

Bylaws

of the



**VIRGINIA HOSPITAL
& HEALTHCARE
ASSOCIATION**

An alliance of hospitals and health delivery systems

Adopted by the membership on November 8, 2001

ARTICLE I

Members

Section 1. Application for institutional and individual membership shall be made in writing and shall contain such information and shall conform to such reasonable regulations as the Board of Directors may prescribe.

Section 2. Individual members who have been enrolled for life or who are exempted by the Board of Directors from payment of further dues after having paid annual dues for thirty years shall be known as life members.

Section 3. Persons of distinction who have been nominated by the Board of Directors and elected at the next succeeding annual meeting of the corporation shall be known as honorary members and shall pay no dues.

Section 4. Hospitals and health delivery systems shall be eligible for Type I institutional membership. The highest organizational entity governing, owning or controlling a health delivery system shall be the member. The Board of Directors is authorized to determine the eligibility of any health delivery system for membership, giving preference to those systems it determines (i) govern, own or control at least one Virginia hospital or (ii) deliver care to Virginia residents and have a relationship with a Virginia hospital.

ARTICLE II

Meeting of Members

Section 1. Meetings of the members shall be held at such places within or without the State as provided in the notice thereof.

Section 2. The annual meeting of members shall be held on such date during the last quarter of each calendar year as shall be established by the Board of Directors. An election of directors shall be included at each annual meeting.

Section 3. A special meeting of the members may be held at any time upon call by the Chairman, the Chairman-Elect or the Board of Directors or by one-tenth of the voting members.

Section 4. Written notice stating the place, day and hours of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed to each member not less than ten nor more than sixty days before the date of the meeting.

Notice of a members' meeting to act on an amendment of the articles of incorporation or on a plan of merger or consolidation shall be mailed or delivered not less than twenty-five nor more than sixty days before the date of the meeting. Any such notice that is mailed shall be accompanied by a copy of the proposed amendment or plan of merger or consolidation or a summary thereof.

Section 5. One-third of the voting members, present in person or by proxy, constitute a quorum for the transaction of business at any meeting of the members.

Section 6. Each Type I member is entitled to a number of votes on all matters submitted to the membership based on the net operating revenue of such member, using the following schedule:

| Net Operating Revenue | Votes |
|--------------------------------------|-------|
| Less than \$10,000,000 | 1 |
| \$10,000,001 to 25,000,000 | 2 |
| \$25,000,001 to 50,000,000 | 3 |
| \$50,000,001 to 75,000,000 | 4 |
| \$75,000,001 to 100,000,000 | 5 |
| \$100,000,001 to 150,000,000 | 6 |
| \$150,000,001 to 200,000,000 | 7 |
| \$200,000,001 to 400,000,000 | 8 |
| \$400,000,001 to 600,000,000 | 9 |
| \$600,000,001 to 800,000,000 | 10 |
| \$800,000,001 to 1,000,000,000 | 11 |
| \$1,000,000,001 or greater | 12 |

Type I members operated by the federal government shall have one vote.

Any member may designate in writing another Type I member to vote its proxy for the duration of that member's absence. Such proxy shall specify the meeting for which the proxy is effective, be executed by the member giving the proxy and filed with the President before the meeting is convened.

ARTICLE III

Board of Directors

Section 1. The number of directors shall be twenty except as otherwise set forth herein. There shall be six directors elected at large from the members of the corporation, plus those holding office as Chairman, Immediate Past Chairman, Chairman-Elect, and Secretary-Treasurer of the corporation; the representatives of six Regional Advocacy Forums, the chairman of the Council on Trustees, and the President shall be ex-officio directors with all privileges and responsibilities of other directors. Delegates and alternates elected to the House of Delegates of the American Hospital Association shall be ex-officio directors, with all privileges and responsibilities of other directors, as follows: when the American Hospital Association provides for only one such delegate from the Virginia Hospital & Healthcare Association, then the delegate and one alternate shall be directors; and when the American Hospital Association provides for two such delegates, then both delegates shall be directors, but no alternate shall be a director. Any member of the corporation serving as a trustee of the American Hospital Association shall be an ex-officio director with all privileges and responsibilities of other directors.

