

**BYLAWS OF  
EATON RAPIDS MEDICAL CENTER, INC.**

**ARTICLE I  
CORPORATION**

- 1.1** **Corporate Name.** The name of the Corporation shall be Eaton Rapids Medical Center, Inc., a Michigan nonprofit corporation.
- 1.2** **Purposes.** The Corporation shall exercise only such powers as are in furtherance of its purposes, and as may be exercised by an organization exempt from the taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("the Code") and qualified as a public charity under Section 509(a)(1) or 509(a)(2) of the Code. The purposes of the Corporation are:
- 1.2.1** To establish, equip, maintain and operate a general hospital or hospitals for the treatment, care, and relief of sick, disabled, or injured persons, and for the study of the cause, nature, prevention, and cure of various diseases and ailments, whether known or unknown, and the collection and dissemination of scientific knowledge relating thereto; and
  - 1.2.2** To provide hospital and professional services for both inpatients and out-patients, together with diagnostic, therapeutic and rehabilitation services in connection with the treatment and care of patients.
  - 1.2.3** To buy, sell, assign, encumber, and otherwise deal with and in real and personal property for the sole purpose of enabling the Corporation to fully and adequately carry out the purposes for which it is organized.
  - 1.2.4** To pledge or commit the Corporation to the highest quality of service delivered in a cost-effective manner.
  - 1.2.5** To provide technical excellence in a sensitive, caring way with an attitude of service and dedication to the highest attainable level of competency.
  - 1.2.6** To operate the Corporation in a manner which demonstrates that the Corporation's priorities include, but are not limited to, (a) excellence in patient care, and (b) the development and

implementation of health care programs for the benefit of all people needing and/or seeking health care services.

- 1.2.7 To develop and provide prudent and cost-effective leadership to address costs associated with the delivery of health care in a manner designed to maximize the availability of health care to anyone in distress. In furtherance of this purpose, the Corporation will care for all who present themselves or will make adequate provisions for alternative care.
- 1.2.8 To design, develop and implement policies, procedures and programs designed to deal in an effective manner with the ongoing demands and requirements of providing comprehensive health care services which are available for use by the communities served by the Corporation.
- 1.2.9 To participate, so far as circumstances may warrant, in any activity carried on to promote the general health and well being of the communities served in the fields of medicine, surgery and nursing.
- 1.2.10 To conduct activities, either directly, through related organizations, or in cooperation with other organizations exempt from tax under Section 501(c)(3) of the Code in order to raise funds to further the purposes of the Corporation, subject, however, to all limitations on the nature or extent of such activities applicable, from time to time, to organizations exempt from tax under Section 501(c)(3) of the Code, to acquire, to own, to dispose of and to deal with real and personal property and interest therein, and to apply gifts, grants, bequests and devises, and the proceeds thereof, in furtherance of the purposes of the Corporation.
- 1.2.11 To do such things and to perform such acts to accomplish its purposes as are not forbidden by Section 501(c)(3), 509(a)(1), and 509(a)(2) of the Code, with all the powers conferred on nonprofit corporations by the laws of the State of Michigan.

1.3 **Corporate Organization and Operation.** Eaton Rapids Medical Center, Inc. is a nonprofit, nonstock, directorship corporation organized pursuant to the Michigan Nonprofit Corporation Act.

1.4 **Corporate Operation.** The Corporation shall be operated exclusively for charitable purposes as a nonprofit corporation. No individual Director or member of the Corporation shall have any title to or interest in the corporate property or earnings in his or her individual or private capacity, and no part of the net earnings of the Corporation shall inure to the benefit of any Director, member, or individual. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise

attempting to influence legislation, nor shall the Corporation participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

- 1.5 **Corporate Offices.** The Corporation shall have and continuously maintain in Michigan a registered office and a registered agent whose office address is identical with such registered office, and may have such other offices within or without the State of Michigan as the Board of Directors may from time to time determine.

