			
	Did the organization make any taxable distributions under section 4966?			9a		N o
b	Did the organization make a distribution to a donor, donor advisor, or related person			9b		No
10	Section 501(c)(7) organizations. Enter	•				
	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	Section 501(c)(12) organizations Enter					
	Gross income from members or shareholders	I				
		11a				
Ь	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 m	ı lıeu d	of Form 1041?	12a		No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A	۹.	Governing	Body	and	Management	

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body 1a 15			
Ь	Enter the number of voting members that are independent 13			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		Νο
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		Νο
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? \cdot .	4	Yes	
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		o N
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
Ь	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
а	the governing body?	8a	Yes	
Ь	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		Νο
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		Νο
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11		Νo

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13 \cdot .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
а	The organization's CEO, Executive Director, or top management official?	15a	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	Describe the process in Schedule O			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed OR
- Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply own website.

 upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

PAMELA VUKOVICH 1919 NW LOVEJOY STREET PORTLAND, OR 97209 (503) 415-5600

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed

- * List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- * List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- * List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- * List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if the organization did not compensate any officer, director, trustee or key employee											
	(B) Average hours per week	Posit t	(C non (hat a	chec	:k al)	I				(F)	
(A) Name and Title		Individual Trustee or Director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations	
				<u> </u>							
								-			
_				\vdash							

Software ID: Software Version:

EIN: 23-7426300

Name: LEGACY HEALTH SYSTEM

Form 990, Part VII - Section Aaa												
		Posit t	(C tion (hat a	chec		I			(E)	(F)		
(A) Name and Title	(B) Average hours per week	Individual Trustee or Director	Institutional Trustee	Officei	Ke) emplojee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations		
WILLIAM M MOONEY MD , BOARD DIRECTOR	3 00	Х						0	0	0		
TOMIKA A DEW, VP	40 00				Х			194,393	0	-4,883		
TODD N GUENZBURGER MD , DIRECTOR	40 00					Х		248,919	2,000	14,008		
STEPHEN NEWBERRY MD , BOARD DIRECTOR	3 00	Х						0	30,000	0		
SONJA O STEVES , SR VP	40 00				Х			356,581	0			
SCOTT H JOHNSON , VP & INT CFO	40 00	Х		Х				369,836	0	38,309		
RONALD S KING , BOARD DIRECTOR	4 00	Х						0	0			
ROBERT W BENTLEY MD , Chairman	7 00	Х		Х				0	0	0		
ROBERT L CORNIE , BOARD DIRECTOR	4 00	Х						0	0			
ROBERT J PALLARI , FORMER CEO							X	4,805,897	0	,		
RICHARD F GIBSON MD , SR VP	40 00				Х			444,690	0			
PATRICIA M GIANELLI , VP	40 00				Х			251,655	0	49,136		
PAMELA S VUKOVICH , SR VP & IN PRES	40 00	Х		Х				759,645	0	60,514		
P CAMPBELL GRONER III , SR VP & SEC	40 00	X		х				401,705	0			
NANCY R LOCKE , BOARD DIRECTOR	3 00	Х						0	0	0		
MATTHEW CALAIS , FORMER INT CEO & SR VP							х	108,514	0	-18,648		
MARYANN HOLBERT , DIRECTOR	40 00					Х		180,625	0			
MARY K KJEMPERUD , VP	40 00				Х			224,092	0	, , , , , , , , , , , , , , , , , , ,		
LEE DOMANICO, FORMER CEO							X	185,845	0			
LARRY HILL , DIRECTOR	40 00				Х			227,775	0	26,238		
JOHN W WINTER JR , BOARD DIRECTOR	4 00	Х						0	0			
JODI S JOYCE , VP	40 00				X			178,310	0	34,304		
JEFFREY S GORDON , BOARD DIRECTOR	4 00	X						0	0	0		
JEFFREY D FULLMAN MD , BOARD DIRECTOR	3 00	Х						0	0	0		
JEAN D BENEDICT , BOARD DIRECTOR	3 00	×						0	0	0		
JACK L ORCHARD , BOARD DIRECTOR	4 00	Х						0	0	0		
HOLLIS J HENDRICKS , BOARD DIRECTOR	4 00	Х						0	0	0		
GORDON T EDWARDS , DIRECTOR	40 00					Х		255,896	0	22,583		
GEORGE J BROWN MD , President & CEO	40 00	Х		x				337,705	0	39,135		
GEORGE A CIOFFI MD , SR VP	40 00				Х			410,735	26,861	24,258		

Form 990, Part VII - Section Aaa

Form 990, Part VII - Section Aaa										
			(C tion (hat a	chec		I			(5)	(F)
(A) Name and Title	(B) Average hours per week	Individual Trustee or Director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations
GARY L WELCH , DIRECTOR	40 00					Х		171,091	0	20,294
ELAINE M DENNING , VP	40 00				Х			171,662	0	24,107
EDWARD SCHREK , SR VP	40 00				Х			488,165	0	71,241
DUANE C MCDOUGALL , BOARD DIRECTOR	3 00	Х						0	0	0
DEAN WILLIAM B LUPFER , BOARD DIRECTOR	3 00	Х						0	0	0
CORLISS A MCKEEVER , BOARD DIRECTOR	3 00	Х						0	0	0
COLLEEN A CAIN , VICE CHAIR	5 00	Х		Х				0	0	0
CAROL EDWARDS , V P	40 00				Х			313,625	0	8,518
BISHOP JOHNCY ITTY PHD , BOARD DIRECTOR	3 00	Х						0	0	0
BISHOP DAVID BRAUER-RIEKE , BOARD DIRECTOR	3 00	Х						0	0	0
BARBARA K FERRE MD , BOARD DIRECTOR	4 00	Х						0	0	0
ANTHONY C WENTE , DIRECTOR	40 00					Х		167,389	0	29,899

Part VII Continued

			(e ition that a			ıll			(5)	(F)
(A) Name and Title	(B) A verage hours per week	Individual Trustee or Director	Officei Institutional Trustee		Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations
			-							
					$\vdash \vdash$		\vdash			
			1		\vdash					
1b Total		<u> </u>					 	11,254,750	58,861	1,199,809

Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ▶65

			Yes	No	
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee				
	on line 1a? If "Yes," complete Schedule J for such individual	3	Yes		
4	For any individual listed online 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such				
	ındıvıdual	4	Yes		
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services				
	rendered to the organization? If "Yes," complete Schedule J for such person	5		Νo	

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

\$100,000 of compensation from the organization						
(A) Name and business address	(B) Description of services	(C) Compensation				
NORDISK SYSTEMS INC 13475 SE JOHNSON RD MILWAUKIE, OR 97222	CONSULTANTS	3,847,867				
GE HEALTHCARE IITS US CORP PO BOX 277475 ATLANTA, GA 30384	INFORMATION SYSTEMS	1,580,479				
EPIC SYSTEMS CORPORATION 1979 MILKY WAY VERONA, WI 53593	CONSULTANTS	3,695,541				
COMPUTER TASK GROUP INC PO BOX 711778 CINCINNATI, OH 45271	INFORMATION SYSTEMS	2,167,825				
CERNER CORPORATION PO BOX 412702 KANSAS CITY, MO 64141	INFORMATION SYSTEMS	4,223,359				
2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization						

Part VIII

Statement of Revenue

					(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
	1a	Federated campaigns	1a	ı				,
ants ints	ь	Membership dues .						
Contributions, gifts, grants and other similar amounts	С	Fundraising events .	1b 1c					
<u>a je</u>	d	Related organizations	1d	651,079				
ons, sim	e f	Government grants (contri All other contributions, gift		13,996				
ë Fe	•	similar amounts not included above 1f						
nd out	g	Noncash contributions included in lines 1a-1f \$						
O®	h	Total (Add lines 1a-1			665,075			
9		DADTHED SUITE THE OME		Business Code				
ne ur	2a	PARTNERSHIP INCOME			14,470		14,470	
æ	b c	NON-DEBT FIN RENTAL MANAGEMENT FEES			121,235 139,914,246	139,914,246	121,235	
ЯСе	d	CONVENIENCE OF MEMBEI	PS		727,358	139,914,246		727,358
Ser.	e	CONVENIENCE OF PIERBEI			727,336			727,336
Program Serwce Revenue	f	All other program ser	vice revenue					
P	g	Total. Add lines 2a-2f ► \$ 140,777,309	٠					
	3	Investment income (i	ncluding divi	dends, ınterest				
		other similar amounts	s)		6,364,927			6,364,927
	4	Income from investment o	of tax-exempt b	ond proceeds	0			
	5	Royalties			0			
		<u></u>) Real	(II) Personal				
	6a b	Gross Rents Less rental	14,533,208 17,477,812					
		expenses Rental income	-2,944,604					
	c d	or (loss) Net rental income or (-2,944,604			-2,944,604
		(ı) S	ecurities	(II) O ther				
	7a	Gross amount from sales of assets other	22,000,000	290,357				
	ь	than inventory Less cost or other basis and	44,712,353	9,977				
	c	sales expenses Gain or (loss)	-22,712,353	280,380				
	d	Net gain or (loss)		. •	-22,431,973			-22,431,973
	8a	Gross income from fu events (not including						
Other Revenue		of contributions repor 1c) See Part IV, line Attach Schedule G if to	18					
ŗ.		\$15,000						
Ţ,	b c	Less direct expenses Net income or (loss) f			0			
J	9a	Gross income from ga activities See part IV Complete Schedule G if	/, lıne 19					
		exceeds \$15,000	а					
	ь	Less direct expenses						
	с	Net income or (loss) f		activities •	0			
	10a	Gross sales of invent returns and allowance						
	ь	Less cost of goods s	old b					
	С	Net income or (loss) f		Inventory► Business Code	0			
	11a	miscendileous Revel	iiue	Dusilless Code				
	ь							
	c							
		All other revenue						
	d e	Total. Add lines 11a-1		\$				
	12	Takal Danier - 1997	mas 41- 2 -	0	122,430,734	139,914,246	135,705	-18,284,292
	12	Total Revenue. Add In 8c, 9c, 10c, and 11e .			122,430,734	133,314,240	133,703	10,204,292

Part IX Statement of Functional Expenses

Section $501(c)(3)$ and $501(c)(4)$ organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).						
	not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses	
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	885,542	885,542		·	
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	0				
3	Grants and other assistance to governments, organizations and individuals outside the U.S. See Part IV, lines 15 and 16	0				
4	Benefits paid to or for members	0				
5	Compensation of current officers, directors, trustees, and key employees	5,207,433	5,207,433			
6	Compensation not included above, to disqualified persons (as defined under section $4958(f)(1)$) and persons described in section $4958(c)(3)(B)$	0				
7	Other salaries and wages	49,800,392	49,182,641			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,304,193	2,278,316	25,877		
9	Other employee benefits	9,096,108	8,993,957	102,151		
10	Payroll taxes	4,190,850	4,143,786	47,064		
11	Fees for services (non-employees)					
а	Management	0				
b	Legal	836,261	836,261			
C	Accounting	0				
d	Lobbying	0				
е	Professional fundraising See Part IV, line 17	0				
f	Investment management fees	0				
g	Other	0				
12	Advertising and promotion	0				
13	Office expenses	0				
14	Information technology	0				
15	Royalties	0				
16	Occupancy	324,722	324,722			
17	Travel	1,408,715	1,408,715			
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0				
19	Conferences, conventions and meetings	0				
20 21	Interest	3,839,409	3,839,409			
21	Payments to affiliates	0	40.405.70	532 005		
22	Depreciation, depletion, and amortization	19,948,687	19,425,704	522,983		
23 24	Insurance	148,216	148,216			
_	total expenses shown on line 25 below)	2 012 705	3 517 653	406.053		
a b	TELEPHONE SUPPLIES	3,013,705	2,517,653	496,052		
D C	OTHER EXPENSES	2,166,768 13,054,020	2,064,485	102,283 -44,489		
c d	CONTRACT SERVICES	25,801,657	13,098,509 24,945,673	-44,489 855,984		
e	CONSULTING & AUDIT	23,801,637	24,945,673	033,964		
_	All other expenses	1,780,040	1,780,040			
25	Total functional expenses. Add lines 1 through 24f	145,986,497	143,260,841	2,725,656	(
26		143,986,497	143,200,841	2,723,636		
20	Joint Costs. Check fiffollowing SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation					

Part X	Balance	Shoot
	Balance	Sneer

Cash—non-interest-bearing 1							(A) Beginning of year		(B) End of year
3 Pledges and grants receivable, net 3 3		1	Cash—non-interest-bearing					1	0
3 Pledges and grants receivable, net 3 3		2	Savings and temporary cash investments				86,229,459	2	117,442,190
4 Accounts receivable, net Receivables from current and former officers, directors, trustees, key employees or other related partics Complete Part II of Schedule L. Receivables from current and former officers, directors, trustees, key employees or other related partics Complete Part II of Schedule L. Receivables from other disqualified persons (as defined under section 4958 (f)(1)) and persons described in section 4958 (c)(3)(8) Complete Part II of Schedule L. Notes and loans receivable, net Inventorians for sale or use Prepaid expenses and deferred charges Prepaid expenses and deferred charges Less accumulated depreciation Complete Part VI of Schedule D. Investments—publicly traded securities Prepaid expenses and experted the Part VI of Schedule D. Investments—publicly traded securities Prepaid expenses be Part IV, line 11 Complete Part VII of Schedule D. Investments—program-related See Part IV, line 11 Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11 Complete Part VIII of Schedule D. Total assets. And lines 1 through 15 (must equal line 34) Receivables and accrued expenses Receivable in the Part IV of Schedule D. Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule D. Payable to current and former officers, directors, trustees, key employees, indicate demployees, and disqualified persons Complete Part II of Schedule D. Payable to current and former officers, directors, trustees, key employees, indicate demployees, and disqualified persons Complete Part II of Schedule D. Payable to current and former officers, directors, trustees, key employees, indicate demployees, and disqualified persons Complete Part II of Schedule D. Payable to current and former officers, directors, trustees, key employees, indicate of the program in the program of the pr		3	Pledges and grants receivable, net					3	0
the related parties Complete Part II of Schedule L. Receivables from other disqualified persons (as defined under section 4958 (f)(1)) and persons described in section 4958 (c)(3)(8). Complete Part II of Schedule L. Notes and loans receivable, net. Investments—other sea lor use. Less accumulated depreciation Complete Part VI of Schedule D. Investments—publicly traded securities. Investments—publicly traded securities. Investments—other securities See Part IV, line 11. Complete Part VII of Schedule D. Investments—other securities See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part VIII of Schedule D. Investments—program-related See Part IV, line 11. Complete Part IV of Schedule D. Investments—program-related See Part IV, line 11. Complete Part IV of Schedule D. Investments—program-related See Part IV of Schedule D. Investme		4					863,374	4	2,338,796
6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		5			emp	oloyees or		5	0
7 Notes and loans receivable, net 1.596,312 7 142 8 Inventories for sale or use 47,108 8 9 Prepaid expenses and deferred charges 2.836,634 9 3.383 10a		6			6	0			
8 Inventories for sale or use		7					1,596,312	7	142,412
b Less accumulated depreciation Complete Part VI of Schedule D		8			47,108	8	0		
b Less accumulated depreciation Complete Part VI of Schedule D	22	9	Prepaid expenses and deferred charges				2,836,634	9	3,383,777
b Less accumulated depreciation Complete Part VI of Schedule D	Set	10a							
10b	AS			10a		395,441,419			
12 Investments—other securities See Part IV, line 11 Complete Part VII of Schedule D 12 13 11 13 13 14 13 14 14		Ь	·					10c	127,570,659
12 13 Investments—program-related See Part IV, line 11 Complete Part VIII of Schedule D 13 14 321 15 15 15 15 15 15 15		11	Investments—publicly traded securities	•	354,313,394	11	264,791,536		
14		12		art VII	of		99,727,067		77,878,078
15 Other assets See Part IV, line 11 Complete Part IX of Schedule D		13	· · ·			13	0		
15 16 Total assets. Add lines 1 through 15 (must equal line 34) 709,723,529 16 933,106 17 Accounts payable and accrued expenses 65,988,924 17 45,912 18 Grants payable		14	Intangible assets		14	321,725			
17 Accounts payable and accrued expenses . 65,988,924 17 45,912 18 Grants payable		15		41,922,459	15	339,236,888			
18 Grants payable		16	Total assets. Add lines 1 through 15 (must equal line 34)				709,723,529	16	933,106,061
Deferred revenue		17	Accounts payable and accrued expenses .	65,988,924	17	45,912,317			
20 Tax-exempt bond liabilities		18	Grants payable		18				
21 Escrow account liability Complete Part IV of Schedule D		19	Deferred revenue		19				
23 Secured mortgages and notes payable to unrelated third parties		20	Tax-exempt bond liabilities	84,677,104	20	393,550,000			
23 Secured mortgages and notes payable to unrelated third parties	<u>@</u>	21	Escrow account liability Complete Part IV of Schedule D					21	
23 Secured mortgages and notes payable to unrelated third parties	biliti	22							
24 Unsecured notes and loans payable	Ę		persons Complete Part II of Schedule L		22				
25 Other liabilities Complete Part X of Schedule D		23	Secured mortgages and notes payable to unrelated third parties	s .			8,727,416	23	6,866,152
26 Total liabilities. Add lines 17 through 25 Organizations that follow SFAS 117, check here and complete lines 27 through 29, and lines 33 and 34. 27 Unrestricted net assets 28 Temporarily restricted net assets Organizations that do not follow SFAS 117, check here and complete lines 30 through 34.		24	Unsecured notes and loans payable					24	
Organizations that follow SFAS 117, check here and complete lines 27 through 29, and lines 33 and 34. 27 Unrestricted net assets		25	Other liabilities Complete Part X of Schedule D	438,079,602	25	413,294,906			
through 29, and lines 33 and 34. Unrestricted net assets		26	Total liabilities. Add lines 17 through 25		597,473,046	26	859,623,375		
29 Permanently restricted net assets	J.		Organizations that follow SFAS 117, check here ▶ 🔽 and comp	olete li	ines	27			
29 Permanently restricted net assets	<u>5</u>		through 29, and lines 33 and 34.						
29 Permanently restricted net assets	<u>ਨ</u>	27					112,250,483	27	73,482,686
lines 30 through 34.	<u> </u>	28	Temporarily restricted net assets			28			
lines 30 through 34.	Ξ	29	Permanently restricted net assets		29				
	ır Fu		•	nd com	plet	e			
<u> </u>		30	Capital stock or trust principal, or current funds		30				
場 31 Paid-in or capital surplus, or land, building or equipment fund	Assets	31	Paid-in or capital surplus, or land, building or equipment fund		31				
		32	Retained earnings, endowment, accumulated income, or other fu			32			
पुँ 33 Total net assets or fund balances	₹	33	Total net assets or fund balances				112,250,483	33	73,482,686
34 Total liabilities and net assets/fund balances	_	34	Total liabilities and net assets/fund balances				709,723,529	34	933,106,061