Section 2. The terms of the persons holding office as Chairman, Immediate Past Chairman, Chairman-Elect, President and Secretary-Treasurer shall be the same as their terms in such offices. Three of the six Regional Advocacy Forum representatives shall be appointed by the Chairman following each annual meeting for terms of two years each. The Council on Trustees chairman shall be appointed by the Chairman for a term of one year and shall be a trustee of a member hospital. The terms of the two ex-officio directors who are the delegates or the delegate and alternate delegate to the House of Delegates of the American Hospital Association shall be the same as their terms in such offices. They shall be elected to such offices in accordance with the bylaws or other regulations of that association, but no person so elected shall be eligible to serve as a delegate or alternate delegate for more than one term, the duration of which shall be as established by the bylaws or regulations of that association. Three of the six directors-at-large shall be elected from the membership of the corporation at each annual meeting for terms of two years each. The terms of ex-officio directors who are trustees of the American Hospital Association shall be the same as their terms in such offices, the duration of which shall be as established by the bylaws or regulations of that association. No director shall serve as such for more than six consecutive years exclusive of time served as an officer of the corporation, a trustee of the American Hospital Association, or delegate or alternate delegate to the American Hospital Association.

Section 3. Vacancies among the six directors-at-large elected from the members of the corporation shall be filled by the directors then in office, for the unexpired term. Vacancies among the directors who are council or Regional Advocacy Forum representatives shall be filled by appointment by the Chairman for the unexpired term.

Section 4. Regular meetings of the Board of Directors may be held at such places and times as the Board of Directors may determine from time to time, and if so determined no notice thereof need be given. Special meetings may be held at any time or place whenever called by the Chairman, Chairman-Elect or five directors. Written notice of regular meetings, except where notice is not required, and of special meetings stating the day, place and hour of the meeting shall be delivered or mailed not less than five days before the date of the meeting.

Section 5. A majority of the Board of Directors shall constitute a quorum.

Section 6. Directors are encouraged to attend all board meetings. Failure to attend three consecutive board meetings, general or special, without reasonable cause, will be considered equivalent to an offer of resignation which will be acted upon by the board at its next regular meeting.

ARTICLE IV

Officers

Section 1. The members shall elect at their annual meeting a Chairman-Elect and a Secretary-Treasurer who shall hold office until the next annual meeting and until their successors are elected and have qualified. The Chairman-Elect shall automatically succeed to the office of Chairman. Vacancies shall be filled by the Board of Directors for the remainder of the term, except that a vacancy in the office of the Chairman shall be filled by the Chairman-Elect.

In the event of vacancy in the offices of both the Chairman and Chairman-Elect, the Secretary-Treasurer shall automatically succeed to the office of Chairman and the Board shall appoint a Secretary-Treasurer to serve until the next annual meeting.

Section 2. The officers shall have such duties as generally pertain to their respective offices, as well as such duties as may be prescribed by the Board of Directors from time to time.

Section 3. The Board of Directors shall appoint a President whose term of office shall coincide with the fiscal year of the corporation or until such time as the Board shall take action to reelect him or a successor, who shall serve as the Association's chief executive officer and carry out policy as prescribed by the Board and who shall have the following duties:

In the absence of Board resolution to the contrary, the President shall direct the activities of the executive office. He shall have custody of all documents and property of the Virginia Hospital & Healthcare Association and all money thereto, unless otherwise provided by the Board of Directors. He shall open in the name of Virginia Hospital & Healthcare Association accounts with a bank or banks and shall promptly deposit in such bank or banks all monies received by him in the name of the Virginia Hospital & Healthcare Association in accordance with the instructions of the Board of Directors. He shall assist the Secretary-Treasurer in the preparation of financial reports and shall be responsible to him for the accounting of all monies. He shall keep proper records and account books which shall be open at all times to the inspection of the Board of Directors. His accounts shall be audited by an Executive Committee selected by the Board of Directors. He shall at all times be under bond, the amount of which shall be determined by the Board of Directors. He shall keep the minutes of all meetings of the Board of Directors and Executive Committee, the annual meetings and of the councils of the Virginia Hospital & Healthcare Association. He shall sign all papers and documents legally requiring the signature of the Secretary-Treasurer. He shall preserve all records. He shall send out notices of all meetings in accordance with the bylaws.

He shall notify the chairman and members of each council and committee of their appointments and duties. He shall have charge of the correspondence of the Virginia Hospital & Healthcare Association and shall make such communications in relation to it as may be directed by the Board of Directors. He shall perform such other duties as shall from time to time be assigned to him by the Board of Directors. So far as possible he shall attend the meetings of the councils and committees of the Virginia Hospital & Healthcare Association for advisory purposes. He may delegate responsibilities of his office to other staff members consistent with the bylaws.

ARTICLE V

Council on Trustees

Section 1. There is created a Council on Trustees which shall have such duties, not inconsistent with the bylaws, as the Board of Directors may determine.

Section 2. The Council on Trustees shall be responsible for stimulating greater involvement in health policy making by trustees through formulating strategy for implementing policy positions and coordinating support with other trustees and business community leaders statewide and within their respective areas.

Section 3. The Council on Trustees shall be composed of two trustees from each region specified in Article VII, Section 1, of these bylaws, to be appointed by the chairman; six members from hospital/corporate executive management, to be appointed by the Chairman; and all representatives of Virginia hospitals and health delivery systems serving on the American Hospital Association's Committee on Governance.

ARTICLE VI

Committees

Section 1. There shall be an executive committee composed of the Chairman, Chairman-Elect, Immediate Past Chairman, Secretary-Treasurer, President, one delegate to the American Hospital Association, one Regional Advocacy Forum representative elected by the Board of Directors, and one director-at-large elected by the Board of Directors. If there are two delegates to the American Hospital Association, then the delegate whose combined service as delegate or alternate delegate is longer shall serve on the Executive Committee; if such combined service of both delegates is of equal duration, then the delegate who shall serve on the Executive Committee shall be selected by the flip of a coin. The Chairman shall act as chairman of the Executive Committee whose purpose shall be developing the scope of details of a program of activities for the Association, subject always to the approval of the Board of Directors. The Executive Committee shall have prepared an annual budget covering the activities of the Association councils, committees and Regional Advocacy Forums and submit same to the Board of Directors for approval. The Executive Committee shall also appoint an independent consultant to perform financial audits.

Section 2. The Chairman shall appoint the Nominations Committee as a standing committee. The committee shall be composed of three members who shall be appointed by the Chairman for terms of three years, except that the initial members of each committee shall be appointed for terms of one, two and three years, respectively so that the term of one member shall expire each year. The chairman of the Nominations Committee shall be the senior member of the Committee in point of service and a Past President or Past Chairman of the Association.

Section 3. The Nominations Committee shall annually, prior to submitting its nominations for directors-at-large, delegate or alternate to the American Hospital Association, in the numbers established by that association, and the offices of Chairman-Elect and Secretary-Treasurer, provide opportunity for members to submit in writing or in person suggestions for persons who should be considered as possible nominees, and thereafter the committee's slate of nominees shall be communicated to the membership not less than ten days before the annual meeting.

Section 4. The Chairman is authorized to create such other committees, task forces and study groups during his term of office as he may deem necessary. The Chairman shall name the persons to participate, appointing, as appropriate, a director-at-large as chairman of any such committee, task force and study group. Each committee, task force and study group so created shall automatically be dissolved upon termination of the Chairman's term of office unless the succeeding Chairman decides otherwise.

ARTICLE VII

Regional Advocacy Forums

Section 1. There are created the following six Regional Advocacy Forums:

1. Blue Ridge Advocacy Forum
2. Northern Virginia Advocacy Forum
3. Southwestern Virginia Advocacy Forum
4. Central Virginia Advocacy Forum
5. Roanoke Area Advocacy Forum
6. Hampton Roads Advocacy Forum

The Regional Advocacy Forums shall provide members with information on policy issues, political matters and other strategic priorities; engage members in grass roots advocacy efforts; and provide a forum for members to interact on issues of mutual concern.

Section 2. Regional Advocacy Forums shall consist of member chief executive officers, other senior management, trustees and a broad cross-section of member staff.

ARTICLE VIII

Indemnity of Officers and Directors

Each person now or hereafter a director or officer of the corporation (and his heirs, executors and administrators) shall be indemnified by the corporation against all claims, liabilities, judgments, settlements, costs and expenses including all attorney's fees, imposed upon or reasonably incurred by him in connection with or resulting from any action, suit, proceeding or claim to which he is or may be made a party by reason of his being or having been a director or officer of the corporation (whether or not a director or officer at the time such costs or expenses are incurred by or imposed upon him, and whether or not the action or omission to act, which is the basis of such suit, action, proceeding or claim, occurred before or after the adoption of this article of the bylaws), except in relation to matters as to which he shall have been finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties as such director or officer. Such right of indemnification shall not be deemed exclusive of any rights to which he may be entitled under any other bylaw, agreement, vote of members or otherwise.

ARTICLE IX

Dues

Section 1. The voting membership of the association shall determine the amount of dues to be paid by institutional and individual members.

Section 2. The Board of Directors may establish a system of joint dues between the corporation and the American Hospital Association whereby institutions may become members of both organizations. The Board of Directors shall have the power to agree upon, establish and put in force such a system of joint dues with the AHA and determine the division of such dues between the two organizations.

Section 3. Special assessment for specific programs or projects may be authorized by a majority of the membership voting at a called meeting of the membership.

ARTICLE X

Order of Business at Meeting of Members

Section 1. The order of business at the annual meeting of members shall be as follows:

- Minutes of last meeting
- Report of Chairman
- Report of Secretary-Treasurer
- Report of Chairmen of Councils
- Report of Delegate to the American Hospital Association
- Report of Standing Committees
- Report of President
- