

**BYLAWS OF THE
MUNISING MEMORIAL HOSPITAL ASSOCIATION
(ADOPTED 2018 – REAFFIRMED BY THE BOARD OF TRUSTEES 2020)**

Munising Memorial Hospital Association is a non-profit Michigan corporation which exists for the purpose of providing acute and ambulatory health care services to the sick and injured and serving as an element in the quality of life and economic viability of Alger County.

All patients receiving care at Munising Memorial Hospital facility (the “Hospital”) shall be treated without regard to race, religion, color, national origin, sex, age, handicap, marital status, sexual preference or source of payment. The quality and level of treatment is to be the same in all areas of the Hospital.

The Board of Trustees shall be the governing body of the Association and the Hospital. The responsibility and authority for the complete administration of the Hospital shall be delegated to the Chief Executive Officer, who shall report directly to the Board of Trustees. The Board of Trustees shall be accountable to the Members.

The Hospital will not discriminate against any group, race, or individual in the administering of Hospital policies and procedures.

**ARTICLE I
MEMBERSHIP**

SECTION 1 – Members: Consistent with the Articles, Association Members shall be those individuals, who have, by April 15, preceding the next annual meeting, contributed dues of not less than \$5.00. Dues received after April 15 shall be for the next Association year and the subsequent annual meeting.

SECTION 2 - Voting: All Members of the Association shall be entitled to vote in person at all meetings of the Members. Members can only cast one ballot for any vote.

SECTION 3 - Special Meeting: To be eligible to vote at a special meeting, a Member of the Board or Association must have paid Member dues for the current Association year.

SECTION 4 - Use of Dues: Member dues shall be placed in a special fund to be used for Hospital needs as directed by the Board of Trustees.

**ARTICLE II
MEMBERSHIP MEETING**

SECTION 1 - Annual Meeting: The annual meeting of the Members of the Association shall be for the election of Trustees and for the transaction of such other business as shall properly come before such meeting. The meeting shall be held in a location in Alger County designated by the Board of Trustees, adequate to accommodate the Members.

SECTION 2 - Date: The annual meeting of the Association shall be held on the third Thursday in June each year.

SECTION 3 - Quorum: A quorum for a meeting of the Members shall be ten percent (10%) of the Members of the Association.

SECTION 4 - Special Meetings: Special meetings of the Members of the Association may be called by the President or by a call for a meeting signed by not less than ten (10) Members of the Association.

SECTION 5 - Notice: Notice of annual and special meetings shall be mailed by the Association to each Member not less than ten (10) nor more than sixty (60) days prior to the date thereof. Such notice shall state the place, date and hour for such meeting, and in case of special meetings, the notice shall also state the purpose or purposes of the meeting.

SECTION 6 - Articles: At the annual meeting of the Trustees, the Articles of Incorporation will be reviewed and revised as necessary.

ARTICLE III

BOARD OF TRUSTEES

SECTION 1 - Number and Term of Office: The Board of Trustees shall consist of ~~seven~~ (7) Members of the Munising Memorial Hospital Association. Members of the Medical Staff are eligible to be a Trustee; however, employees of the Association, including practitioners, are not eligible to sit on the Board. No more than two individuals with the same background/profession will serve on the Board at one time. Term of office shall be three (3) years. An individual shall be eligible to serve as a Trustee for a total of fifteen (15) concurrent years.

SECTION 2 - Method of Election: Available Board seats will be filled by election at the annual meeting in June.

SECTION 3 - Time of Taking Office: The new Trustees shall take office at the close of the annual meeting of the Members.

SECTION 4 - Removal of Trustees: Any Trustee may be removed from office or Board position by vote of the majority of all Trustees. Any Trustee who misses three (3) consecutive meetings, without absence being excused, shall have his or her seat automatically vacated unless the Board determines, in its discretion, that such action is inappropriate under the circumstances involved. The offending party may petition the Board of Trustees to review the vacating of the position for unusual circumstances

SECTION 5 - Attendance Via Telephone Conference Call: Any Trustee may attend and participate in any meeting of the Board by conference telephone or similar communications equipment, if available, by which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the participants in

the conference are divulged to all participants. Such participation in a meeting constitutes presence in person at the meeting.