ParitXI	Financial	Statements	and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		Νο
b	Were the organization's financial statements audited by an independent accountant?	2b		Νο
С	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		Νo
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
ь	If "Yes," did the organization undergo the required audit or audits?	3b	Yes	

OMB No 1545-0047

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1)
nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

2008

Open to Public Inspection

	ame of the organization GACY HEALTH SYSTEM							Em	ployer ide	nt if icat ior	n number	
LEGAC	T HEAL	III STSTEM						23-	7426300)		
Pai	rt I	Reason	for Public Cl	narity Status (to be cor	npleted I	ov all ord	anızatıoı					
The c	rganız			ation because it is (Please								
1	Γ	A church, c	onvention of ch	urches, or association of ch	urches de	scribed in	Section 1	70(b)(1)(A)(i).			
2	Γ	A school de	escribed in Sect	ion 170(b)(1)(A)(ii). (Attac	h Schedu	le E)						
3	Γ	A hospital	or a cooperative	hospital service organization	on describ	ed in Sect	ion 170(b)(1)(A)(ii	ii). (Attac	h Schedul	e H)	
4	Γ		esearch organia name, city, and s	zation operated in conjunctio	on with a h	iospital de	scribed in	Section 1	l 70(b)(1)	(A)(iii). E	nter the	
5	_				university	, owned or	operated	hu 2 govo	rnmontal	unit docor	uhad in	
3	'	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv). (Complete Part II)										
6	_			vernment or governmental i	ınıt doscr	ibad in Sa	ction 170/	h)/1)//\/	w1			
7	<u>'</u>	•		ally receives a substantial pa			-		· -	the gane	ral nublic	
•	'	_)(1)(A)(vi) (Complete Part		ирроге по	ili a yover	illilelitai u	1111 01 11011	i tile gelle	rai public	
8	_			ed in Section 170(b)(1)(A)(nlata Bart	TT \					
9	<u>'</u>		•	ally receives (1) more than		•	•	ntribution	s mamba	rchin foos	and aross	
9	'	-		ated to its exempt functions					•	·	, -	
		•		stment income and unrelate	-		•					
			<u>-</u>				,) IIOIII bus	illesses	
10	_	acquired by the organization after June 30, 1975 See Section 509(a)(2). (Complete Part III) An organization organized and operated exclusively to test for public safety. See Section 509(a)(4). (See instructions.)										
11	, マ											
	•	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See Section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h a Type I b Type II c Type III - Functionally Integrated d Type III - Other										
_	굣	•	•						d			
е	١٠	•	-	tify that the organization is a agers and other than one or i			•			•	•	
		section 50				· · · / · · · · · · · ·						
f				d a written determination fro	m the IRS	that it is	a Type I,	Type II or	Type III	supportin	g organizatio <u>n,</u>	
		check this					. . 				ı	
g		following pe		as the organization accepted	i any gni c	or contribu	ition irom	any or the				
				r indirectly controls, either a	lone or to	gether wit	h persons	described	d in (ii)		Yes No	
		and (III) bel	ow, the governi	ng body of the the supported	organizat	:ion?				11g(i) No	
		(ii) a family	member of a pe	erson described in (i) above?	?					11g(ii) No	
		(iii) a 35%	controlled entit	ty of a person described in (i	ı) or (ıı) ab	ove?				11g(i	iii) No	
h		Provide the	following inforn	nation about the organization	ns the org	anızatıon	supports				<u> </u>	
	/:\ NI -		(::> FIN	(:::) T of	(:)				(
		ame of orted	(ii) EIN	(iii) Type of organization (described on lines 1-9		s the ation in	(v) Did y	nization		is the ation in	(vii) A mount of support?	
		ızatıon		above or IRC section		listed in) of your	_	rganized	1	
						verning	supp	ort?	ın the	US?		
						ment?		l		T	-	
					Yes	No	Yes	No	Yes	No		
See Tabl		onal Data										
1 0 0 1												
									-		 	
									 	+		
				ļ						ļ	 	

Total

Software ID: Software Version:

EIN: 23-7426300

Name: LEGACY HEALTH SYSTEM

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the US?		(vii) A mount of support?
			Yes	No	Yes	No	Yes	No	
LEGACY VISITING NURSE ASSOCIATION	930848530	9	Yes		Yes		Yes		0
LEGACY SALMON CREEK HOSPITAL	331065485	3	Yes		Yes		Yes		0
LEGACY MTHOOD MEDICAL CENTER	930591528	3	Yes		Yes		Yes		0
LEGACY MERIDIAN PARK HOSPITAL	930618975	3	Yes		Yes		Yes		0
LEGACY GOOD SAMARITAN HOS & MED CTR	930386793	3	Yes		Yes		Yes		0
LEGACY EMANUEL HOSP & HEALTH CTR	930386823	3	Yes		Yes		Yes		O

Part II	Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
	(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Pι	ıblic Support		, ,	,				
Cale	endar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e)	2008	(f) Total
1	Gifts, grants, contributions, and							
	membership fees received (Do not							
	include any "unusual grants ")							
2	Tax revenues levied for the organization's							
	benefit and either paid to or expended on							
_	its behalf The value of services or facilities					 		
3	furnished by a governmental unit to the							
	organization without charge							
4	Total. Add line 1-3					1		
5	The portion of total contribution by each							
5	person (other than a government unit or							
	publicly supported organization) included							
	on line 1 that exceed 2% of the amount							
	shown on line 11, column							
	· (f)							
6	Public Support subtract line 5 from line							
	4							
	otal Support		1		T			
	endar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) :	2008	(f) Total
7	A mounts from line 4							
8	Gross income from interest, dividends,							
	payments received on securities loans,							
	rents, royalties and income from similar							
_	sources							
9	Net income from unrelated business							
	activities, whether or not the business is regularly carried on							
10	Other income Do not include gain or loss							
10	from the sale of capital assets (Explain in							
	Part IV)							
11	Total Support (Add lines 7 through 10)							
12	Gross receipts from related activities, etc	(See instructio	ns)		•	12		
13	First Five Years. If the Form 990 is for the	organization's f	irst second thu	d fourth or fifth	ntay vearas a F		3)	
	organization, check this box and stop here		mat, second, tim	u, rouren, or mer	rtax year as a s	/O1(C)(C	• •	▶ □
								•
Co	omputation of Public Support Perc	entage						
14	Public Support Percentage for 2008 (line 6	5 column (f) dıvı	ded by line 11 c	olumn (f))		14		
15	Public Support Percentage for 2007 School	dule A , Part IV -	A, line 26f			15		
16a	33 1/3% Test - 2008. If the organization di	d not check the	box on line 13.	and line 14 is 3	3 1/3% or more.		this box	
	and stop here. The organization qualifies a				,			▶ □
b	33 1/3% Test - 2007. If the organization d				15 is 33 1/3% d	r more,	check th	
	box and stop here. The organization qualifi	es as a publicly	supported orga	nızatıon				▶ □
17a	10% Facts and Circumstances Test - 2008.							
	more, and if the organization meets the "fa		•					· —
	organization meets the "facts and circums							► □
Ь	10% Facts and Circumstances Test - 2007.							
	more, and if the organization meets the "fa		•					_
4.0	the organization meets the "facts and circu							n ▶
18	Private Foundation. If the organization did	not check the b	oux on line 13, 1	oa, 160, 1/a or	1/D, check this	oox an	u see	▶ □
	ınstructions							F-1

Pa	Support Schedule for On (Complete only if you ched				(2)		
	ction A. Public Support		_	,			
Cale	ndar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1	Gifts, grants, contributions, and						
	membership fees received (Do not						
2	include any "unusual grants ") Gross receipts from admissions,						
2	merchandise sold or services performed,						
	or facilities furnished in any activity that						
	is related to the organization's tax-						
	exempt purpose						
3	Gross receipts from activities that are						
	not an unrelated trade or business under						
	section 513						
4	Tax revenues levied for the						
	organization's benefit and either paid to						
	or expended on its behalf						
5	The value of services or facilities						
	furnished by a governmental unit to the						
_	organization without charge						
6	Total Add lines 1-5						
7a	A mounts included on lines 1, 2, and 3						
	received from disqualified persons Amounts included on lines 2 and 3						
D	received from other than disqualified						
	persons that exceed the greater of 1% of						
	the total of lines 9, 10c, 11, and 12 for						
	the year or \$5,000						
С	Total of lines 7a and 7b						
8	Public Support (Substract line 7c from						
_	line 6)						
То	tal Support						
Cale	ndar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9	A mounts from line 6						
10a	Gross income from interest, dividends,						
	payments received on securities loans,						
	rents, royalties and income from similar						
	sources						
b	Unrelated business taxable income (less						
	section 511 taxes) from businesses						
	acquired after 30 June, 1975		+				
С	Add lines 10a and 10b						
11	Net income from unrelated business						
	activities not included in line 10b, whether or not the business is regularly						
	carried on						
12	Other income Do not include gain or loss						
	from the sale of capital assets						
	(Explain in Part IV)						
13	Total Support (Add lines 9, 10c, 11 and						
	12)						
14	First Five Years If the Form 990 is for the	organızatıon's fı	rst, second, thir	d, fourth, or fifth	ntax year as a 5	01(c)(3) organı	zation,
	check this box and stop here						▶ □
	monutation of Dublic Compant Days						
15	mputation of Public Support Perc Public Support Percentage for 2008 (line		dod by line 12 o	olumn (fl)		T 4= T	
			•	.orumin (1))		15	
16	Public Support Percentage for 2007 Sche	dule A , Part IV -	A, line 27g			16	
		D					
Co	mputation of Investment Income Investment Income Percentage for 2008 (ne 13 column /f	<u> </u>	17	
				-	"	17	
ΤQ	Investment Income Percentage from 2007	ocnequie A , Pa	TLIV-A, IINE 2/	H		18	

19a 33 1/3% Tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line

17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization **33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Schedule A (Form 990 or 990-EZ) 2008

▶□

Part IV

Supplemental Information. Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

Additional Information--Legacy provides administrative services supporting the hospitals, in the areas of general administration, finance, legal services, human resources, information management, patient billing, quality and patient safety, and marketing and also oversees and supports health education and community wellness programs throughout the Legacy's service area

Schedule A (Form 990 or 990-EZ) 2008

SCHEDULE C

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No 1545-0047

Open to Public Inspection

Department of the Treasury Internal Revenue Service

(Form 990 or 990-EZ)

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)

- ◆ Section 501(c)(3) organizations complete Parts I-A and B Do not complete Part I-C
- ◆ Section 501(c) (other than section 501(c)(3)) organizations complete Parts I-A and C below Do not complete Part I-B
- ◆ Section 527 organizations complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)

- ◆ Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)). Complete Part II-B. Do not complete Part II-A.

lf th	` /` /	s," to Form 990, Part IV, Line 5 (Pr		(11)	ot complete rait in a
Na	ime of the organization	Zationo complete i art iii		Employer iden	tification number
LEC	GACY HEALTH SYSTEM			23-7426300	
Par		by all organizations exempt the the instructions for Schedule (527
1	Provide a description of the or	ganızatıon's dırect and ındırect polıtı	cal campaign act	civities in Part IV	
2	Political expenditures				\$
3	V olunteer hours				
Par	To be completed b for Schedule C for d	oy all organizations exempt etails.)	under sectio	n 501(c)(3). (See the	instructions
1	Enter the amount of any excise	e tax incurred by the organization un	der section 4955	5	\$
2	Enter the amount of any excise	e tax incurred by organization manag	ers under sectio	n 4955	\$
3	If the organization incurred in	a section 4955 tax, did it file Form 4	720 for this year	·?	┌ Yes
4a	Was a correction made?				┌ Yes
Ь	If "Yes," describe in Part IV				
Par		y all organizations exempt for Schedule C for details.)	under sectio	n 501(c), except sect	ion 501(c)(3).
1	Enter the amount directly expe	ended by the filing organization for se	ction 527 exemp	ot function activities	\$
2	Enter the amount of the filing of 527 exempt funtion activities	organization's internal funds contribu	ted to other orga	nizations for section	\$
3	Total of direct and indirect exe 1120-POL, line 17b	empt function expenditures Add lines	s 1 and 2 and ent	er here and on Form	\$
4	Did the filing organization file $oldsymbol{I}$	Form 1120-POL for this year?			┌ Yes ┌ No
5	were made Enter the amount p political contributions received	nd Employer Identification Number (loaid and indicate if the amount was p d and promptly and directly delivered action committee (PAC) If additiona	aid from the filing I to a separate po	g organization's own interna olitical organization, such a	l funds or were s a separate
	(a) Name	(b) Address	(c) EIN	(d) A mount paid from filing organization's internal funds If none, enter - 0 -	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

d Other exempt purpose expenditures

f

e Total exempt purpose expenditures (add lines 1c and 1d)

g Grassroots nontaxable amount (enter 25% of line 1f)

1,031,631,792

1,031,660,821

Scl	nedule C (Fo	orm 990 or 990-EZ) 2008		Page 2
Ρ	art II-A	To be completed by organizations exempt under section 501 (election under section 501(h)). (See the instructions for Schedu		5768
	Check Check	if the filing organization belongs to an affiliated group if the filing organization checked box A and "limited control" provisions apply		
		Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) A ffiliated Group Totals
1a	Total lobb	ying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobb	ying expenditures to influence a legislative body (direct lobbying)	30,330	29,029
С	Total lobb	ying expenditures (add lines 1a and 1b)	30,330	29,029

f Lobbying nontaxable a columns—	amount Entert	the amount from the following table in both	1,000,000	1,000,000
If the amount on line	1e, column (a)			
or (b) is:		The lobbying nontaxable amount is:		
Not over \$500,000		20% of the amount on line 1e		
Over \$500,000 but not ove	er \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not o	ver \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not o	ver \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000		\$1,000,000		

h Subtract line 1g from line 1a Enter -0 - if line g is more than line a

i Subtract line 1 f from line 1 c Enter - 0 - if line f is more than line c

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

$\overline{}$	Vec	1.7	No

250,000

145,840,396

145,870,726

250,000

4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

	Lobbying Expe	nditures During	4-Year Avera	ging Period		
	Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
<u>2a</u>	Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	2,000,000	5,000,000
b 	Lobbying ceiling amount (150% of line 2a, column(e))					7,500,000
c	Total lobbying expenditures	48,000	48,000	20,000	59,359	175,359
_d	Grassroots non-taxable amount	250,000	250,000	250,000	500,000	1,250,000
е 	Grassroots ceiling amount (150% of line d, column (e))					1,875,000
f	Grassroots lobbying expenditures					

	5768 (election under section 501(h)). (See the instructions for Schedule C for d					
		(a	1)		(b)	
	·	Yes	No	A	moun	nt
1	During the year, did the filing organization attempt to influence foreign, national, state or local					
	legislation, including any attempt to influence public opinion on a legislative matter or					
а	referendum, through the use of Volunteers?					
ь				1		
c	Media advertisements?					
d	Mailings to members, legislators, or the public?					
e	Publications, or published or broadcast statements?					
f						
g	Direct contact with legislators, their staffs, government officials, or a legislative body?					
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?					
i	Other activities If "Yes," describe in Part IV					
j	Total lines 1c through					
-	1) Did the patientias in line 1 agree the arrangements in the net decombed in section FO1/a)/2)2		Ī	1		
	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? If "Yes" enter the amount of any tax incurred under section 4912			+		
	If "Yes" enter the amount of any tax incurred by organization managers under section 4912					
	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?					
	t III-A To be completed by all organizations exempt under section 501(c)(4), sec	tion	5016) or	
G.	section 501(c)(6). (See the instructions for Schedule C for details.)		301(,, 0.	
			_		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?		L	1		
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		L	2		<u> </u>
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?			3		
Par	t III-B To be completed by all organizations exempt under section 501(c)(4), sec					
	section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" (question 3 is answered "Yes." (See the instructions for Schedule C for details.)	OK II	Part	III-A	٠,	
1	Dues, assessments and similar amounts from members	T	1 \$			
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political	F	'			
	expenses for which the section 527(f) tax was paid).					
	Current Year		2a \$			
b	Carryover from last year		2b\$			
c	Total	<u> </u>	2c \$			
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	-	3 \$			
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political					
	expenditure next year?		4 \$			
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)		5 \$			
Pā	Supplemental Information	•				
	mplete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and F so, complete this part for any additional information	Part II	l-B, line	e 1ı		
	Identifier Return Reference Explanation	on				

Part IV Supplemental I	nformation	
Ident if ier	Return Reference	Explanation

Schedule C (Form 990 or 990EZ) 2008

For Paperwork Reduction Act Notice, see the Intructions for Form 990

DLN: 93493048002540

OMB No 1545-0047

Open to Public Inspection

Schedule D (Form 990) 2008

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Supplemental Financial Statements

Name of the organization **Employer identification number** LEGACY HEALTH SYSTEM 23-7426300

Par	Organizations Maintaining Donor A organization answered "Yes" to Form 9		unds or Accounts. Complete if the
		(a) Donor advised funds	(b) Funds and other accounts
	Total number at end of year		
	Aggregate Contributions to (during year)		
	Aggregate Grants from (during year)		
4 /	Aggregate value at end of year		
	Did the organization inform all donors and donor adv funds are the organization's property, subject to the		nor advised Yes No
	Did the organization inform all grantees, donors, and used only for charitable purposes and not for the be impermissible private benefit?		•
Part	Conservation Easements. Complete	ıf the organızatıon answered "Yes" t	o Form 990, Part IV, line 7.
2	Purpose(s) of conservation easements held by the of Preservation of land for public use (e.g., recreated Protection of natural habitat Preservation of open space Complete lines 2a-2d if the organization held a qua	tion or pleasure) Preservation of ar Preservation of ce	n historically importantly land area ertified historic structure n of a conservation easement
	on the last day of the tax year		Held at the End of the Yea
а	Total number of conservation easements		2a
b			2b
	Total acreage restricted by conservation easemen		
C	Number of conservation easements on a certified h		2c
d	Number of conservation easements included in (c)	•	2d
	Number of conservation easements modified, transf the taxable year ►	erred, released, extinguished, or terminate	ed by the organization during
4	Number of states where property subject to conserv	ration easement is located 🕨	
	Does the organization have a written policy regardine enforcement of the conservation easements it holds		ations, and Yes No
6	Staff or volunteer hours devoted to monitoring, insp	ecting and enforcing easements during the	e year ▶
7	A mount of expenses incurred in monitoring, inspect	ing, and enforcing easements during the y	ear ►\$
	Does each conservation easement reported on line 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?	2(d) above satisfy the requirements of sec	tion Yes No
	In Part XIV, describe how the organization reports of balance sheet, and include, if applicable, the text of the organization's accounting for conservation ease	the footnote to the organization's financia ments	l statements that describes
Part	Organizations Maintaining Collection Complete if the organization answered		or Other Similar Assets.
	If the organization elected, as permitted under SFAS art, historical treasures, or other similar assets held provide, in Part XIV, the text of the footnote to its fi	d for public exhibition, education or resear	ch in furtherance of public service,
_	If the organization elected, as permitted under SFAS historical treasures, or other similar assets held for provide the following amounts relating to these item	public exhibition, education, or research i	·
	(i) Revenues included in Form 990, Part VIII, line :	1	► \$
	(ii) Assets included in Form 990, Part X		▶ - \$
2	If the organization received or held works of art, his following amounts required to be reported under SFA	· · · · · · · · · · · · · · · · · · ·	- т
	Revenues included in Form 990, Part VIII, line 1		▶ \$
b	Assats included in Form 990 Part Y		. .

Cat No 52283D

Part		Organizations Maintaining Co	llections of Art,	His	<u>tori</u>	cal Tre	eası	ires, or C	the	<u>r Similaı</u>	Asse	ts (co	ntınued)
3		g the organization's accession and others (check all that apply)	records, check any o	of th	e foll	owing th	nat ar	re a significa	ant u	se of its co	llection	1	
а	Γ	Public exhibition		d	Γ	Loan o	rexc	hange progi	rams				
b	一 :	Scholarly research		e	Γ	Other							
c	abla	Preservation for future generations											
4	Prov Part	ide a description of the organization's co	llections and explain	how	they	further	the	organızatıor	ı's ex	empt purp	ose in		
5		ng the year, did the organization solicit o its to be sold to raise funds rather than t								nılar	Г	Yes	┌ No
Pari	t IV	Trust, Escrow and Custodial A Part IV, line 9, or reported an an						anızatıon a	nsw	ered "Yes	" to Fo	orm 9	90,
1a		e organization an agent, trustee, custod ided on Form 990, Part X?	ıan or other ıntermed	ıary	for c	ontributi	ions	or other ass	ets	not	Г	Yes	┌ No
b	If"Y	es," explain why in Part XIV and comple	te the following table					_					
											A mou	ınt	
С	Begi	inning balance							1c				
d	Add	itions during the year							1d				
e	Dıst	ributions during the year							1e				
f	Endı	ng balance							1 f				
2a	Dıd t	he organization include an amount on Fo	orm 990, Part X, line 2	21?							Γ	Yes	┌ No
b	If "Y	es," explain the arrangement in Part XIV											
Par	t V	Endowment Funds. Complete											
	_		(a)Current Year	(b)	Prior Y	'ear	(c)Tw	vo Years Back	(d)	Three Years E	Back (e)Four Y	ears Back
1a		nning of year balance											
b		tributions											
C .		stment earnings or losses											
d		nts or scholarships											
e		er expenditures for facilities programs											
f	Adm	ninistrative expenses											
g	End	of year balance											
2	Prov	ıde the estimated percentage of the yea	r end balance held as										
а		d designated or quasi-endowment 🕨											
ь		nanent endowment 🕨											
c		n endowment 🕨											
		there endowment funds not in the posses	ssion of the organizat	ıon t	hat a	re held	and a	administere	d for	the			
		nization by										Yes	No
	(i) u	nrelated organizations			•						3a(i)		
		elated organizations					•				3a(ii)		
		es" to 3a(II), are the related organization	•						•		3b		
4		cribe in Part XIV the intended uses of th					\ <u>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</u>	aut V lua	10				
Раг	t VI	Investments—Land, Buildings	s, and Equipment	t. 50				•			Т		
		Description of investment				Cost or oth (investme		(b)Cost or ot basis (other		(c) Deprecia	ation	(d) Bo	ok value
1a ∣	and						\dashv	5,355	.446				5,355,446
	uıldır			ŀ			\dashv	168,300		110,15	_{9,818} -		8,141,042
		hold improvements		.			\dashv	•	,850	•	5,155		468,695
		ment		.			\dashv	195,396	'	157,36		3	8,030,298
				ŀ				25,575		_3,,30	,,,,,,		5,575,178
-								23,313	, . , .				-,-,-,1,0

Part VIII Investments—Other Securities. See	Form 990, Part X, line 1.		
(a) Description of security or cateory (including name of security)	(b) Book value		d of valuation year market value
Financial derivatives and other financial products	-1,737,405	2032 01 0114 01	F
Closely-held equity interests	2,737,103		<u> </u>
Other			
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	77,878,078		
Part VIII Investments—Program Related. Se	e Form 990 Part X line	13	
			d of valuation
(a) Description of investment type	(b) Book value		year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13) 🕨			
Part IX Other Assets. See Form 990, Part X, III			
(a) Descri	ption		(b) Book value
See Additional Data Table			
Tabal (Calumen (b) about a sual Farms 2000 Bart V. cal (B) lines	(5.)		220 226 000
Part X Other Liabilities. See Form 990, Part X, col.(B) line 3			339,236,888
(a) Description of Liability	(b) A mount		
Federal Income Taxes			
RESERVE FOR PROFESSIONAL LIABILITY COSTS	35,033,544		
NONCURRENT WORKERS' COMP LIABILITY	37,568		
NONCURRENT PENSION LIABILITY	16,162,701		
NONCURRENT BENEFITS LIABILITY	9,329,085		
I/C AFFILIATE - INVESTMENT POOL	352,732,008		
Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	413,294,906		

ar	XI Reconciliation of Change in Net Assets from Form 990 to Financial Statemen	ts
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
1	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
,	Investment expenses	6
,	Prior period adjustments	7
3	Other (Describe in Part XIV)	8
)	Total adjustments (net) Add lines 4 - 8	9
0	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10
	XII Reconciliation of Revenue per Audited Financial Statements With Revenue p	
	Total revenue, gains, and other support per audited financial statements	1
	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
а	Net unrealized gains on investments	
b	Donated services and use of facilities	
c	Recoveries of prior year grants	
d	Other (Describe in Part XIV) 2d	
e	Add lines 2a through 2d	2e
	Subtract line 2e from line 1	3
	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a	
b	Other (Describe in Part XIV) 4b	
С	Add lines 4a and 4b	4c
	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5
art	Reconciliation of Expenses per Audited Financial Statements With Expenses	per Return
	Total expenses and losses per audited financial statements	1
	Amounts included on line 1 but not on Form 990, Part IX, line 25	
а	Donated services and use of facilities	
b	Prior year adjustments	
C	Losses reported on Form 990, Part IX, line 25 2c	
d	Other (Describe in Part XIV)	
е	Add lines 2a through 2d	2e
	Subtract line 2e from line 1	3
	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a	
b	Other (Describe in Part XIV)	
		4c
c	Add lines 4a and 4b	5

Ident if ier	Return Reference	Explanation
Part XIII, Line 4b	Part XIII, Line 4b Other revenue amounts included on 990 but not included in F/S	FOUNDATION CONTRIBUTION \$634796 CREDIT OFFSETS \$653665 SALARY EXPENSES \$1520666 COMMUNITY FUNDS \$409216 OTHER RECLASS OF REV/EXP FOR TAX PURPOSE \$9379991 ROUNDING \$75 LEGACY INSURANCE INCOME \$10088
Part XII, Line 4b	Part XII, Line 4b Other revenue amounts included on 990 but not included in F/S	FOUNDATION CONTRIBUTION \$651078 ROUNDING \$-58 SALARY EXPENSES \$1520666 COMMUNITY FUND \$409216 CREDIT OFFSETS \$653665 OTHER RECLASS OF REV/EXP FOR TAX PURPOSE \$9370079 LEGACY INSURANCE INCOME \$10088
Part XI, Line 8	Part XI, Line 8 Other Changes in Net Assets or Fund Balances	TRANSFER FROM LEGACY GOOD SAM HOSP & MED CTR, EIN 93-0386793 \$2600000 TRANSFER FROM LEGACY MERIDIAN PARK HOSPITAL, EIN 93-0618975 \$2100000 TRANSFER FROM LEGACY MERIDIAN PARK HOSPITAL, EIN 93-0618975 \$2100000 TRANSFER FROM LEGACY SALMON CREEK HOSPITAL, EIN 33-1065485 \$0 TRANSFER FROM LEGACY SALMON CREEK HOSPITAL, EIN 33-1065485 \$0 TRANSFER FROM LEGACY HEALTH SYSTEM, EIN 23-7426300 \$0 TRANSFER FROM EMANUEL MED CTR FOUNDATION, EIN 93-6095667 \$0 TRANSFER FROM EMANUEL CHILDREN'S HOSP FDTN, EIN 93-1314469 \$0 TRANSFER FROM MERIDIAN PARK MEDICAL FDTN, EIN 93-0773410 \$0 TRANSFER FROM GOOD SAMARITAN FOUNDATION, EIN 23-7017276 \$0 ROUNDING \$4 TRANSFER TO LEGACY EMANUEL HOSP & HEALTH CTR, EIN 93-0386823 \$-6000000 TRANSFER TO FOUNDATION \$-100000 CHANGE IN ADDITIONAL MINIMUM PENSION LIABILITY \$-15112038 ROUNDING \$0

Additional Data

Software ID: Software Version:

EIN: 23-7426300

Name: LEGACY HEALTH SYSTEM

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
OTHER NONCURRENT	33,531
LONG-TERM PENSION	
LONG TERM INVESTMENT HELD FOR CAPITAL	1,608,189
LONG TERM INTERCOMPANY RECEIVABLE	891,592
LEGACY REAL ESTATE ASSETS	600,363
LAND & BUILDING HELD FOR DEVELOPMENT	11,144,713
I/C AFFILIATE REC - BOND POOL	231,352,696
FUNDS HELD BY TRUSTEE	79,023,476
EPIC PROJECT	181,205
DEFERRED FINANCING COSTS	1,974,803
CASH SURRENDER VALUE & OTHER	795,852

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As Filed Data -

DLN: 93493048002540

2008

OMB No 1545-0047

SCHEDULE F (Form 990)

Department of the Treasury Internal Revenue Service

▶ Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

Statement of Activities Outside the United States

Open to Public **Inspection**

	ne of the organization					Employer ide	entification number			
LEG	SACY HEALTH SYSTEM					23-742630	0			
P		rmation on Ac 990, Part IV, lir		de the United States	s. Complete	e if the orgai	nızatıon answered			
1		•		ecords to substantiate	the amount	of the grant	ts or			
assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award										
the grants or assistance										
For grant makers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States										
3	Activites per Region (L	Jse Schedule F-1	(Form 990) ıf adı	ditional space is needed)			_			
		(b) Number of	(c) Number of	(d) Activities conducted in region (by type) (i.e.,		ty listed in (d)				
	(a) Region	offices in the	employees or	fundraising, program services,		am service,	(f) Total expenditures in			
	. , ,	region	agents in region	grants to recipients located in the region)		pecific type of s) in region	region			
CAI	RIBBEAN	0	1	PROGRAM SERVICE	INSURANCI		62,805			

62,805

L	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) A mount of cash grant	(f) Manner of cash disbursement	(g) A mount of of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other
		_							
		_							
		_							
		_							
		_							
		_							
		_							
		_							
		_							
		_							
		_							
		_							
	Enter total nu	umber of organize	ations that are re	cognized as charities	s by the foreign cou	ntry or for which the	e grantee or counse	7	

	F-1 (Form 990) if a			tea States. Complete	if the organization a	inswered "Yes" to Form	990, Part IV, line 16.
(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) A mount of cash grant	(e) Manner of cash disbursement	(f) A mount of non- cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
		+					
		1					
	I			1	1	1	I

Schedule F (Form 990) 2008

Identifier	ReturnReference	In Part I, line 2, and any other additional information. Explanation
Additional Supplemental Information	Returniverence	Legacy Health System Insurance Company (LHSIC) provides excess healthcare and general liability insurance to Legacy and its affiliates LHSIC was formed in 2004 under the laws of the Cayman Islands and obtained an Unrestricted Class "B" Insurer's license under the provisions of the Cayman Islands Insurance Law and is a wholly owned subsidiary of Legacy LHSIC's financial information is included in the Legacy consolidated financial statements and is reported on form 5471, Information of US Persons With Respect to Certain Foreign Corporations

Software ID: 08000091

Software Version: 2008v2.7

EIN: 23-7426300

Name: LEGACY HEALTH SYSTEM

Form 990 Schedule F Part II - Grants and Other Assistance to Organizations or Entities Outside The United States

(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) A mount of cash grant	(f) Manner of cash disbursement	(g) A mount of non- cash assistance	(h) Description of non-cash assistance	(ı) Method of valuatıon (book, FMV, appraısal, other)
--------------------------	---	------------	-------------------------	------------------------------	------------------------------------	---	--	--

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

OMB No 1545-0047

2008

DLN: 93493048002540

Department of the Treasury Internal Revenue Service

Schedule I

(Form 990)

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

Open to Public **Inspection**

Name of the organization						Employer identif	ication number
LEGACY HEALTH SYSTEM						23-7426300	
Part I General Inform	nation on Gra	nts and Assistanc	е			•	
the selection criteria used Describe in Part IV the or	d to award the gra rganization's proc	ints or assistance? edures for monitoring th	ne use of grant funds ın t	he United States	gibility for the grants or assi		
Part IV and Sche	V, line 21 for a edule I-1 if add	ny recipient that rec	eived more than \$5,0	in the United Sta 00. Check this box	tes. Complete if the org	ganization answered ved more than \$5,	d "Yes" on 000. Use
1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) A mount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							
2 Enter total number of sect			1		_		29
organizations					•	•	• 0

Part III	Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, F	Part IV, line 22.
	Use Schedule I-1 (Form 990) ıf addıtıonal space ıs needed.	

(a)Type of grant or assistance	(b) Number of recipients	(c)A mount of cash grant	(d)A mount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information. See Additional Data Table

Ident if ier	Return Reference	Explanation
Grantmaker's Description of How Grants are Used		Legacy provides grants to the community through the Community Health Fund which was established in 1999 by the Legacy Board of Directors. This Board appointed committee oversees a \$10 million Community Health Fund helping to address major community health issues. The committee is composed of representatives from faith, nonprofit, community and business sectors. The majority of the grants are for three years. The Community Health Committee reviews applications providing grants only to 501(c)(3) organizations. Follow up occurs annually regarding the use of the funds. In addition, Legacy donates to charitable organizations to support health and human services, civic and community causes, and business development Legacy's Community Affairs. Department administers these grants, assuring the organizations meet the 501(c)(3) qualifications and the money is used for its intended purpose.

Software ID: 08000091

Software Version: 2008v2.7

EIN: 23-7426300

Name: LEGACY HEALTH SYSTEM

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

Form 990,Schedule 1, Par	t 11, Grants a	na Other Assistance	ce to Government	s and Organizatio	ns in the United St	ates	_
(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)		(h) Purpose of grant or assistance
WSU FOUNDATION14204 NE SALMON CREEK AVE VANCOUVER, WA 98686	91-1075542	501(c)(3)	75,000	0			AT HOME AT SCHOOL PROGRAM
WALLA WALLA UNIVERSITY 204 S COLLEGE AVE COLLEGE PLACE, WA 99324	91-0617727	501(c)(3)	10,000	0			SCHOLARSHIPS
THE NEIGHBORHOOD PARTNERSHIP1020 SW TAYLOR ST SUITE 680 PORTLAND,OR 97205	93-1155559	501(c)(3)	47,078	0			FLOURISHING IN TIGARD PROGRAM
THE FOUNDATION FOR MEDICAL EXCELLENCEONE SW COLMBIA ST SUITE 860 PORTLAND,OR 97258		501(c)(3)	18,000	0			SCHOLARSHIPS, LECTURESHIP
PORTLAND STATE UNIVERSITY FOUNDATION 2125 SW 4TH AVE STE 510 PORTLAND,OR 97201	93-0619733	501(c)(3)	8,300	0			SCHOLARSHIPS
PORTLAND SCHOOLS FOUNDATION905 NW 12TH AVE PORTLAND,OR 97209	93-1149789	501(c)(3)	8,000	0			ROAST DINNER, PARTNER SCHOOLS
OTHERS - LESS THAN 5001 C/O 1919 NW LOVEJOY ST PORTLAND,OR 97209			134,600	0			
OREGON MEDICAL EDUCATION FOUNDATION 11740 SW 68TH PARKWAY 100 PORTLAND,OR 97223	93-0497431	501(c)(3)	10,000	0			DONATION TOWARD OMA DOCUMANTARY
OREGON HEALTH FORUM PO BOX 2942 PORTLAND,OR 97208	93-1056129	501(c)(3)	7,500	0			HEALTH CONF, LEADERSHIP AWARD DINNER
OR ASSOCIATION OF MINORITY ENTREPRENEURS4134 N VANCOUVER AVE PORTLAND,OR 97217	94-3058546	501(c)(3)	10,650	0			SPONSOR LUNCHEON, DONATION

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States (e) A mount of non-(a) Name and address of **(b)** EIN (c) IRC Code (d) A mount of (f) Method of (q) Description of (h) Purpose of grant organization section cash grant cash valuation (book, non-cash orassistance ıf applicable FMV, appraisal, or government assistance assistance other) 501(c)(3) 6,000 OHSU FOUNDATION 93-1176109 0 RAISE FUNDS FOR 1121 SW SALMON ST SURGICAL EDU CTR SUITE 200 PORTLAND, OR 97205 94-3180955 501(c)(3) 35,000 0 ANNUAL NW PARISH NURSE CONTRIBUTION MINISTRIES2801 N GANTENBEIN AVE 1072

TORTLAND, OR 37227					
NEIGHBORHOOD HOUSE 7780 SW CAPITOL HWY PORTLAND,OR 97219	93-0386875	501(c)(3)	48,905	0	
LINFIELD COLLEGE900 SE BAKER ST MCMINNVILLE, OR 97128	93-0391586	501(c)(3)	12,500	0	
HUMAN SOLUTIONS INC	93-0977166	501(c)(3)	75,000	0	

501(c)(3)

93-0867552

DONATE LIFE

NORTHWEST2525 SW 1ST AVE SUITE 175 PORTLAND, OR 97201

	PORTLAND, OR 97227						
	NEIGHBORHOOD HOUSE 7780 SW CAPITOL HWY PORTLAND,OR 97219	93-0386875	501(c)(3)	48,905	0		MIDMINO FAMILY RESOURCE
	LINFIELD COLLEGE900 SE BAKER ST MCMINNVILLE, OR 97128	93-0391586	501(c)(3)	12,500	0		SCHOLARSHIPS
•	HUMAN SOLUTIONS INC 12350 SE POWELL BLVD	93-0977166	501(c)(3)	75,000	0		RENT TRANSIT ASSIST PROGRAM

MCMINNVILLE, OR 97128						
HUMAN SOLUTIONS INC 12350 SE POWELL BLVD PORTLAND,OR 97236	93-0977166	501(c)(3)	75,000	0		RENT TRANSIT ASSIST PROGRAM
HISPANIC METROPOLITAN CHAMBER2402 NE OREGON ST PORTLAND,OR 97232	93-1156358	501(c)(3)	9,800	0		SCHOLARSHIPS
FREE CLINIC OF SW WASHINGTON4100	91-1707542	501(c)(3)	12,750	0		SPONSOR GOLF

METROPOLITAN CHAMBER2402 NE OREGON ST PORTLAND,OR 97232			,,,,,			
FREE CLINIC OF SW WASHINGTON4100 PLOMONDON ST VANCOUVER, WA 98661	91-1707542	501(c)(3)	12,750	0		SPONSOR GOLF TOURN, ART AUCTION
ESSENTIAL HEALTH CLINIC15296 SW ROYALTY PARKWAY TIGARD,OR 97224	38-3572046	501(c)(3)	11,600	0		SUPPORT PROGRAM
ECUMENICAL MINISTRIES OF OREGON 245 SW BANCROFT ST SUITE B PORTLAND, OR 97201	93-0625359	501(c)(3)	10,000	0		RELATIONSHIP, SPONOR LECTURE

8,000

0

LIFE SAVER, COMM

TREADS OF LIFE

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States (a) Name and address of **(b)** EIN (c) IRC Code (d) A mount of (e) A mount of non-(f) Method of (g) Description of (h) Purpose of grant organization section cash grant cash valuation (book, non-cash or assistance ıf applıcable FMV, appraisal, or government assistance assistance other) 0 DE LA SALLE NORTH 93-1287554 501(c)(3) 12,500 SCHOLARSHIPS CATHOLIC HIGH SCHOOL7528 N FENWICK AVE PORTLAND, OR 97217 501(c)(3) 0 COMMUNITY ACTION 93-0554941 32,500 OPENING DOORS PROGRAM FOR WA COUNTY101 SW **BASELINE STREET** HILLSBORO, OR 97123 COALITION OF 91-1829239 501(c)(3) 15,000 0 SUPPORT CLINIC COMMUNITY HEALTH OPERATION CLINIC619 SW 11TH **AVE 225** PORTLAND, OR 97205 93-0811915 501(c)(3) 84,650 0 DIRECT IMPACT CHILDRENS COMMUNITY CLINIC27 PROGRAM NE KILLINGSWORTH ST PORTLAND, OR 97211 0 CHILDRENS CANCER 93-1181662 501(c)(3) 6,000 SPONSOR CELEBRATION OF ASSOCIATION7524 SW MACADAM SUITE B COURAGE PORTLAND, OR 97219 CENTRAL CITY 93-0728816 501(c)(3) 91,475 0 **HOOPER SOBERING** CONCERN232 NW SIXTH STATION & AVF DONATION PORTLAND, OR 97209 0 CAWS101 SW MAIN 75-3193916 501(c)(3) 18,000 MINORITY CONTRACTING **SUITE 1800** PORTLAND, OR 97204 WO RK AMERICAN CANCER 13-1788491 501(c)(3) 6,100 0 RELAY FOR LIFE, HOPE BELL SOCIETY 330 SW CURRY STREET PORTLAND, OR 97239 60,634 0 PREVENTING AFRICAN AMERICAN 93-1015277 501(c)(3) HEALTH2800 N **OBESITY PROGRAM** VANCOUVER 100

PORTLAND, OR 97227

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As Filed Data -

DLN: 93493048002540

OMB No 1545-0047

Employer identification number

Schedule J (Form 990)

Compensation Information

Department of the Treasury Internal Revenue Service

Name of the organization

For certain Officers, Directors, Trustees, Key Employees, and Highest **Compensated Employees**

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Open to Public Inspection

LEG	ACY HEALTH SYSTEM			• •			
				23-7426300			
Pa	rt I Questions Regarding Compensation	<u>1</u>					
						Yes	Νo
1a	Check the appropriate box(es) if the organization prov 990, Part VII, Section A, line 1a Complete Part III		, ,				
	First class or charter travel		Housing allowance or residence for				
	Travel for companions	Ē	Payments for business use of perso				
	▼ Tax idemnification and gross-up payments	Г	Health or social club dues or initiat	ion fees			
	Discretionary spending account	Γ	Personal services (e g , maid, chau	ffeur, chef)			
b	If line 1a is checked, did the organization follow a wri provision of all the expenses described above? If "No			ment or	1b	Yes	
2	Did the organization require substantiation prior to re officers, directors, trustees, and the CEO/Executive				2	Yes	
3	Indicate which, if any, of the following the organization organization's CEO/Executive Director Check all the Compensation committee	iat appl	ly Written employment contract	9			
	✓ Independent compensation consultant	<u> </u>	· · · · · · · · · · · · · · · · · · ·				
	Form 990 of other organizations	굣	Approval by the board or compensa	ition committee			
4	During the year, did any person listed in Form 990, P	Part V I	I, Section A, line 1a				
а	Receive a severance payment or change of control pa	aymen	t?		4a	Yes	
b	Participate in, or receive payment from, a supplemen	ntal nor	nqualified retirement plan?		4b	Yes	
c	Participate in, or receive payment from, an equity-ba	ased co	ompensation arrangement?		4c		Νo
	If "Yes" to any of lines 4a-c, list the persons and pro	ovide th	he applicable amounts for each item i	n Part III			
	501(c)(3) and 501(c)(4) organizations only must con	mplete	lines 5-8.				
5	For persons listed in form 990, Part VII, Section A, I compensation contingent on the revenues of	line 1a	, did the organization pay or accrue a	ny			
а	The organization?				5a	Yes	
b	Any related organization?				5b	Yes	
	If "Yes," to line 5a or 5b, describe in Part III						
6	For persons listed in form 990, Part VII, Section A, I compensation contingent on the net earnings of	line 1a	, did the organization pay or accrue a	ny			
а	The organization?				6a	Yes	
b	Any related organization?				6b	Yes	
	If "Yes," to line 6a or 6b, describe in Part III						
7	For persons listed in form 990, Part VII, Section A, I payments not described in lines 5 and 6? If "Yes," do			n-fixed	7		Νo
8	Were any amounts reported in Form 990, Part VII, passible to the initial contract exception described in in Part III						NI -

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(I)-(III) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	(B) Breakdown of	f W-2 and/or 1099-MI	SC compensation	(C) Deferred	(D) Nontaxable	(E) Total of columns	(F) Compensation
	(i) Base compensation	(ii) Bonus & Incentive compensation	(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
See Addıtıonal Data Table (i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

	s part to provide t	ne information, explanation, of descriptions required for Fart 1, lines 1a, 1b, 4c, 3a, 3b, 0a, 0b, 7, and 8. Also complete this part for any additional information
Ident if ier	Return Reference	Explanation
Line 6b	Part I, Line 6b Explanation of organization compensation contingent on net earnings from related or	Legacy has an at-risk incentive compensation plan for management. The plan is based on 5 pillars. People, Service, Quality, Finance, & Growth. In order to payout any incentive compensation the Organization, as a whole must exceed budgeted operating margin.
Line 5b	Part I, Line 5b Explanation of organization compensation based on revenues of related organization	Physicians employed by Legacy related entities are paid a bonus contingent upon their revenue generated during the year measured by industry standard relative value units (RVU)
Sch J, Part I, Line 1a	Part I, Line 1a Relevant Information in regards to selections on 1a	George Brown, CEO received a temporary living allowance as part of his employment contract with Legacy Health System (Legacy). His temporary living expenses were grossed up to cover the taxes on the amount. The maximum temporary living allowance including the gross up was \$20,000, and approved by the Board. The expenses were submitted & reviewed by human resources and paproval and were approved through the normal approval processes SCH J, PART 1, QUESTION 3 REGARDING COMPENSATION PRACTICESDirectors for Legacy are not compensated, but receive expense reimbursements related to their duties. Any expense reimbursements to board members require review and approval by the Director of Management Audit Executive compensation for legacy is designed to recruit, retain and motivate qualified senior management personnel. The comprehensive compensation plan is designed for positions that have a significant impact on the high-level strategic and policy direction of Legacy and its affiliates. Base pay and total compensation (including incentive compensation) for similar positions is established at a level comparable to market compensation for healthcare organizations. The salary and benefit program includes the use of annual and long-term performance measures and goals. Annual reviews of published compensation surveys are made of comparable organizations and comparable benchmark positions in the market. External consultants are used periodically to ensure accurate interpretation of the surveys. The Compensation Committee of the Board of Directors, none of whom is a Legacy employee, reviews the compensation for executive positions. The Committee oversees the system's governance procedures with respect to intermediate and to take such actions as are required to obtain the rebuttable presumption of reasonableness. The Compensation consists of fegular base pay including employee, elected deferrals for retirement plans (403(b) and 457(b) plans). Column B(ii) - Base compensation consists of fegular base pay including enjoyee electe
	l	

(1) (11)

ANTHONY C WENTE

152,857

14,532

Software ID: 08000091 **Software Version:** 2008v2.7

EIN: 23-7426300

Name: LEGACY HEALTH SYSTEM

Form 990, Schedule J, I (A) Name			f W-2 and/or 1099-MIS		(C) Deferred	(D) Nontaxable	(E) Total of columns	(F) Compensation	
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ	
TOMIKA A DEW	(I) (II)		30,721	9,846	-21,998	17,115	189,510	8,828	
TODD N GUENZBURGER MD	(I) (II)			11,368	5,298	8,710	262,927 2,000		
SONJA O STEVES	(ı) (ıı)		58,568	15,725	17,997	11,527		12,822	
SCOTT H JOHNSON	(ı) (ıı)		98,043	11,788	17,682	20,627	408,145	12,195	
ROBERT J PALLARI	(ı) (ıı))		4,805,897		665,586	5,471,483	3,515,887	
RICHARD F GIBSON MD	(ı) (ıı)		91,602	12,551	52,225	25,295	522,210		
PATRICIA M GIANELLI	(I) (II)		39,672	8,641	23,104	26,032	300,791	11,255	
PAMELA S VUKOVICH	(ı) (ıı)		207,490	72,379	36,641	23,873	820,159	62,454	
P CAMPBELL GRONER	(ı) (ıı)			4,730	-11,548	35,092	425,249		
MATTHEW CALAIS	(ı) (ıı)			108,514	-18,648		89,866		
MARYANN HOLBERT	(ı) (ıı)		22,260	2,304	-3,559	3,332	180,398		
MARY K KJEMPERUD	(I) (II)		32,281	. 11,542	-13,469	16,246	226,869	10,887	
LEE DOMANICO	(ı) (ıı)			185,845	-67,193	29,265	147,917		
LARRY HILL	(I) (II)		20,868	14,712	12,869	13,369	254,013		
JODI S JOYCE	(I) (II)		20,636	1,166	13,124	21,180	212,614		
GORDON T EDWARDS	(ı) (ıı)		29,870	12,852	2,970	19,613	278,479		
GEORGE J BROWN MD	(I) (II)		106,788	36,205	33,973	5,162	376,840		
GEORGE A CIOFFI MD	(ı) (ıı)			19,624	1,544	22,714	434,993 26,861		
GARY L WELCH	(ı) (ıı)		20,016		8,552	11,742			
ELAINE M DENNING	(ı) (ıı)		24,729	2,573	12,383	11,724	195,769		
EDWARD SCHREK	(I) (II)		50,000	37,198	49,865	21,376	559,406		
CAROL EDWARDS	(1)	228,281	47,677	37,667	-5,549	14,067	322,143	16,042	

9,786

20,113

197,288

DLN: 93493048002540

Schedule K (Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service
Name of the organization

LEGACY HEALTH SYSTEM

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule 0.

Employer identification number

										23-74203	,00			
Р	art I Bond Issues (Required	for 2008)								•				
(a) Issuer Name (b) Issuer EIN (d)			(c) CUSIP #	(d) Date Issued		(e) Issue Price		(f) Description of Purpose			(g) Defeased		(h) O n Behalf o Issuer	
											Yes	No	Yes	No
A	CLACKAMAS COUNTY OREGON	23-7426300	179027VJ3	11-13-	2008	150,	000,000	FINANCINO CONSTRUC AND ETC		L MODELLING,		x		x
В	CLACKAMAS COUNTY OREGON	23-7426300	179027TV9	12-17-	2003	50,	000,000	FINANCINO CLINICAL 8 COSTS				х		х
Pa	art II Proceeds (Optional for	2008)	•		•									
				,	A		В		С	D			E	
1	Total Proceeds of Issue													
2	Gross Proceeds in Reserve Funds													
3	Proceeds in Refunding or Defeasai	nce Escrows												
4	Other Unspent Proceeds													
5	Issuance Costs from Proceeds													
6	Working Capital Expenditures from	n Proceeds												
7	Capital Expenditures from Proceed	ds												
8	Year of Substantial Completion					•		•		•		•		
				Yes	No	Yes	No	Yes	No	Yes	No	Yes	;	No
9	Were the bonds issued as part of a	a current refunding is:	sue?											
10	Were the bonds issued as part of a	an advance refunding	ıssue [?]											
11	Has the final allocation of proceed	Is been made?												
12	Does the organization maintain ad final allocation of proceeds?	lequate books and red	cords to support the											
Pa	rt IIII Private Business Use	(Optional for 2008	?)		1		'		1	'			'	
					Ą		В	-	c	D			E	
				Yes	No	Yes	No	Yes	No	Yes	No	Yes	<u> </u>	No
Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?														
2	Are there any lease arrangements which may result in private busine		inanced property											
F	. D	- T	222			C-+ N- FO:	1035			C-1	- 4 12	/F 00	٥١ ٥٥٥٥	

Schedule K	(Form 990) 20	800	
Part III	Private Bu	siness Use	(Continued)

		Α		E	3	(С	D		I	E
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3с	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4	Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										
Pai	rt IV Arbitrage (Optional for 2008)										
		ı	Α	E	3	(<u>c</u>	ı	<u> </u>	ı	Ε
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
ь	Name of provider										
С	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
ь	Name of provider										
С	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5											
	Were any gross proceeds invested beyond an available temporary period?										

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DLN: 93493048002540

SCHEDULE 0

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

2008

Open to Public Inspection

Name of the organization LEGACY HEALTH SYSTEM Employer identification number

23-7426300

Identifier	Return Reference	Explanation
	Part IX, line 20	Total interest expense relating to tax exempt bonds for Legacy & its affiliates was \$12,530,064 Entity AmountLHS 3,839,409 LEHHC 3,325,079 LGSMC 2,117,279LMPH 2,320,256 LMHMC 966,743 LSCH (38,702)

Identifier	Return Reference	Explanation
	Part 1, Line 5 & Part V question 2a	The number of employees reported on the W-3 is for all Legacy Health System Affiliates Legacy Health System is a common pay agent for all of the affiliates and reports all employees under its EIN

Identifier	Return Reference	Explanation
	990 Part X	Legacy manages the investments for all affiliates through pooled funds which include professionally managed equity and fixed income securities in both separately managed portfolios and commingled investment accounts investment returns are prorated according to each affiliate's share of the pool Legacy reports the gains or losses on the investment portfolio

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Legacy Health System's audited and interim consolidated financial statements are publicly available on the Electronic Municipal Market Access(EMMA) (www emma msrb org) and DAC Bond (www dacbond com) websites. When changes are made to the Legacy Articles or Bylaws, Legacy discloses and attaches copies to the IRS Form 990, which are publicly available by request or on various public websites such as Guidestar(www guidestar org). Other governing documents are not available to the public.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	The following describes the compensation practices of Legacy and its affiliates Executive compensation for Legacy is designed to recruit, retain and motivate qualified senior management personnel. The comprehensive compensation plan is designed for positions that have a significant impact on the high-level strategic and policy direction of Legacy and its affiliates Base pay and total compensation (including incentive compensation) for similar positions is established at a level comparable to market compensation for healthcare organizations. The salary and benefit program includes the use of annual and long-term performance measures and goals. Annual reviews of published compensation surveys are made of comparable organizations and comparable benchmark positions in the market. External consultants are used periodically to ensure accurate interpretation of the surveys. The Compensation Committee of the Board of Directors, none of whom is a Legacy employee, reviews the compensation for key executive positions. The committee oversees the system's governance procedures with respect to intermediate sanctions legislation and the evaluation of reasonableness of compensation. The committee reports to the Board in sufficient detail to enable the entire Board to take such actions as are required to obtain the rebuttable presumption of reasonableness. The Compensation Committee also reviews tax-reporting disclosures.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	The following is a summary of Legacy's policy and procedures for conflict of interest disclosure, monitoring and resolution All Legacy employees and non-employees in leadership positions (e.g., Board members, Foundation Trustees, Medical Directors) are required to disclose potential conflicts of interest as the conflict arises. All employees attest to proper conflict of interest disclosure during their annual review. Certain groups have annual formal disclosure requirements, Executives and non-employees in leadership positions complete the Conflict Disclosure Statement from the Standards of Conduct policy annually. Officers, Directors, Trustees, Key and Highly Compensated employees are also required to complete a questionnaire covering business relationships, business transactions with interested parties, loans and grants. Conflict Disclosure Statements and questionnaires are returned to Legacy Management Audit for review of the disclosures. If a conflict is disclosed, or identified through any other means, Management Audit ensures that management mitigates the risk (e.g., discontinues relationship with vendor, segregates responsibilities, recuses Board member from voting in area of conflict) and that the conflict and mitigation steps are reported to the appropriate level (e.g., Compliance Committee, Audit Committee of the Board)

ldentifier	Return Reference	Explanation
Lorm 000 Dort 1	Form 990, Part VI, Line 10 Form 990 Review Process	The Legacy Board received a copy of the 990 return prior to filing with a summary of key points. At the direction of the entire Board, the Board Compensation Committee reviewed the compensation disclosures and the Board Audit Committee reviewed the 990 return with Management prior to filing

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	The Board of Directors includes the following members (a) The Bishop of the Oregon Synod of the Evangelical Lutheran Church inAmerica (the "Oregon Synod") or the Bishop's designee, who shall serve ex officio,(b) The Bishop of the Episcopal Diocese of Oregon (the "Episcopal Diocese") or the Bishop's designee, who shall serve ex officio,(c) One (1) person appointed by election of the Oregon Synod Council,(d) One (1) person appointed by election of the Convention of the EpiscopalDiocese

	ldentifier	Return Reference	Explanation
- 1	Form 990, Part VI, Line 4	Form 990, Part VI, Line 4 Description of Significant Changes to Organizational Documents	Legacy's bylaws were changed to allow a broader selection of board members from the physicians on the medical staff

DLN: 93493048002540

OMB No 1545-0047

Employer identification number

2008

Open to Public Inspection

SCHEDULE R (Form 990)

Name of the organization LEGACY HEALTH SYSTEM

Internal Revenue Service

Related Organizations and Unrelated Partnerships

Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37. Department of the Treasury ► See separate instructions.

23-7426300 Part I Identification of Disregarded Entities (A) Name, address, and EIN of disregarded entity (D) Legal domicile (state Total income End-of-year assets Direct controlling Primary activity or foreign country) entity LEGACY HEALTH SYSTEM CPC LLC 1919 NW LOVEJOY ST Common Pay Company OR N/A PORTLAND, OR 97209 23-7426300 Part II Identification of Related Tax-Exempt Organizations (B) Name, address, and EIN of related organization Legal domicile (state Exempt Code section Public charity status Direct controlling Primary activity or foreign country) (if section 501(c)(3)) entity See Additional Data Table

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H Disprop allocat	rtionate	(I) Code V—UBI amount on Box 20 of K-1	Gene man	(J) eral or laging tner?
							Yes	No		Yes	No
NORTHWEST HOSPITAL PARTNERSHIP INC 1919 NW LOVEJOY ST PORTLAND, OR97209 93-0973009	Investment	OR	LGSHMC	Investment	30,000	13,333		No			No
OPTION CARE AT LEGACY LLC 104 WILMOT ROAD MS 1435 DEERFIELD, IL60015 20-3161422	Infusion	OR	LVNA	Related	663,778	1,519,907		No			No
LIFE FLIGHT NETWORK LLC 22285 YELLOW GATE LANE SUITE 102 AURORA, OR97002 20-5016802		OR	LEHHC	RELATED	-11,476	367,247		No			No
LEGACYUSP SURGERY CENTERS LLC 15305 DALLAS PKWY SUITE 1600 LB 2 ADDISON, TX75001 26-1846866	MGMT SERV	OR	N/A	Related	36,943	3,178,997		No			No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
LEGACY HEALTH SYSTEM INSURANCE COMPANY 1919 NW LOVEJOY ST PORTLAND, OR97209	INSURANCE		N/A	С	10,021	215,029	100 000 %
MANAGED HEALTHCARE NORTHWEST 422 E BURNSIDE ST 215 PORTLAND, OR97208 93-0914759	MEDICAL	OP	LEGACY MOUNT HOOD MEDICAL CENTER	С	324,985	1,104,675	75 000 %
							_

Part V Transactions with Related Organizations
--

Note. Complete line 1 if any entity is listed in Parts II, III or IV			Yes	No
During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?				
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	18	a	Yes	
b Gift, grant, or capital contribution to other organization(s)	11	ь	Yes	
c Gıft, grant, or capital contribution from other organization(s)	10	.c	Yes	
d Loans or loan guarantees to or for other organization(s)	10	d	Yes	
e Loans or loan guarantees by other organization(s)	10	e	Yes	
f Sale of assets to other organization(s)	11	f.	Yes	
g Purchase of assets from other organization(s)	19	g	Yes	
h Exchange of assets	11	h	Yes	
i Lease of facilities, equipment, or other assets to other organization(s)	1	Li	Yes	
j Lease of facilities, equipment, or other assets from other organization(s)	1:	j	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	11	.k	Yes	
Performance of services or membership or fundraising solicitations by other organization(s)	1	LI	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets	1:	m	Yes	
n Sharing of paid employees	11	n	Yes	
o Reimbursement paid to other organization for expenses	10	.0	Yes	
p Reimbursement paid by other organization for expenses	11	р	Yes	
q Other transfer of cash or property to other organization(s)	10	q	Yes	
r Other transfer of cash or property from other organization(s)	1	lr	Yes	

	(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)	MANAGED HEALTHCARE NORTHWEST	О	61,414
(2)	MANAGED HEALTHCARE NORTHWEST	a	133,280
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships

									_	
(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations	57	(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General o managing partner?)
			Yes	No		Yes	No		Yes	No
			•			•	•	Sabadula	D / Form	000) 2000

 Software ID:
 08000091

 Software Version:
 2008v2.7

 EIN:
 23-7426300

Name: LEGACY HEALTH SYSTEM

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

Form 990, Schedule R, Part II - Identification of Related	Tax-Exempt Organiza	tions	I	I	I
(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
LEGACY ADVENTIST VENTURE					
PORTLAND, OR97209 93-1121816	HEALTHCARE	OR	501(C)(3)	9	N/A
LEGACY HEALTH SYSTEM WELFARE BENEFIT TR 1919 NW LOVEJOY ST PORTLAND, OR97209 16-1637902	VEBA TRUST	OR	501(C)(9)	N/A	N/A
SALMON CREEK HOSPITAL FOUNDATION PO BOX 4484	CHARITABLE FOUNDATION	WA	501(C)(3)	7	N/A
PORTLAND, OR97208 83-0433165	FOUNDATION				
MT HOOD MEDICAL CENTER FOUNDATION PO BOX 4484 PORTLAND, OR97208 93-0794951	CHARITABLE FOUNDATION	OR	501(C)(3)	11a	N/A
MERIDIAN PARK MEDICAL FOUNDATION					
PO BOX 4484 PORTLAND, OR97208 93-0773410	CHARITABLE FOUNDATION	OR	501(C)(3)	11a	N/A
GOOD SAMARITAN FOUNDATION	2.1.4.2.T.4.B.1.E				
PO BOX 4484 PORTLAND, OR97208 23-7017276	CHARITABLE FOUNDATION	OR	501(C)(3)	11a	N/A
EMANUEL CHILDRENS HOSPITAL FOUNDATION					
PO BOX 4484 PORTLAND, OR97208 93-1314469	CHARITABLE FOUNDATION	OR	501(C)(3)	7	N/A
EMANUEL MEDICAL CENTER FOUNDATION					
PO BOX 4484 PORTLAND, OR97208 93-6095667	CHARITABLE FOUNDATION	OR	501(C)(3)	7	N/A
LEGACY VISITING NURSE ASSOCIATION					
815 NE DAVIS ST PORTLAND, OR97210 93-0848530	HOSPICE	OR	501(C)(3)	9	N/A
LEGACY SALMON CREEK HOSPITAL					
2211 NE 139TH ST VANCOUVER, WA 98686 33-1065485	HOSPITAL	WA	501(C)(3)	3	N/A
LEGACY MOUNT HOOD MEDICAL CENTER					
24800 SE STARK AT GRESHAM, OR97030 93-0591528	HOSPITAL	OR	501(C)(3)	3	N/A
LEGACY MERIDIAN PARK HOSPITAL					
19300 SW 65TH AVE TUALATIN, OR97062 93-0618975	HOSPITAL	OR	501(C)(3)	3	N/A
LEGACY GOOD SAMARITAN HOSPITAL & MEDICAL					
1015 NW 22ND AVE PORTLAND, OR97210 93-0386793	HOSPITAL	OR	501(C)(3)	3	N/A
LEGACY EMANUEL HOSPITAL & HEALTH CENTER					
2801 N GANTENBEIN AVE PORTLAND, OR97227 93-0386823	HOSPITAL	OR	501(C)(3)	3	N/A

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TY 2008 Earnings and Profits Other Adjustments Statement

Name: LEGACY HEALTH SYSTEM

EIN: 23-7426300

Software ID: 08000091

Description	Amount
PREPAID EXPENSES	-333

TY 2008 Itemized Other Current Liabilities Schedule

Name: LEGACY HEALTH SYSTEM

EIN: 23-7426300

Software ID: 08000091

Corporation Name	Corporation EIN	Description	Beginning Amount	Ending Amount
		UNEARNED PREMIUMS	414,476	379,886
		LIABILITY FOR LOSSES & LOSS ADJ EXPENSES	3,241,980	2,713,000

TY 2008 Itemized Other Current Assets Schedule

Name: LEGACY HEALTH SYSTEM

EIN: 23-7426300

Software ID: 08000091

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
		REINSURANCE RECOVERABLE	3,241,980	2,713,000
		PREPAID REINSURANCE PREMIUMS	402,143	368,674
		PREPAID EXPENSES	1,334	1,667
		INTEREST RECEIVABLE	682	500

TY 2008 Other Deductions Schedule

Name: LEGACY HEALTH SYSTEM

EIN: 23-7426300

Software ID: 08000091

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
Total in Dollars		62,805
PROFESSIONAL FEES	26,440	
MISCELLANEOUS EXPENSES	1,900	
MEETING EXPENSES	3,094	
MANAGEMENT FEES	18,000	
GOVERNMENT FEES	10,207	
Foreign Currency Total	62,805	
ACTUARIAL FEES	3,164	

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TY 2008 Paid-In or Capital Surplus Reconciliation Statement

Name: LEGACY HEALTH SYSTEM

EIN: 23-7426300

Software ID: 08000091

Description	Beginning Amount	Ending Amount
PAID IN CAPITAL	119,950	119,950

2009

AMENDED AND RESTATED

BYLAWS OF LEGACY HEALTH SYSTEM

Adopted April 12, 1989

Restated February 5, 1998

Amended June 4, 1998, June 3, 1999, June 1, 2000,

October 5, 2000, February 7, 2002, June 5, 2003,

December 2, 2004, February 22, 2006,

February 26, 2007, September 13, 2007, November 8, 2007

March 13, 2008, May 8, 2008

Last Amended March 12, 2009

RESTATED

BYLAWS OF LEGACY HEALTH SYSTEM

TABLE OF CONTENTS

1. ARTICLE 1 Purposes	1
SECTION 1.1 FOUNDATION	
SECTION 1.2 MISSION	
SECTION 1.3 VISION	1
2. ARTICLE 2 No Members; Corporate Rights and Interests	2
SECTION 2.1 NO MEMBER	2
SECTION 2.2 CORPORATE RIGHTS AND INTERESTS	2
	_
3. ARTICLE 3 Board of Directors	
SECTION 3.1 MANAGEMENT	
SECTION 3.2 NUMBER AND QUALIFICATIONS	
SECTION 3.3 SELECTION, TERM AND REMOVAL	
SECTION 3.4 VACANCIES	
SECTION 3.5 ANNUAL MEETINGS	
SECTION 3.6 REGULAR MEETINGS	
SECTION 3.7 SPECIAL MEETINGS	4
SECTION 3.8 PLACE OF MEETINGS; OTHER MEANS OF	
COMMUNICATION	
SECTION 3.9 QUORUM	
SECTION 3.10 ACTION	
SECTION 3.11 CONFLICTS OF INTEREST	5
SECTION 3.12 LOANS TO DIRECTORS AND OFFICERS	5
4. ARTICLE 4 Officers	
SECTION 4.1 DESIGNATION AND QUALIFICATION	
SECTION 4.2 ELECTION AND VACANCY	
SECTION 4.3 TERM	
SECTION 4.4 RESIGNATION AND REMOVAL	
SECTION 4.5 CHAIR	
SECTION 4.6 VICE CHAIR	7
SECTION 4.7 SECRETARY	7
SECTION 4.8 TREASURER	7
SECTION 4.9 ASSISTANTS	7
SECTION 4.10 PRESIDENT	7
SECTION 4.11 OTHER ADMINISTRATIVE OFFICERS	S

SECTION 4.12 EX OFFICIO MEMBERSHIP ON BOARD OF	
DIRECTORS	8
5. ARTICLE 5 <u>Committees</u>	8
SECTION 5.1 BOARD COMMITTEES	8
SECTION 5.2 EXECUTIVE COMMITTEE	
SECTION 5.3 FINANCE and PLANNING COMMITTEE	
SECTION 5.4 MEDICAL QUALITY & CREDENTIALING	*****************
COMMITTEE	10
SECTION 5.5 GOVERNANCE COMMITTEE	
SECTION 5.6 COMMUNITY HEALTH COMMITTEE	12
SECTION 5.7 AUDIT COMMITTEE	13
SECTION 5.8 PLANNING COMMITTEE	13
SECTION 5.9 COMPENSATION COMMITTEE	14
SECTION 5.10 MANAGEMENT COMMITTEES	
SECTION 5.11 QUORUM	
SECTION 5.12 MEETINGS	
SECTION 5.13 MINUTES	
SECTION 5.14 TENURE, REMOVAL AND VACANCIES	15
6. ARTICLE 6 Records and Execution	15
SECTION 6.1 RECORDS	
SECTION 6.2 INSPECTION	15
SECTION 6.3 SIGNATURE AUTHORITY	
SECTION 6.4 ANNUAL AUDIT	
SECTION 6.5 FISCAL YEAR	
SECTION 6.6 EXECUTION OF DOCUMENTS	16
7. ARTICLE 7 <u>Indemnification, Insurance and Limitation of Liability</u>	16
SECTION 7.1 INDEMNIFICATION	16
SECTION 7.2 ADVANCEMENT OF EXPENSES	16
SECTION 7.3 DEFINITIONS	
SECTION 7.4 NON-EXCLUSIVITY AND CONTINUITY OF RIGHTS	17
SECTION 7.5 AMENDMENTS	
SECTION 7.6 LIMITATION OF LIABILITY	17
SECTION 7.7 INSURANCE	17
8. ARTICLE 8 Associated Organizations	18
SECTION 8.1 CREATION	
SECTION 8.2 BYLAWS, RULES AND REGULATIONS	
9. ARTICLE 9 Amendments	18
SECTION 9.1 REVIEW	
SECTION 9.2 PROCEDURE	
SECTION 9.3 RESTRICTIONS ON AMENDMENTS	

10. ARTICLE 10	General Provisions	.19
SECTION	10.1 PARLIAMENTARY AUTHORITY	.19
SECTION	10.2 ACTION WITHOUT A MEETING	.19
SECTION	10.3 WAIVER OF NOTICE	.19
CERTIFIC	ATE OF SECRETARY	.20

AMENDED

BYLAWS OF LEGACY HEALTH SYSTEM (2009)

ARTICLE 1

PURPOSES

SECTION 1.1 FOUNDATION

Legacy Health System is a unique healthcare system founded on the tradition and values of community healthcare organizations, the healing ministries of the Lutheran and Episcopal churches, and community physicians. This partnership of healthcare providers is dedicated to caring, compassion and excellence. The individual strengths and traditions that each bring enable us, as a system, to be of greater benefit to the communities we serve in our common mission.

SECTION 1.2 MISSION

We are committed as a healthcare system to enhance the quality of life by improving the health status of the communities we serve. We are further committed to serving all in need within our resources.

SECTION 1.3 VISION

Our long range vision is to create a healthy community with health status exceeding similar communities of the world. In order to achieve this Legacy will collaborate with other healthcare providers, schools, employers, government, religious organizations and community groups. Legacy will encourage and assist individuals to assume greater responsibility for achieving optimal personal health status.

Legacy is an integrated healthcare system - linking physicians, hospitals, ambulatory and home care services with health plans in order to provide access to a comprehensive range of high quality healthcare services at affordable and competitive prices.

We are a learning organization and will achieve our vision by continuously improving everything we do, appropriately managing care, and being a preferred employer.

ARTICLE 2

NO MEMBERS; CORPORATE RIGHTS AND INTERESTS

SECTION 2.1 NO MEMBERS

Legacy Health System shall have no members.

SECTION 2.2 CORPORATE RIGHTS AND INTERESTS

All rights and interests of Legacy Health System as a member, shareholder or otherwise in other corporations, partnerships, ventures, organizations and entities shall be exercisable solely by the Board of Directors of Legacy Health System, except to the extent such authority is delegated by the Board of Directors to one or more of its officers either generally or with respect to specific matters.

ARTICLE 3

BOARD OF DIRECTORS

SECTION 3.1 MANAGEMENT

The affairs of Legacy Health System shall be managed by a Board of Directors, and each member thereof individually shall be known as a Director.

SECTION 3.2 NUMBER AND QUALIFICATIONS

- (a) The Board of Directors shall consist of not more than nineteen (19) voting Directors. The exact number of voting Directors shall be determined by the Board of Directors.
- (b) A person, in order to be qualified to be elected as a Director, should support both the vision and mission statement of Legacy Health System. Individuals selected to serve should be able to devote appropriate time and effort to carrying out such person's proposed role including time to prepare for meetings, to regularly attend meetings, and to obtain or maintain knowledge regarding healthcare policy in general and Legacy Health System in particular. It is the intent of Legacy Health System that such individuals will be a representative of the community served by Legacy Health System.
- (c) Each individual nominated shall bring specialized expertise or other background necessary and appropriate to the functions of the Board of Directors. Nominations shall be proposed under the process described in Sections 3.3 and 5.5 below.

SECTION 3.3 SELECTION, TERM AND REMOVAL

- (a) The composition of the Board of Directors shall be as follows:
- (1) The Bishop of the Oregon Synod of the Evangelical Lutheran Church in America (the "Oregon Synod") or the Bishop's designee, who shall serve ex officio;

- (2) The Bishop of the Episcopal Diocese of Oregon (the "Episcopal Diocese") or the Bishop's designee, who shall serve ex officio;
 - (3) One (1) person appointed by election of the Oregon Synod Council;
- (4) One (1) person appointed by election of the Convention of the Episcopal Diocese;
- (5) Five (5) physicians, elected at large from physicians recommended by the active medical staffs of Legacy hospitals.
- (6) Not more than nine (9) persons, elected at large by the Legacy Health System Board of Directors; and
- (7) The President of Legacy Health System, who shall serve ex officio; provided, that when the office of President of Legacy Health System is vacant, the Acting President or other officer who is designated to exercise the authority of the President until the office of President is filled shall serve ex officio.
- (b) The Directors (other than ex officio Directors) shall be divided into three (3) classes of as nearly equal number as possible, and their terms shall be staggered by class. One such class of Directors shall be elected or appointed, as the case may be, each year.
- (c) The term of office of each Director (other than ex officio Directors and as provided in the Articles of Incorporation) shall be three (3) years.
- (d) Any Director (other than ex officio Directors) may be removed from office pursuant to vote of the Board of Directors in the manner provided in the Articles of Incorporation.
- (e) Successors to Directors whose terms have expired shall be selected as set forth in the Articles of Incorporation and these Bylaws.

SECTION 3.4 VACANCIES

A vacancy on the Board of Directors shall exist upon the death or resignation of a Director, upon removal of any Director or upon the creation of an additional directorship subject to the Articles of Incorporation. The Board of Directors, acting at any meeting, or any other designated person entitled to elect or appoint such Director as provided in Section 3.3 above may fill a vacancy on the Board of Directors for the unexpired portion of the term in the manner provided herein for the election or appointment of such Director.

SECTION 3.5 ANNUAL MEETINGS

An annual meeting of the Board of Directors shall be held each year during the month of May. At the annual meeting the Board of Directors shall elect or appoint Directors, officers and the Chair, and shall approve the Chair's appointments to Board and Management

Committees. Notice of annual meetings shall be given not less than seven (7) and not more than fifty (50) days before the date of the meeting. Such notice may be given in any reasonable manner.

SECTION 3.6 REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held at such times as the Board of Directors may determine. The Secretary shall annually provide a schedule of regular meetings to all Directors, but no further notice of regular meetings need be given.

SECTION 3.7 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chair or upon written request by at least one-fourth of the Directors in office setting forth the business they wish to have conducted at the special meeting. Notice of special meetings shall be given at least twenty-four (24) hours before the meeting if called by the Chair or at least seventy-two (72) hours before the meeting if called by the Directors. Such notice may be given in any reasonable manner.

SECTION 3.8 PLACE OF MEETINGS; OTHER MEANS OF COMMUNICATION

All meetings of the Board of Directors shall be held at such place as is designated in the notice of meeting. Any or all Directors may participate in a regular or special meeting by, or conduct the meeting through, the use of any means of communication by which all Directors participating in the meeting may simultaneously hear each other during the meeting. A Director participating in a meeting by such means shall be deemed present in person at the meeting.

SECTION 3.9 QUORUM

A majority of the Directors in office shall constitute a quorum for the transaction of business. A minority of the Directors in the absence of a quorum may adjourn the meeting but may not transact any business.

SECTION 3.10 ACTION

The act of a majority of the Directors present at a meeting where there is a quorum shall be the act of the Board of Directors, unless otherwise provided in the Articles of Incorporation, these Bylaws, or by law. Except as specifically provided to the contrary in the Articles of Incorporation or these Bylaws, all Directors and committee members, including without limitation ex officio Directors and committee members, shall have voting rights in their respective capacities as members of the Board of Directors and the committees on which they serve.

SECTION 3.11 CONFLICTS OF INTEREST

- (a) A conflict of interest transaction is a transaction with Legacy Health System in which a Director has a direct or indirect interest. A conflict of interest transaction is not voidable by Legacy Health System solely because of the Director's interest in the transaction if the transaction was (1) fair to Legacy Health System, or (2) authorized, approved or ratified by the vote of the Board of Directors, or of a committee having and exercising the authority of the Board of Directors over such transaction, after disclosure to the Board of Directors or the committee of the material facts of the transaction and the Director's interest.
- (b) For the purposes of this section, a Director has an indirect interest in a transaction if (1) another entity in which the Director has a material interest or in which the Director is a general partner is a party to the transaction, or (2) the Director is a director, officer, or trustee of another entity which is not described in the last sentence of this paragraph and is a party to the transaction, and the transaction is or should be considered by the Board of Directors. A Director does not have a direct or indirect interest in a transaction solely by serving as the director, officer, or trustee of an entity which substantially controls, is under substantially common control with, is wholly owned by or is substantially controlled by Legacy Health System.
- (c) For purposes of this section, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors, or on the committee, who have no direct or indirect interest in the transaction. A transaction may not be authorized, approved, or ratified under this section by a single Director. Notwithstanding any provision of these Bylaws to the contrary, if a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise authorized, approved or ratified as provided in this section.

SECTION 3.12 LOANS TO DIRECTORS AND OFFICERS

Legacy Health System will not make loans to Directors or Officers except in conformity with the requirements and restrictions of ORS 65.364. Any such loan must be approved by members of the Board of Directors who have no direct or indirect interest in the transaction.

ARTICLE 4

OFFICERS

SECTION 4.1 DESIGNATION AND QUALIFICATION

The officers of Legacy Health System shall be a Chair, a Vice Chair, a President, a Secretary and a Treasurer. Only Directors shall be eligible to serve as the Chair and Vice Chair. Directors serving as officers shall retain their right to vote as Directors on matters presented to

the Board of Directors. The Chair may elect to be referred to as the "Chairman," "Chairwoman" or "Chairperson" and the Vice Chair may make a similar election.

SECTION 4.2 ELECTION AND VACANCY

- (a) Except as otherwise provided in this paragraph (a), the officers of Legacy Health System shall be elected by the Board of Directors. At any time when the administrative office of Chief Legal Officer or its equivalent is filled, the individual so serving shall also serve as the Secretary of Legacy Health System, and, at any time when the administrative office of Chief Financial Officer or its equivalent is filled, the individual so serving shall also serve as the Treasurer of Legacy Health System.
- (b) A vacancy in any office elected by the Board of Directors occurring because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors at any meeting for the unexpired portion of the term in the manner prescribed in these Bylaws for regular elections to such office.

SECTION 4.3 TERM

Each elected officer of Legacy Health System shall hold office for a term of one year commencing immediately following the annual meeting of the Board of Directors in the year of election, and continuing until his or her successor is elected. Each officer designated under Section 4.2(a) above shall serve for so long as such officer holds the Legacy Health System administrative office described in Section 4.2(a) above.

SECTION 4.4 RESIGNATION AND REMOVAL

Subject to the provisions of any employment contract, an officer of Legacy Health System may be removed, either with or without cause, by the Board of Directors. Subject to the provisions of any employment contract, an officer of Legacy Health System may resign at any time by giving written notice to the Board of Directors, the Chair or the Secretary.

SECTION 4.5 CHAIR

- (a) The Chair shall preside at all meetings of the Board of Directors and shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may prescribe. The Chair, after consultation with the Governance Committee, shall appoint the chairs and members of Board and Management Committees, subject to the approval of the Board of Directors.
- (b) Unless otherwise provided in these Bylaws, the Chair shall serve ex officio on all Board and Management Committees and, when in attendance at a meeting, shall be counted for purposes of a quorum and shall have the right to vote.

SECTION 4.6 VICE CHAIR

In the absence of the Chair, the Vice Chair shall perform the duties of the Chair. The Vice Chair shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may prescribe.

SECTION 4.7 SECRETARY

The Secretary shall cause minutes to be kept of all meetings of the Board of Directors. The Secretary shall cause appropriate notices to be given in accordance with these Bylaws, shall perform the customary duties pertaining to the office of Secretary and shall perform such other duties as the Board of Directors or these Bylaws may prescribe.

SECTION 4.8 TREASURER

The Treasurer shall be responsible for the financial affairs of Legacy Health System. The Treasurer shall perform the customary duties pertaining to the office of Treasurer and shall perform such other duties as the Board of Directors or these Bylaws may prescribe.

SECTION 4.9 ASSISTANTS

The Board of Directors may appoint or authorize the appointment of assistants to the Secretary or Treasurer or both. Such assistants may exercise the power of the Secretary or Treasurer, as the case may be, and shall perform such duties as the Board of Directors may prescribe.

SECTION 4.10 PRESIDENT

- (a) The Board of Directors shall elect a President, who shall be the Chief Executive Officer of Legacy Health System and shall perform the customary duties and have the customary authority of a Chief Executive Officer.
- (b) The President, subject to the authority and policies of the Board of Directors, shall have responsibility for the overall management of Legacy Health System. The President shall provide executive liaison between Legacy's subsidiaries and affiliated entities and the Board of Directors of the corporation. In instances where the corporation is a member of a limited liability company, the President may exercise the powers of the corporation as a member of such company to appoint managers and take other actions consistent with Legacy's policies governing authorization of transactions.
- (c) The President or his or her designee shall attend all meetings of the Board of Directors. The President shall cause reports on the activities of Legacy Health System and on relevant events in the health care, business and political environment to be submitted to the Board of Directors.
- (d) Unless otherwise provided in these Bylaws, the President shall serve ex officio on all Board and Management Committees except the Audit Committee and, when in

attendance at a meeting (except meetings of the Audit Committee), shall be counted for purposes of a quorum and shall have the right to vote.

- (e) The Board shall set the compensation of the President and review such compensation regularly.
- (f) The Board may in its discretion terminate the employment of the President and/or remove him or her from the office of President upon ten days written notice to the President.

SECTION 4.11 OTHER ADMINISTRATIVE OFFICERS

The President shall appoint the Chief Financial Officer, the Chief Legal Officer and other administrative officers of Legacy Health System. The compensation of administrative officers of Legacy Health System shall be fixed by the President under a compensation program approved by the Compensation Committee. Any administrative officer of Legacy Health System may be removed by the President following consultation with the Executive Committee.

SECTION 4.12 EX OFFICIO MEMBERSHIP ON BOARD OF

DIRECTORS

The Chief Financial Officer and the Chief Legal Officer shall each be authorized to attend meetings and participate in the deliberations of the Board of Directors of Legacy Health System and such committees of the Board as the Chair of Legacy Health System may designate. They shall be ex officio directors without the right to vote on matters coming before the Board of Directors or any such committee, and shall not be counted for purposes of a quorum.

ARTICLE 5

COMMITTEES

SECTION 5.1 BOARD COMMITTEES

The Board of Directors may, by resolution adopted by a majority of Directors in office, designate Board Committees and Subcommittees ("Committees") each of which shall

consist of two or more Directors. To the extent permitted by law, these Bylaws and provided in such resolution, Board Committees shall have and exercise the authority of the Board of Directors in the management of Legacy Health System. The Board of Directors shall approve the Chair's appointment of the chair and the members of Board and Management Committees. Legacy Health System shall have at least the following Board Committees: an Executive Committee, a Finance Committee, a Medical Quality & Credentialing Committee, an Audit Committee, a Governance Committee, a Planning Committee, a Compensation Committee and a Community Health Committee. The specific responsibilities and assignments for each Committee shall be determined by the Board of Directors, and shall be reflected in the Committee's charter. Each Committee member shall hold office at the pleasure of the Board of Directors.

SECTION 5.2 EXECUTIVE COMMITTEE

- (a) The Executive Committee shall consist of eight (8) to ten (10) Directors and shall include the Chair (who shall be chair of the Committee), the Vice Chair, and the President. In the event of the resignation or removal of the Chair, Vice Chair or President, or any other vacancy occurring in any of such offices, and if no successor is elected to immediately fill the vacancy in office, then a successor shall be appointed to the Executive Committee by the Board of Directors to serve temporarily (and without holding office or having the authority of the Chair, Vice Chair or President) until a successor Chair, Vice Chair or President, as the case may be, has been elected by the Board.
- (b) Between meetings of the Board of Directors, the Executive Committee shall have and exercise all of the authority of the Board of Directors on matters that cannot reasonably await action by the full Board except as prohibited by law.

SECTION 5.3 FINANCE COMMITTEE

- (a) The Finance Committee shall consist of the President and at least four additional Directors. The Chief Financial Officer of Legacy Health System shall serve as an ex officio member of the Finance and Planning Committee without vote.
- (b) Between meetings of the Board of Directors, the Finance Committee shall have and exercise all the authority of the Board of Directors in the management of the financial affairs of Legacy Health System, including without limitation review and recommendation of the annual budget to the Board of Directors, development of financial policies, ways and means of raising funds, short-term borrowing limits for general operating purposes, and review and recommendation of proposals to incur debt or to make substantial expenditures of funds. Such authority shall be subject to the expenditure limits and other procedural requirements set forth in applicable policies of Legacy Health System.
- (c) For purposes of obtaining the rebuttable presumption of reasonableness under Section 4958 of the Internal Revenue Code, the Committee has been designated an authorized body for approval of transactions with disqualified persons where the following criteria are satisfied: the amount of money in question is less than the maximum amount which can be approved by the Committee without subsequent ratification by the full Board of Directors, the Committee relies on appropriate comparability data in establishing that the transaction is conducted for fair market value, no member of the Committee who would be deemed a "disqualified person" is present during debate and voting on the issue, and the Committee promptly documents its decision in duly adopted minutes.
- (d) Through its Investment Subcommittee, the Finance Committee shall implement the investment policy of Legacy Health System and monitor Legacy's investments.

SECTION 5.4 MEDICAL QUALITY & CREDENTIALING

COMMITTEE

- (a) The Medical Quality & Credentialing Committee shall have no more than nineteen (19) voting members selected in the manner provided in Sections 5.4(b)(1) through (3) and 5.4(c)(1) through (5).
- (b) The persons holding the following offices shall serve as ex officio members of the Medical Quality & Credentialing Committee during the time such person holds the respective office:
 - (1) The President of Legacy Health System;
- (2) The person holding the administrative office of Senior Vice President and Chief Medical Officer of Legacy Health System (or its equivalent); and
- (3) The Presidents of the organized Medical Staffs of Legacy Meridian Park Hospital, Legacy Mount Hood Medical Center, Legacy Salmon Creek Hospital, and the Legacy Portland Hospitals (comprised of Legacy Emanuel Hospital & Health Center, and Legacy Good Samaritan Hospital and Medical Center, or their successor organizations), or their successor organizations.
- (c) The Chair of the Board, after consultation with the Board Governance Committee, and subject to approval of the Board of Directors, shall appoint the remaining members of the Committee as set forth below:
- (1) Three (3) physicians who are Directors, one of whom shall serve as chair (or two of whom shall serve as co-chairs) of the Medical Quality & Credentialing Committee;
 - (2) Two (2) Directors who are not physicians;
- (3) Three (3) physicians from among the group of physicians nominated by the Medical Executive Committee of the Medical Staff of Legacy Portland Hospitals;
- (4) Three (3) physicians, one (1) from among the physicians nominated for such a position by the Medical Executive Committee of the Medical Staff of Legacy Meridian Park Hospital, one (1) from among the physicians nominated by the Medical Executive Committee of the Medical Staff of Legacy Mount Hood Medical Center, and one (1) from among the physicians nominated by the Medical Executive Committee of the Medical Staff of Legacy Salmon Creek Hospital; and
- (5) Two (2) physicians to serve at large, nominated by the other members of the Medical Quality & Credentialing Committee.
- (d) Elected members of the Medical Quality & Credentialing Committee shall serve for terms of three (3) years except that the initial elected members of such Committee may

serve for terms of one (1), two (2) years or three (3) years so that the elected members of the Medical Quality & Credentialing Committee shall be divided in three (3) classes or nearly equal numbers possible and their terms shall be staggered by class. One (1) such class of Directors shall be elected or appointed, as the case may be, each year.

- The Medical Quality & Credentialing Committee shall have the (e) responsibility to review recommendations made by the medical staffs at each of the Legacy Health System facilities relating to medical staff credentialing. Its authority shall include taking actions and making recommendations to the Legacy Health System Board of Directors concerning medical staff credentialing and privileges, and the organization and operation of medical staffs at Legacy Health System facilities and programs. Such credentialing and privilege matters shall be carried out in conjunction with the medical staffs in accordance with their respective bylaws, rules and regulations. Delegation of responsibilities to the medical staffs, the Medical Quality & Credentialing Committee and the Credentials Subcommittee in the areas of credentialing, privileges, licensure, discipline and certification shall be determined by the Legacy Health System Board of Directors following collaborative discussion with the Committee and medical staff representatives. The Medical Quality & Credentialing Committee shall also provide oversight and regular reports to the Board of Directors concerning quality assessment and clinical and professional operational matters relating to Legacy Health System facilities and programs in order to maintain consistency with the Mission and Vision of Legacy Health System. Any physician Director who is personally or financially involved in any matter considered by the Committee shall not participate by discussion, vote or otherwise in the Committee's activities relating to such matter, and shall recuse him or herself from that portion of any meeting where such a matter is discussed or voted upon.
- (1) The Medical Quality & Credentialing Committee shall have a Credentials Subcommittee, comprised of three Directors who are members of the Medical Quality & Credentialing Committee. The chair of the Credentials Subcommittee shall be the chair of the Medical Quality & Credentialing Committee. The two remaining members of the Credentials Subcommittee shall be a physician and a non-physician, who shall be appointed by the chair of the Medical Quality & Credentialing Committee. The Credentials Subcommittee members (excluding the chair) shall serve two-year terms of office, except that the initial elected members shall serve for terms of one and two years to enable staggered terms.
- (2) The Credentials Subcommittee shall have the authority to take action on such credentialing and privileging matters referred by the Medical Staffs as the Board of Directors may delegate from time to time.
- (f) The Medical Quality & Credentialing Committee shall advise the Board of Directors and the President of Legacy Health System on policy matters and matters of medical ethics. The Medical Quality & Credentialing Committee shall be the senior medical ethics advisory body of the Legacy medical staffs. Legacy Health System shall provide staff support to the Medical Quality & Credentialing Committee. The Medical Quality & Credentialing Committee shall review proposals from Legacy Health System and from individual medical staffs, shall review policies and make recommendations to the Legacy Health System Board of

Directors, and shall oversee Medical Staff implementation of system initiatives as directed by the Legacy Health System Board of Directors.

SECTION 5.5 GOVERNANCE COMMITTEE

- (a) The Governance Committee shall develop and monitor the effectiveness of the Board of Directors in the areas of governance and Board education. The Governance Committee shall periodically evaluate the tasks and responsibilities of each Board Committee. It shall develop and implement orientation, education and evaluation materials for the Board of Directors and Committee members. The Governance Committee shall recommend approval to the Board of Directors of Board policies and procedures, decision making processes, standards of conduct, and related operational matters. The Governance Committee shall recommend to the Board of Directors individuals to serve as Directors and Officers of Legacy Health System and its affiliated corporations. The Governance Committee shall recommend changes to the Articles of Incorporation and Bylaws of Legacy Health System and its affiliated corporations, and to the committee charters.
- (b) The Governance Committee shall consist of at least three (3) voting Directors.
- (c) The Governance Committee shall include at least one member of the Board of Directors who (i) is elected to his or her Director's position by either the Oregon Synod Council or Episcopal Diocese, or (ii) is either the Bishop of the Oregon Synod or his or her designee or the Bishop of the Episcopal Diocese or his or her designee.

SECTION 5.6 COMMUNITY HEALTH COMMITTEE

- The Community Health Committee shall consist of at least three (3) (a) members, including one member of the Legacy Health System Board of Directors who (i) is elected to his or her Director's position by either the Oregon Synod or the Episcopal Diocese, or (ii) is either the Bishop of the Oregon Synod or his or her designee or the Bishop of the Episcopal Diocese or his or her designee. To the greatest extent practicable, such person shall be selected in tandem with the Director selected to serve on the Governance Committee under Section 5.5(c), above, so that the Directors elected by the Oregon Synod and Episcopal Diocese, respectively, shall each serve on either the Community Health Committee or the Governance Committee. Additionally, the Bishop of the Episcopal Diocese and the Bishop of the Oregon Synod shall each appoint one Community Health Committee member who is not a Legacy Health System Director. The respective Bishops shall have authority to make additional, co-equal appointments to the Committee, so that at all times, the persons appointed by the respective Bishops shall compose at least 50% of the Committee's membership. The Directors of Pastoral Care at Legacy Emanuel Hospital & Health Center and at Legacy Good Samaritan Hospital and Medical Center shall be ex officio members of the Committee without vote, but full right of participation in the Committee's affairs and discussions, serving the Committee as valued resources.
- (b) The Community Health Committee shall analyze and provide recommendations to the Board of Directors relating to community health needs and priorities in

the area of community health. Additionally, the Committee shall provide review of pastoral care programs offered at Legacy Health System facilities. The Committee's work may be augmented by <u>ad hoc</u> Advisory Committees, whose members will be appointed by the Committee, subject to confirmation by the Board of Directors. The <u>ad hoc</u> Advisory Committees can be assigned issues regarding clinical services delivery, community outreach, community wellness, and considerations relating to the specific geographical areas served (or to be served) by Legacy Health System. Due regard in the appointment of Advisory Committee members shall be given to persons respectively recommended by the Bishops of the Oregon Synod and Episcopal Diocese.

SECTION 5.7 AUDIT COMMITTEE

- (a) The purpose of the Audit Committee (the "Committee") of the Board of Directors of Legacy Health System (the "Health System") is to ensure appropriate policies and procedures are in place to safeguard and preserve the Health System's assets, and to oversee the fair presentation of the Health System's financial statements, the effectiveness of the system of internal controls, compliance with non-clinical legal and regulatory requirements, the determination of the independent auditor's qualifications and independence, and the performance of the Health System's internal audit function and independent auditors.
- (b) The Audit Committee shall consist of at least five (5) members, including at least three (3) voting directors. All members shall be fully independent. At least one (1) member must qualify as an "Audit Committee financial expert", having knowledge and experience with complex financial statements, generally accepted accounting principles, especially as they relate to estimates, accruals and reserves, internal controls, and Committee functions. All other members of the Committee must have a basic knowledge of financial reporting at the time of appointment. The President and the Chief Financial Officer may attend meetings as guests but will not be members of the Committee.

SECTION 5.8 PLANNING COMMITTEE

- (a) The Planning Committee shall oversee the development of the strategic plan, monitor progress relative to the strategic plan, monitor and inform the Board of market development trends and opportunities, and explore opportunities for Legacy's strategic initiatives and programs to connect with philanthropic opportunities.
- (b) The Planning Committee shall consist of five (5) to seven (7) Directors, and may include other individuals as approved by the Board of Directors.

SECTION 5.9 COMPENSATION COMMITTEE

(a) The Compensation Committee shall establish and maintain a competitive compensation program for executives of the Legacy Health System. The Committee shall make recommendations to the Board of Directors with respect to the compensation of the President.

The Committee shall approve salary ranges, guidelines, benefit plans and perquisites for vice presidents and senior vice presidents as recommended by the President.

(b) The Compensation Committee shall consist of six (6) or more Directors. No voting member of the Committee may be an employee or an interested person.

SECTION 5.10 MANAGEMENT COMMITTEES

The Board of Directors may create, assign functions to and abolish Management Committees. Management Committees shall not have or exercise any authority of the Board of Directors over the operation and affairs of Legacy Health System unless authorized by the Board of Directors to exercise such authority with respect to specific matters. The Chair shall appoint the chair and all members of Management Committees, subject to the approval of the Board of Directors.

SECTION 5.11 QUORUM

A majority of the voting members of any Committee shall constitute a quorum for the conduct of business. Nonvoting members of a Committee shall not be counted toward a quorum.

SECTION 5.12 MEETINGS

- (a) Meetings of Committees shall be called by the Chair, the chair of the Committee, or a majority of the Committee's voting members. Each Committee shall meet as often as necessary to perform its duties, and, unless required by these Bylaws to meet more frequently, shall meet not less than once each year.
- (b) Notice of the time and place of a Management Committee meeting may be given in any reasonable manner.
- (c) Board Committees may provide by resolution for the place, time and hour of regular meetings. Such resolution may provide that its adoption shall constitute notice of such meetings. If no such provision is made, notice of regular meetings shall be given in writing at least seven (7) days prior to the date of the meeting. Special meetings may be held on twenty-four (24) hours' notice given in any reasonable manner.

SECTION 5.13 MINUTES

Each Committee shall keep written minutes of its meetings which shall be transmitted to the Board of Directors.

SECTION 5.14 TENURE, REMOVAL AND VACANCIES

(a) Unless otherwise provided in these Bylaws, the chair and members of each Committee shall be appointed by the Chair and approved by the Board at the annual meeting of the Board of Directors, and they shall hold their positions until the next annual meeting of the Board of Directors and until their successors are appointed, unless they shall sooner resign, be

removed from the Committee, or cease to hold the position which is the basis for their appointment.

- (b) The Board of Directors may remove any appointed member of any Board Committee, and, unless otherwise provided in these Bylaws, the Chair may remove any appointed member of any Management Committee or the Credentials Subcommittee. Any person who is a member of a Committee because he or she holds a designated position shall cease to be a member of the Committee when he or she ceases to hold such position.
- (c) Vacancies in any Committee may at any time be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for regular appointments to such position.

ARTICLE 6

RECORDS AND EXECUTION

SECTION 6.1 RECORDS

Legacy Health System shall maintain adequate and correct books, records and accounts of its business and properties. All of such books, records and accounts shall be kept at its place of business.

SECTION 6.2 INSPECTION

All books, records and accounts of Legacy Health System, and the original or a certified copy of the Articles of Incorporation, the Bylaws and any amendments thereto, shall be open to inspection by the Directors in the manner and to the extent required by law.

SECTION 6.3 SIGNATURE AUTHORITY

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to Legacy Health System shall be signed or endorsed by such person or persons and in such manner as shall be determined by resolution of the Board of Directors.

SECTION 6.4 ANNUAL AUDIT

An annual audit shall be made of the books and accounts of Legacy Health System.

SECTION 6.5 FISCAL YEAR

The fiscal year of Legacy Health System shall be the annual period ending March 31.

SECTION 6.6 EXECUTION OF DOCUMENTS

Except as otherwise provided in the Bylaws, the Board of Directors may authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of Legacy Health System. Such authority may be general or confined to specific instances.

ARTICLE 7

INDEMNIFICATION, INSURANCE AND LIMITATION OF LIABILITY

SECTION 7.1 INDEMNIFICATION

Legacy Health System shall indemnify to the fullest extent not prohibited by law any Indemnified Person (as hereinafter defined) who was or is a party (other than a plaintiff) or is threatened to be made a party to any Proceeding (as hereinafter defined) against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnified Person in connection with such Proceeding.

SECTION 7.2 ADVANCEMENT OF EXPENSES

Expenses incurred by an Indemnified Person in defending a Proceeding shall in all cases be paid by Legacy Health System in advance of the final disposition of such Proceeding at the written request of such Indemnified Person, if the Indemnified Person furnishes Legacy Health System:

- (a) A written affirmation of the Indemnified Person's good faith belief that such Indemnified Person is entitled to be indemnified by Legacy Health System under this Article or under any other indemnification rights granted by Legacy Health System to such Indemnified Person; and
- (b) A written undertaking by or on behalf of such Indemnified Person to repay such advance to the extent it is ultimately determined by a court that such Indemnified Person is not entitled to be indemnified by Legacy Health System under this Article or under any other indemnification rights granted by the corporation to such Indemnified Person. Such advances shall be made without regard to the Indemnified Person's ability to repay such advances and without regard to the Indemnified Person's ultimate entitlement to indemnification under this Article or otherwise.

SECTION 7.3 DEFINITIONS

(a) The term "Indemnified Person" shall mean any person who is or was (1) a Director, officer, member of a committee, employee or, to the extent authorized by the Board of Directors in the specific case, an agent of Legacy Health System, (2) a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the corporation, (3) serving at the request of Legacy Health System as a member of a hearing panel or other peer review body, or (4) serving at the request of Legacy Health

System as a director, officer or fiduciary of an employee benefit plan of another corporation, partnership, joint venture, trust or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Article.

(b) The term "Proceeding" shall include any threatened, pending or completed action, suit or proceeding, but not in the right of Legacy Health System (unless first authorized by the Board of Directors) or otherwise and whether of a civil, criminal, administrative or investigative nature, in which an Indemnified Person may be or may have been involved as a party (other than a plaintiff unless first authorized by the Board of Directors) or otherwise by reason of the fact that the person is an Indemnified Person.

SECTION 7.4 NON-EXCLUSIVITY AND CONTINUITY OF

RIGHTS

The indemnification and entitlement to advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation or any statute, agreement, general or specific action of the Board of Directors, or otherwise, shall continue as to a person who has ceased to be a person described within the definition of Indemnified Person, shall inure to the benefit of the heirs, executors and administrators of such an Indemnified Person and shall extend to all claims for indemnification of advancement of expenses made after the adoption of this Article. Legacy Health System may enter into agreements to indemnify any Indemnified Person.

SECTION 7.5 AMENDMENTS

Any repeal of this Article shall only be prospective and no repeal, amendment or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any act or omission to act that is the cause of any Proceeding.

SECTION 7.6 LIMITATION OF LIABILITY

The civil liability of Directors, officers and Committee members shall be limited to the fullest extent permitted under the Oregon Nonprofit Corporation Act.

SECTION 7.7 INSURANCE

Legacy Health System shall be authorized to purchase and maintain in effect a policy or policies of insurance, including self-insurance, covering any liability of directors, officers, committee members, employees and agents of Legacy Health System, regardless of whether Legacy Health System would have the power to indemnify such persons against the liability so insured.

ARTICLE 8

ASSOCIATED ORGANIZATIONS

SECTION 8.1 CREATION

The Board of Directors may authorize the formation of an Auxiliary, a Foundation, Associates and other associated organizations. The purpose of such associated organizations shall be to render service to Legacy Health System and persons served by Legacy Health System. Such service may include fund raising activities and participation in programs designed to enhance the reputation of the facilities operated or supported by Legacy Health System.

SECTION 8.2 BYLAWS, RULES AND REGULATIONS

Each such organization shall propose and adopt bylaws, rules and regulations for the management of its affairs which shall not be inconsistent with these Bylaws and the same shall become effective when approved by the Board of Directors.

ARTICLE 9

AMENDMENTS

SECTION 9.1 REVIEW

Each year, the Governance Committee shall review and evaluate the Articles of Incorporation and Bylaws of Legacy Health System and make recommendations for revision to the Board of Directors.

SECTION 9.2 PROCEDURE

These Bylaws may be amended or repealed or new Bylaws adopted only at a meeting of the Board of Directors upon receiving the affirmative vote of a majority of the Directors in office.

SECTION 9.3 RESTRICTIONS ON AMENDMENTS

Any amendment of the provisions of Sections 3.3(a)(1) and (3) shall be effective only upon the written approval of such amendment by the Oregon Synod. Any amendment of the provisions of Sections 3.3(a)(2) and (4) shall be effective only upon the written approval of such amendment by the Diocesan Council or the Convention of the Episcopal Diocese. Any amendment of the provisions of Sections 5.5(c), 5.6(a) or 5.6(b) shall be effective only upon the written approval of such amendment by the Diocesan Council or the Convention of the Episcopal Diocese and by the Oregon Synod Council. In any case where such written approval is required, and the amendment does not involve a significant substantive change with respect to the interest of either the Oregon Synod or the Episcopal Diocese in the judgment of the Bishop of the Oregon Synod or the Episcopal Diocese, respectively, then such written approval of the

amendment may be given by the respective Bishop without action of the Diocesan Council or Convention of the Episcopal Diocese or the Oregon Synod Council.

ARTICLE 10

GENERAL PROVISIONS

SECTION 10.1 PARLIAMENTARY AUTHORITY

The parliamentary rules contained in Robert's Rules of Order, Newly Revised, shall govern in all cases where they do not conflict with any other rules of procedure adopted by Legacy Health System.

SECTION 10.2 ACTION WITHOUT A MEETING

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed by all persons entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote.

SECTION 10.3 WAIVER OF NOTICE

A written waiver of notice of any meeting of the Board of Directors or any of its committees, signed by the person entitled to notice, shall be equivalent to the giving of the notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Notice of the time and place of holding an adjourned meeting need not be given if such time and place is fixed at the meeting adjourned.

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that he is the duly elected and acting Secretary of Legacy Health System, an Oregon nonprofit corporation. The within and foregoing Bylaws consisting of eighteen (18) pages were adopted by the Board of Directors of Legacy Health System on April 12, 1989, were restated on November 1, 1996 to contain all of the amendments made to such Bylaws by the Board of Directors at meetings held on August 3, 1989, April 5, 1990, December 13, 1990, April 11, 1991, February 13, 1992, June 4, 1992, August 6, 1992, December 3, 1992, June 3, 1993, December 2, 1993, October 6, 1994, June 1, 1995, November 1, 1996, were amended and restated by consent on February 5, 1998, were amended and restated on June 4, 1998, were amended and restated on June 3, 1999, were amended and restated on June 1, 2000, were amended and restated on October 5, 2000, were amended and restated on February 7, 2002, were amended and restated on June 5, 2003, and were amended and restated on December 2, 2004, were amended and restated on February 22, 2006, February 26, 2007, September 13, 2007, November 8, 2007, March 13, 2008, May 8, 2008 and were further amended and restated on March 12, 2009. These Restated Bylaws and each amendment thereto were adopted and restated by the vote of a majority of number of Directors in office which votes were taken at meetings of the Board of Directors of Legacy Health System at which a quorum was present and acting throughout following due notice of meeting or written waiver of such notice.

Certified this 2th day of March, 2009.

LEGACY HEALTH SYSTEM

By:

P. Campbell Groner III

Title: Secretary