**ARTICLE II**  
**GOVERNING BOARD BOARD OF DIRECTORS**

- 2.1 **Board of Directors.** The Board of Directors shall consist of not more than twelve (12) persons and not fewer than six (6) persons, including persons serving *ex-officio*. The Chief Executive Officer of the Corporation shall serve as a Director, with vote, during his or her term of office. The Medical Chief of Staff shall also serve as a Director, with vote, during his or her term of office. ~~The business and affairs of the Corporation shall be managed by a Board of Directors, which shall be the governing body of the Corporation.~~
- 2.2 **Number of Directors.** The Board of Directors shall consist of not more than twelve (12) persons and not fewer than six (6) persons, including persons serving *ex-officio*. The President of the Corporation shall serve as a Director, with vote, during the President's term of office.
- 2.3 **Vacancies.** In the event of the death, incapacity, resignation or removal of a Director, the Chairperson of the Board of Directors shall, with the approval of a majority of the Board, appoint a successor within thirty (30) days, and said successor shall serve as a Director during the unexpired term of his or her predecessor.
- 2.4 **Resignation and Removal.** Any Director may resign at any time by delivering his or her written resignation to the Secretary of the Corporation, or may be removed at any time by action of a majority of the members of the Board for any reason which in their opinion justifies or requires such removal.
- 2.5 **Compensation.** Directors shall serve without compensation, but may be reimbursed by the Corporation for expenses necessarily incurred in the performance of their duties; provided, however, those Directors who are also employees of the Corporation may be compensated for their services as employees.

- 2.6 Term of Office.** Members of the Board of Directors other than those serving *ex officio*, shall serve for three (3) year terms or until their successors are duly elected, except that initially one-third (1/3) shall be elected to serve for a three (3) year term, one-third (1/3) shall be elected to serve for a two (2) year term, and one-third (1/3) shall be selected to serve for a one (1) year term.
- 2.7 Reappointment.** To assure continuity in governance of the Corporation, a Director may be reappointed for additional terms. A Director shall not serve more than three (3) consecutive terms of three (3) years each **except as extended by a resolution passed by a majority of the Directors then in office prior to the expiration of a final term. Such extension shall not exceed twelve months and shall be for reasons documented in the minutes of a meeting of the Board of Directors.**
- 2.8 Qualifications.** Directors shall be residents of the counties of Eaton, Ingham, Calhoun or Jackson and shall be qualified by ability and willingness to contribute to the achievement of the purposes of the Corporation. The Board shall include individuals with knowledge, experience or skills relating to health care, finance, and community service and resources. Directors shall meet other applicable requirements as may from time to time be established by the Board of Directors to maintain appropriate expertise and representation on the Board. Such requirements shall be consistent with these Bylaws, state and federal law.
- 2.9 Nomination and Election.** The Executive Committee of the Board of Directors shall annually, and not less than sixty (60) days prior to the annual membership meeting, appoint a Nominating Committee. At least two (2) of these persons shall be from the Board of Directors and shall be those whose terms are not expiring. Other persons from the Corporation's service area may be appointed to serve on the Nominating Committee. The Nominating Committee shall prepare a list of names from which each regular Director is to be elected. Nominations for any of the positions to be filled may be made from the floor at the time of the annual meeting of the Board of Directors at which Directors are elected.
- 2.10 Plans and Policies.** The Board of Directors may adopt written plans and policies relative to (a) attendance requirements for meetings of the Board; (b) avoidance of conflicts of interest and disclosure of potential conflicts of interest on the part of members of the Board, officers and key employees of the Corporation; and (c) such other subjects fundamental to the mission of the Corporation as it may deem appropriate.
- 2.11 Corporate Powers.** The Board of Directors shall have the power to engage in all activities, take all actions and make all decisions which are in accordance with the provisions of applicable law, these Bylaws and the Restated and Amended Articles of Incorporation of Eaton Rapids Medical Center, Inc.

**2.12 Management.** The overall management and control of the business and affairs of the Corporation shall be vested in the Board of Directors which shall have the exclusive authority and full discretion with respect to the management of the property, business, affairs and funds of the Corporation. Such powers shall include, but not be limited to, adoption of governing bylaws and policies, the election of officers, and filling of vacancies among the officers. The Board of Directors shall not have authority to take any action inconsistent with the terms of the Corporation's Articles of Incorporation, these Bylaws, or applicable law.

**2.13 Duties and Responsibilities.** The Board of Directors shall possess the highest degree of authority and power permitted under applicable law as is necessary to accomplish the Corporation's purposes and to meet the Board's duties and responsibilities as set forth in these Bylaws. Such duties and responsibilities include, but are not limited to the following:

- A) To establish policies for effective operation and implementation of definitive institutional quality of care standards.
- B) To establish mechanisms to continuously monitor the quality of patient care.
- C) To appoint and provide for committees, when necessary, to perform various functions designated by the Board.
- D) To exercise reasonable care and skill in the supervision and management of hospital property, both tangible and intangible, and to preserve such property from injury, destruction and loss, and to maintain the physical plant in good repair.
- E) To maintain basic protection of tangible property and risk of loss due to negligence through adequate insurance coverage against fire and risks.
- F) To maintain a risk management program as a preventive measure to minimize financial loss.
- G) To establish a Medical Staff organization, to provide for representation by one or more Medical Staff members at meetings of the governing body, and to approve the Bylaws and Rules and Regulations of the Medical Staff. In the event that the Medical Staff fails to formulate, adopt and recommend to the Board of Directors Medical Staff Bylaws, Rules and Regulations and amendments thereto, in good faith and in a reasonable, timely and responsible manner, the Board of Directors may resort to its own initiative in formulating or amending the Bylaws of the Medical Staff after notice to the Medical Staff has been given to such effect, and including a period of sixty (60) days for corrective response from the Medical Staff. In the event that the Board of Directors does resort to its own initiative in formulating or amending the Bylaws of the Medical Staff, Staff recommendation and views shall be carefully considered by the Board of Directors during its deliberations and in its actions.

- H) To be responsible for selecting qualified physicians as recommended by the Medical Staff ~~Staff~~ **Executive Committee** for membership on the Medical Staff and to assure periodic review and evaluation of the quality of care provided by the Medical Staff.
- I) To be responsible for granting hospital privileges to non-physician **allied** health professionals as recommended by the Medical Staff ~~Staff~~ **Executive Committee** and to assure periodic review and evaluation of the quality of care provided by the non-physician **allied** health professionals.
- J) To provide mechanisms to assure that all individuals who provide patient care services, who are not eligible for membership on the Medical Staff, are qualified and competent, and to provide a mechanism for review of quality of patient care for such individuals.
- K) To be responsible for institutional planning and marketing efforts and to be cognizant of activities of local, state and federal health planning agencies.
- L) To maintain a mechanism for continuous communication between the Board, hospital administration, and the Medical Staff.
- M) To conduct all of the affairs of the Corporation in a manner and atmosphere free of discrimination on any basis prohibited by law.
- N) To establish procedures for annual completion by each member of the Board of Directors of a disclosure of interests statement, setting forth each Director's business or employer, name and address of employer, title or relationship in or to the employer and the type and nature of any transactions between the Corporation and the Director's business or employer. **Annual completion of such statements would be necessary only if the Board members changes employers/employment within that year.**
- O) To conduct annually a self-evaluation to review and assess the effectiveness of the Board in meeting its responsibilities. Acceptable self-evaluation may include viewing currently available videotaped self-evaluation materials of the American Hospital Association or other evaluation materials and guidelines, or equivalent board self evaluation tools.
- P) To remain knowledgeable about relevant issues by participation in an orientation program and other educational activities as deemed appropriate by the Board.

**2.14 Conflicts of Interest.** The Board of Directors may require that a Director who has a direct or indirect interest in any matter with the Corporation immediately disclose the Director's interest and any reasons reasonably known to the Director why the transaction may not be in the best interest of the Corporation before it takes any action with respect to the matter. Disclosure of a potential or actual conflict, if addressed at a meeting of the Board, shall be documented in the Board's records at its meeting.

### ARTICLE III INDEMNIFICATION

- 3.1 **Bond/Notes.** The members of the Board of Directors or any person executing any bonds or notes on behalf of the Corporation shall not be personally liable by reason of the issuance of the bond or notes, by reason of acquisition, construction, ownership, or operation of a project or action taken or omitted by the Board of Directors.
- 3.2 **Indemnification.** Each person who is or was a Director or officer of the Corporation and each person who is or was serving at the request of the Corporation as a director, trustee, officer, agent or committee member of any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent to which the Corporation has the power so to indemnify such persons pursuant to the Michigan Nonprofit Corporation Act as amended from time to time. The Corporation may purchase and maintain insurance on behalf of any person against any liability asserted against and incurred by such person in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify the person against such liability under the laws of the State of Michigan. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee, non-director volunteer or agent of the Corporation to the fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

#### ARTICLE IV

#### REGULAR AND SPECIAL MEETINGS OF THE GOVERNING BOARD OF DIRECTORS

- 4.1 **Regular Meetings.** The Board of Directors shall hold regular and special meetings, and give advance notice of the same, in not less than six (6) of the twelve (12) months within the Corporation's fiscal year, either at Eaton Rapids Medical Center or at another convenient location as designated by the Board Chairperson. ~~The Board of Directors shall hold a regular monthly meeting, and give advance notice of the same, in not less than ten (10) of the twelve (12) months within the Corporation's fiscal year, either at Eaton Rapids Medical Center or at another convenient location as designated by the Board Chairperson.~~
- 4.2 **Special Meetings.** Special meetings may be called by the Chairperson at any time upon twenty-four (24) hours notice given either by **email**, mail, telephone or personally, or within fourteen (14) days of a written request of any two (2) members of the Board.
- 4.3 **Annual Meeting.** The annual meeting of the Board of the Corporation shall be held at a regular meeting of the Board of Directors in October of each calendar year. The annual meeting will be so designated and at least three days notice given to all members of the Board of Directors.

- 4.4 **Quorum.** For regular or special meetings of the Board of Directors, a quorum shall be constituted with ~~six (6)~~ **a minimum of 50% of the** Directors present. The vote of the majority of Directors present at a meeting at which a quorum is present constitutes action of the Board.
- 4.5 **Waiver.** Any Director may waive any notice required to be given to him or her by law or by these Bylaws by telegram, facsimile or other writing either before or after the meeting, and by attendance at any meeting he or she shall be deemed to have waived notice thereof.
- 4.6 **Attendance Requirements.** Board Members are required to attend seventy-five percent (75%) of all regular meetings of the Board in any given year. In the event that a member is ill or has a circumstance which prevents attendance, a request for excused absence may be made to the Chairperson of the Board. When such an excused absence is granted by the Chairperson, the excused absence shall be so noted in the minutes of that meeting and shall not be counted against that Board member's annual required attendance level. **Board members should attend at least 50% of the regular meetings even with excused absences in order to remain a participating Board member.**
- 4.7 **Procedural Rules.** Robert's Rules of Order shall serve as the procedural rules of order and conduct for proceedings of the Board of Directors.
- 4.8 **Unanimous Consent Action by Board.** Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, without prior notice, and without a vote, if all of the Directors shall severally or collectively consent in writing to any action to be taken by the Corporation. Such action shall be a valid corporate action as though it had been authorized at a meeting of said Board. Such written consent(s) shall be filed with the minutes of the proceedings of the Directors and shall have the same effect as a vote of the Directors for all purposes.
- 4.9 **Meeting by Conference Telephone.** Directors may participate in and act at any meeting of the Board of Directors by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear each other simultaneously. Participation in such a meeting shall constitute presence in person at the meeting.

**ARTICLE V**  
**OFFICERS OF THE BOARD OF DIRECTORS**



- 5.1 Designated Officers.** The officers of the Board shall be a Chairperson, Vice-Chairperson, Secretary, Treasurer, and the Immediate Past Chairperson (if still a member of the Board), and such other officers as the Board may authorize.
- 5.2 Election and Term of Officers.** All officers shall be elected by a majority vote of the Board and shall hold office for a period of one (1) year or until successors have been duly elected.
- 5.3 Responsibilities of Officers.**
- 5.3.1 Chairperson.** The Chairperson of the Board shall:
- A) Act in coordination and cooperation with the President in carrying out the responsibilities of the Board of Directors.
  - B) Call, preside at, and establish the agenda of all general meetings of the Board.
  - C) Be the official spokesperson for the Board of Directors in conjunction with the President. The Chairperson of the Board, at his/her discretion, may select a member of the Board of Directors as the official spokesperson.
  - D) Preside as Chairperson of the Committee of the Whole.
  - E) Appoint committees as deemed necessary. The Chairperson shall be an *ex officio* member of all such appointed committees.
- 5.3.2 Vice-Chairperson.** In the absence of the Chairperson, the Vice-Chairperson shall assume all of the responsibilities and authority of the Chairperson.
- 5.3.3 Secretary.** The Secretary shall act on behalf of both the Corporation and the Board, shall send appropriate notices and prepare agendas for all meetings of the Board, shall act as custodian of all reports and records, and shall be responsible for keeping the reporting of adequate records of all meetings of the Corporation of the Board.
- 5.3.4 Treasurer.** The Treasurer shall be the Chairperson of the Finance Committee as outlined in Section 6.4.
- 5.3.5 Immediate Past Chairperson.** If still a member of the Board, the Immediate Past Chairperson shall be an officer of the Board.

**ARTICLE VI**  
**COMMITTEES OF THE BOARD OF DIRECTORS**

- 6.1 Standing Committees.** Standing Committees of the Board shall be constituted as a Committee of the Whole, except for special Committees, which may be appointed at the discretion of the Chairperson of the Board.
- 6.2 Committee Appointments.** When determined feasible or necessary, the Chairperson may appoint one or more members of the Board of Directors as the individual(s) responsible for specific committee functions and the coordination of those specific committee functions with the Standing Committees and the Board of Directors.
- 6.3 Executive Committee.** To provide for certain Board activities and control, there shall be an Executive Committee consisting of the Board's officers, including the Chairperson, Vice Chairperson, Secretary, **Treasurer, and Immediate Past Chairperson** if that individual is a member of the Board **and one other appointee by the Chairman from the Board.** The Executive Committee shall meet as deemed necessary by call of the Chairperson and shall maintain a written record of its proceedings, recommendations and action. The Executive Committee is empowered to act on behalf of the Board, within guidelines established by the Board. A quorum of more than fifty percent (50%) of the Executive Committee must be present in order to act. In the event the Immediate Past Chairperson is no longer a Board member or a vacancy occurs, the Board shall then elect a replacement from their ranks.
- 6.4 Finance Committee.** To provide for Board financial control, there shall be a Finance Committee consisting of not more than seven (7) members and not fewer than five (5) members appointed by the Chairperson **of the Board.** All members of the Finance Committee shall be members of the Board. The Finance Committee shall meet as deemed necessary by call of the Committee's Chairperson and shall maintain a written record of its proceedings, recommendations and action. The Chairperson of the Finance Committee shall be a member of the Board and shall give a report to the Board of Directors at the Board's regular monthly meeting **and shall act as the Corporation's Treasurer.**
- 6.5 Joint Conference Committee.** The Joint Conference Committee members shall include an equal number of representatives of Hospital Administration, the ~~Governing Body~~ **Board of Directors** and of the Corporation's Active Medical Staff, and shall include representatives from the Executive Committee of both the Board and Medical Staff. The Corporation's President shall be a member of the Committee. The Joint Conference Committee shall meet as necessary and maintain a permanent record of its minutes. Purposes of the Committee shall include the following: communications to keep the ~~Governing~~

Body Board of Directors, the Medical Staff and President abreast of pertinent actions taken or contemplated by one or the other; consideration of plans for growth; and consideration of issues affecting medical care which arise in the operation and affairs of the Corporation.

- 6.6 **Ethics Committee.** An Ethics Committee shall be formed to foster awareness of ethical, legal, and social issues relating to patient care, to provide a forum for the discussion of such issues, and to serve as a group to consult when such issues arise. The Committee shall be not more than ten (10) persons and not fewer than five (5) persons and may consist of, but is not limited to, physicians, nursing staff, administrators, social workers, clergy, board members, community representatives, legal representatives, ethicists, pharmacists, **chaplains**, and psychologists. The Hospital's President and CEO will appoint Committee members who will, in turn, elect the Committee Chairperson. The Ethics Committee will meet as necessary, upon call of the Chairperson. The Committee shall maintain a written record of its proceedings, recommendations and action. The Committee is available for consultation by all Hospital personnel, patients, and/or family members or patient representatives. Although the Committee's role is advisory, Medical Staff and/or Hospital personnel are encouraged to give serious consideration to the Committee's recommendations.
- 6.7 **Special Committees.** Special committees may be appointed by the Chairperson, with the concurrence of the Board, for such special tasks as circumstances warrant. A special committee should limit its activities to the accomplishment of the task for which it is appointed, and shall have no power to act, except such as is specifically conferred by action of the Board. Upon completion of the task for which appointed, such special committees shall stand discharged.

## ARTICLE VII ADMINISTRATION

- 7.1 **Selection of Chief Executive Officer.** The Board shall select and appoint by virtue of education and experience a competent Chief Executive Officer (CEO), who shall be its direct executive representative in the management of the Corporation and shall be its President.
- 7.2 **Scope of Authority of Chief Executive Officer.** The CEO shall be given the necessary authority and responsibility to operate the Corporation in all its activities and departments, subject only to such policies as may be adopted and such orders as may be issued by the Board or by any of its committees to which it has delegated power for such action. The CEO shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated some other person to act.

- 7.3 Responsibilities of the Chief Executive Officer.** The authority and duties of the CEO shall include responsibility for:
- 7.3.1** Carrying out all policies established by the Board of Directors;
  - 7.3.2** Development of, and submission to the Board of Directors for approval of a plan of organization of the personnel and others concerned with the operation of Eaton Rapids Medical Center, Inc.;
  - 7.3.3** Preparation of an annual budget showing the expected receipts and expenditures, as required by the Board of Directors;
  - 7.3.4** Selection, employment, control and discharge of employees, and development and maintenance of personnel policies and practices for the Corporation;
  - 7.3.5** Maintenance of physical properties in a good state of repair and operational condition;
  - 7.3.6** Supervision of business affairs to ensure that funds are collected and expended to the best possible advantage;
  - 7.3.7** Cooperative support of the Medical Staff and with all those concerned with the rendering of professional service, to the end that appropriate medical care may be rendered to patients;
  - 7.3.8** Presentation to the Board of Directors of periodic reports reflecting the professional service and financial activities of the Corporation and preparation and submission of such special reports as may be required by the Board;
  - 7.3.9** Attendance at all meetings of the Board and committees thereof,
  - 7.3.10** Serve as the liaison officer and channel of communication for all official communications between the Board and any of its committees and the Medical Staff;
  - 7.3.11** Performance of other duties that may be necessary in the best interest of the Corporation;
  - 7.3.12** Maintaining the Corporation's compliance with applicable laws and regulations as well as providing reports and recommendations of authorized planning, regulatory and inspecting agencies;

- 7.3.13 Continuous planning and marketing activities, including program evaluation and development with respect to clearly defined service populations, current technology, and financial viability;
- 7.3.14 Submission of an annual report of the activities and position of Eaton Rapids Medical Center, Inc. to the Board of Directors.

#### 7.4 **Responsibilities of Corporate Officers.**

- 7.4.1 **President/Chief Executive Officer.** The President shall be the Chief Executive Officer of Eaton Rapids Medical Center, Inc. and shall be responsible for the overall management of the institution as delegated by the Board of Directors, including the specific responsibilities defined in Section 7.3 of Article VII of these Bylaws.
- 7.4.2 **Vice-Presidents.** One or more Vice-Presidents **positions** may be ~~appointed~~ **created** by the President with the advice and consent of the Board. The Vice-Presidents shall perform the duties and exercise the powers of the President during the absence or disability of the President. In the absence or disability of the President, the Board shall designate a Vice-President to perform the duties and exercise the powers of the President.
- 7.4.3 **Chief Financial Officer.** The Chief Financial Officer (CFO) shall have responsibility for all corporate funds and securities and shall keep books and records belonging to the Corporation that fully and accurately account for all receipts and disbursements. The CFO shall deposit all monies, securities and other valuable effects in the name of "Eaton Rapids Medical Center, Inc." in such depositories as may be designated for that purpose by the Board of Directors. The CFO shall disburse the funds of the Corporation as instructed by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors at the regular meetings of the Board an account of all transactions as CFO and of the financial condition of the Corporation. The CFO shall render such accountings, at any time, upon request of the Board of Directors.
- 7.4.4 **Creation of Additional Administrative Officers and Modification of Responsibilities of Administrative Officers.** With the advice and consent of the Board, the CEO shall have the authority to create additional administrative officer positions and designate the responsibilities of those positions. The CEO may modify the responsibilities of one or more of the administrative officers as and when determined by the CEO to be appropriate and in the best interests of the Corporation.

7.4.5 **Organizational Structure of Administrative Officers.** Organizational structure and accountability for administrative officers shall be established by the President with the approval of the Board of Directors. A current organizational chart shall be maintained by the President.

**ARTICLE VIII  
MEDICAL STAFF**

- 8.1 **Medical Staff Appointments.** The Board of Directors shall appoint a Medical Staff whose responsibility shall be to provide and assure quality medical care in the health care facilities operated by the Corporation subject to the ultimate authority of the Corporation's Board. Membership on the Medical Staff of the Corporation is a privilege which shall be extended to physicians, dentists and other non-physician **allied** health professionals who continuously meet the qualifications, standards and requirements set forth in the Corporation's Medical Staff Bylaws, **Rules & Regulations.**
- 8.2 **Appointment.** Appointment to the Medical Staff of any new physician, dentist, podiatrist or non-physician **allied** health professional shall be made by the Corporation's Board upon recommendation of the Medical Staff **Executive Committee** and after consideration given in accordance with the Bylaws of the Medical Staff. In no case shall the Board take action on an application, refuse to renew an appointment, or cancel an appointment previously made without conference with the **Medical Executive Committee and/or the** Medical Staff.
- 8.3 **Reappointment.** The Board shall make reappointments to the Medical Staff in a timely fashion and in accordance with the Medical Staff Bylaws, **Rules & Regulations** so as to insure continuity of care to the Corporation's patients. In the event that it becomes impossible for the Board to timely complete the reappointment process its shall, through special action, extend the existing privileges or qualify the Medical Staff appointments so as to assure continuity of patient care.

**ARTICLE IX  
VOLUNTEERS**

- 9.1 **Organization of Volunteer Organizations.** The President and Chief of Executive Officer of the Corporation may at his or her discretion encourage the organization of volunteer groups which may affiliate with the institution for the sole purpose of supporting, assisting, and supplementing the endeavors of the Corporation in its services to the community.

- 9.1.1** Approved organizations shall elect their own officers and maintain organizational structures for the purpose of serving the Corporation.
- 9.1.2** All volunteer activities shall be coordinated through the office of the President and CEO or a designee. Volunteer efforts shall be periodically reported to the Board of Directors through the President and CEO.
- 9.1.3** The constitution and/or bylaws of volunteer organizations sponsored by the Corporation shall be subject to approval by the Board of Directors.
- 9.2** **Volunteer Services Department.** The President and CEO may also encourage the utilization of individuals, in the role of volunteers, through the auspices of a Volunteer Services department, if any, operated by the Corporation.

## ARTICLE X

### POWER TO BORROW AND EXECUTE INSTRUMENTS

- 10.1** **Power to Borrow Money.** The Board of Directors shall have the power to borrow money for and on behalf of the Corporation whenever its general interests require the same, and may issue the Corporation's promissory note or bond for the repayment thereof with interest, and may similarly mortgage its property as security for its debts or other lawful engagements.
- 10.2** **General Liability.** No Director, officer or committee member of the Corporation, or any other person, shall contract or incur any debts on behalf of the Corporation other than in the regular course of employment, or in any way render the Corporation liable, unless expressly authorized by the Board of Directors. No Director, officer, committee member, or employee of the Corporation is authorized to promise moral or financial support for any charitable or other objective on behalf of the Corporation, without the express approval of the Board of Directors.
- 10.3** **Contracts, Conveyances, Instruments.** The Board of Directors shall have power to designate the officers and agents who shall have authority to execute any contracts, conveyances, or other instruments on behalf of the Corporation, but no officer or agent shall execute, acknowledge, or verify any instrument in more than one capacity.

- 10.4** **Checks.** All checks, drafts and orders for the payment of money shall be signed in the name of the Corporation and, except for payroll checks, shall be countersigned by such officers or agents as the Board of Directors shall designate from time to time for that purpose.

**ARTICLE XI  
FISCAL YEAR**

- 11.1** **Fiscal Year.** The fiscal year of the Corporation shall be July 1 to June 30.

**ARTICLE XII  
AMENDMENT OF BYLAWS**

- 12.1** **Amendments.** These Bylaws may be amended, added to, repealed or superseded, either in whole or in part, by the affirmative action of a majority of the Directors present at any meeting of the Directors, at which meeting a quorum of Directors is present and voting, provided that a brief description of the proposed amendment is included in the notice of such meeting, and at least seven (7) days written notice of the meeting is given.

**ARTICLE XIII  
USE AND DISPOSITION OF ASSETS**

- 13.1** **No Private Benefit.** No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article I hereof. Notwithstanding any provision of these Bylaws, the Corporation shall not carry on other activities not permitted to be carried on by a corporation exempt from federal income taxation under Section 501 (c)(3) of the Code of 1986, as amended.
- 13.2** **Dissolution.** Upon dissolution of the Corporation, the Board of Directors shall after paying or making provision for payment of all liabilities of the Corporation, dispose of all the assets of the Corporation exclusively to such organization or organizations as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the County in which the principal office of the Corporation is then located, exclusively for charitable purposes or to such organization or organizations as said Court shall determine which are organized and operated



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exclusively as Section 501 (c)(3) exempt organizations. In furtherance hereof, and to the extent permissible by applicable law, it is the intent of the Board of Directors of the Corporation that upon dissolution of the Corporation, for any reason, its assets shall revert to and become the property of a foundation established and organized as a Section 501(c)(3) exempt organization and a public charity under Section 509(a) for the furtherance of health care in Eaton Rapids, Michigan.

**ATTEST TO AND ADOPTED BY:**

\_\_\_\_\_  
Chairman of the Board

\_\_\_\_\_  
Date

02/23/2015