SECTION 6 - Vacancies: Vacancies of the Board shall be filled by vote of a majority of the remaining Trustees, with the vacancy being filled from Association Members, to serve until the next annual meeting.

SECTION 7 - Powers of the Trustees: The control and management of all the affairs, property and business of the Association, including the Hospital shall be vested in the Board of Trustees. The Board of Trustees shall be accountable to the Munising Memorial Hospital Association. The control, management, or ownership of the Hospital shall not be transferred by the Board of Trustees, without approval of the Munising Memorial Hospital Association.

SECTION 8 - Board Evaluation: The Board of Trustees shall provide a mechanism for self-evaluation of its own performances at least annually.

SECTION 9 - Conflict of Interest: All Trustees shall disclose any affiliation with any health care or related organizations that are or potentially may be corporately and functionally related to the Hospital organization. All Trustees shall further acknowledge and are obligated to disclose any direct, indirect or potential business affiliation or relation to the general business of the Hospital. All Trustees shall complete and sign a Conflict of Interest statement annually. Such statement will serve as a continuing reminder and control mechanism, but should not modify the obligation for Trustees to report actual, potential and/or perceived conflicts as they arise.

Upon disclosure of any potential conflict of interest, the Board shall act to determine whether a conflict exists and whether further action regarding said area of conflict need be taken.

ARTICLE IV MEETING OF THE BOARD OF TRUSTEES AND ELECTION OF OFFICERS

SECTION 1 - Regular Meeting: The Board of Trustees shall hold no less than six (6) meetings per year at such dates, times and places as the Board may by resolution, fix. Personnel, discipline, quality assurance, legal matters and matters concerning medical and/or hospital confidentiality shall be held in closed session.

SECTION 2 - Annual Meeting: At the annual meeting in June, the Trustees shall elect from their own number a President, a Vice-president, a Treasurer and a Secretary, and the Board shall set a date and place for its regular meeting. The Trustees may also elect from their own number such other officers as they may deem advisable, who shall serve at the pleasure of the Board. The duties of such other officers shall be fixed by the Board.

SECTION 3 - Special Meetings: Special meetings of the Board may be called by the president or shall be called by the secretary upon written request of three (3) Trustees. Notice of special meetings of the Board shall be given in writing at least two (2) days and not more than ten (10) days prior to the date set for such special meeting. Said notice shall specify the purpose of the

special meeting and no other business shall be conducted at said meeting. Attendance at said special meeting shall constitute a waiver of notice.

SECTION 4 - Quorum: A majority of the Board shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. The act of a majority of the Trustees present at the meeting at which there is a quorum shall be the act of the Board except as otherwise specifically provided by law or these Bylaws.

SECTION 5 - Medical Staff Representation: The Medical Staff has the right of representation (through attendance and voice), by one or more Medical Staff member(s) selected by the Medical Staff, at the meeting of the Board.

ARTICLE V

DUTIES AND TERM OF OFFICERS

SECTION 1 - President: The President shall preside at all meetings of the Board and at all meetings of the Members.

SECTION 2 - Vice-President: The Vice-president shall preside at Board, Member and Executive Committee meetings in the absence of the President and, when so acting, shall have all power and authority of the President.

SECTION 3 - Secretary: The Secretary shall act as secretary for the Association, the Board and the Members, and, with the CEO, oversee the preparation of an agenda for all meetings of the Board and Members.

SECTION 4 - Treasurer: The Treasurer presides over all Finance Committee meetings and reviews financial statements.

SECTION 5 - Term: The length of term for the office of each office shall be two (2) years unless they are removed from their position, in the manner a Trustee may be removed as a Trustee, or die, or become disabled.

SECTION 6- Filling More Than One Office: Any two offices of the Association, except those of President and Vice President, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

ARTICLE VI COMMITTEES

SECTION 1 - Committees In General: The committees of the Board of Trustees shall be standing or special. Standing committees shall be the Executive Committee, the Finance Committee and such other standing committees as the Board of Trustees may authorize. The terms of the Members of the standing committees shall be for a period of one (1) year and such committees shall be elected by the Board from among their number a chairman. Said chairman will serve at the direction of the committee.

SECTION 2 – Special Committees: Special Committees may be appointed by the president of the Board with the concurrence of the Board for such special tasks as circumstances warrant. "Medical Staff member(s) shall be included on governing body committees that deliberate issues affecting discharge of medical responsibilities." Such special committees shall limit their activities to the accomplishment of the task for which created and 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 committee shall stand discharged.

SECTION 3 - Executive Committee: The Executive Committee shall consist of the President, who shall act as chair of said committee, the Vice-president, the Secretary, the Treasurer and at least one other Trustee designated to serve on the Committee by the Board of Trustees at its annual meeting. The Executive Committee shall consist of no less than five (5) individual Trustees. The Executive Committee shall have power to transact all regular business of the Association during the interim between the meetings of the Board, provided any action taken shall not conflict with the policies or the expressed wishes of the Board.

SECTION 4 - Finance Committee: The Finance Committee shall consist of the Treasurer as chair and two (2) other Trustees elected by the Board of Trustees at its annual meeting. It shall prepare and submit a budget to the Board of Trustees, not later than the last meeting before the end of the fiscal year. It shall be the further duty of the Finance Committee to examine the monthly financial reports and to require an explanation from the administrator for any material variation from the budget.

ARTICLE VII ADMINISTRATOR

SECTION 1 - In General: The Board of Trustees shall select a qualified, experienced Chief Executive Officer (CEO) who shall be its direct executive representative in the management of the Association and Hospital. This shall be given the necessary authority to be held responsible for the administration of the Hospital 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 authorized representative of the Board in all matters in which the Board has not formally designated some other person for that specific purpose.

SECTION 2 - Fidelity Bond: The Board of Trustees shall secure the fidelity of the CEO by bond or insurance with the expense of such obligation or obligations to be paid by the Association.

SECTION 3 - Evaluation: The Board of Trustees shall provide a mechanism for performance evaluation of the CEO at least annually, through criteria established by a special committee.

SECTION 4 - Job Description: The job description of the CEO shall be periodically reviewed and approved by the Board.

SECTION 5 - Chain of Command: The CEO shall designate a chain of command to assume the responsibility of the day to day operation of the Hospital in his/her absence.

ARTICLE VIII MEDICAL STAFF

SECTION 1 - In General: The Board of Trustees shall appoint a Medical Staff composed of physicians, surgeons and podiatrists who are graduates of recognized medical, osteopathic, dental and podiatry schools and legally licensed to practice in the state of Michigan, shall see that they are organized into a responsible administrative unit, and adopt such Bylaws, rules and regulations for the governing of their practice in the Hospital.

The Bylaws of the Medical Staff shall be annually reviewed by the Medical Staff for consistency with Hospital policy, and applicable legal or other regulatory agency requirements.

Medical staff Bylaws are subject to and effective upon written approval by the Board of Trustees with approval not being unreasonably withheld.

SECTION 2 - Resolving Differences: Regarding Medical Staff appointments, when the Board does not agree, the Board chairperson will appoint a combined committee of Medical Staff and Trustees to reach a resolution, within a reasonable period of time, with the final decision being that of the Board of Trustees.

SECTION 3 - Appeal Process: The Bylaws of the Medical Staff shall provide for an appeal process, including a fair hearing, when recommendations regarding initial appointment and clinical privileges are adverse to the applicant.

SECTION 4 - Medical Staff Bylaws: Bylaws, rules and regulations for the Medical Staff, setting forth its organization and government, shall be recommended by the Medical Staff to the governing Board for approval.

ARTICLE IX MISCELLANEOUS

SECTION 1 - Parliamentary Rules: *Robert's Rules of Order* shall govern the proceedings of all meetings of the Members and the Board of Trustees unless otherwise specifically provided by the Bylaws as updated annually.

SECTION 2 - Fiscal Year: The fiscal year of this Association shall begin April 1 of each year.

SECTION 3 - Amendments: These Bylaws may be amended by the affirmative vote of two-thirds (2/3) majority of the Association present at the annual or any special meeting of the Association, provided a full statement of any proposed amendment shall have been published in the notice calling the meeting. Amendments to the Bylaws shall be reviewed for compliance with the necessary regulatory standards prior to the presentation for Trustees' approval.

SECTION 4 - Disposal of Assets: Consistent with the Articles. upon dissolution of the Association, after all debts and other obligations have been satisfied, any remaining assets shall be distributed to an organization described under Section 501(c)(3) of the Code that benefits the residents of Alger County, Michigan, as determined by the Circuit Court for Alger County, Michigan or to the federal government, the State or a local government, for public purposes. Alternately, the remaining assets may be transferred to a for profit entity, but only if such for profit entity pays consideration equal to the fair market value of the assets transferred to a charitable or governmental entity identified by the last Board of the Association or the Circuit Court for Alger County, Michigan.

SECTION 5 - Continuing Education: Continuing education programs shall be offered quarterly to all Trustees. In-service programs will include those programs recommended by the American Hospital Association (AHA) that are specific to small and rural hospital administration. Quarterly in-service programs may be made available to the Board via the Michigan Hospital Association (MHA) Administrator/Trustee/Medical Staff Forum.

SECTION 6 - Volunteers: Volunteers will be approved by the Director of Volunteers and supervised by the department head of the appropriate department where said volunteer will serve as well as the Director of Volunteers.

ARTICLE X

INDEMNIFICATION OF TRUSTEES AND OFFICERS

SECTION 1 – Indemnification. Other than actions by or in right of the Association, the Association shall, to the fullest extent now or hereafter permitted by law, indemnify each and every Trustee, Board committee or subcommittee member, and officer (and may indemnify any volunteer, employee or agent of the Association) who was or is a party to or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, other than an action by or in the right of the Association, by reason of the fact that the person is or was a Trustee, Board committee or subcommittee member, officer, volunteer, employee or agent of the Association, or is or was serving at the request of the Association as a director, Trustee, officer, partner, volunteer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses, including attorney fees

(which expenses may be paid by the Association in advance of a final disposition of the action, suit or proceeding as permitted by law), judgments, penalties, fines and amounts paid in settlement, actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted (or refrained from acting) in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interest of the Association or and with respect to any criminal action or proceeding, had reasonable cause to believe the conduct was unlawful.

SECTION 2 - Actions by or in Right of the Association. The Association may, to the extent now or hereafter permitted by law, indemnify a person who was or is a party to or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was Trustee, Board committee or subcommittee member, officer, volunteer, employee or agent of the Association, or is or was serving at the request of the Association as a director, Trustee, officer, partner, volunteer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses, including attorney fees (which expenses may be paid by the Association in advance of a final disposition of the action, suit or proceeding as permitted by law), and amounts paid in settlement, actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted (or refrained from acting) in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its Member, provided the Association shall not indemnify a person pursuant to this provision for a claim, issue or matter in which the person is found liable to the Association except as expressly permitted by the Michigan Nonprofit Corporation Act.

SECTION 3 - Continuation of Rights. Any indemnification of a person who was entitled to indemnification after such person ceased to be a Trustee, Board committee or subcommittee member, officer, volunteer, employee or agent of the Association will inure to the benefit of the heirs and personal representatives of that person.

SECTION 4 - Insurance. To the extent not prohibited by the Michigan Nonprofit Corporation Act, the Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, Board committee or subcommittee member, officer, volunteer, employee or agent of the Association or was or is serving at the request of the Association as a director, Trustee, officer, partner, volunteer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such persons and incurred in such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify against such liability by law.

SECTION 5 - Amendment of Liability Law. If Michigan or federal law applicable to the Association is amended to authorize the further elimination or limitation of the liability of the Trustees, officers or non-Trustee volunteers of nonprofit corporations, then the liability of the

Trustees, officers or non-Trustee volunteers, in addition to the limitation, elimination and assumption of personal liability contained in this Article, shall be assumed by the Association, eliminated or limited to the fullest extent permitted by the Michigan or federal law as so amended, except to the extent such limitation, elimination or assumption of liability is inconsistent with the status of the Association as a nonprofit organization. No amendment or repeal of the Article shall apply to or have any effect on the liability or alleged liability of any Trustee, officer or non-Trustee volunteer of this Association for or with respect to any acts or omissions of such Trustee, officer or non-Trustee volunteer occurring prior to the effective date of any such amendment or repeal.

As adopted by the Members on the October 3, 2018.

Reaffirmed without change by the Board of Trustees May 21, 2020

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Marilyn Beverley
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Marilyn Beverley
President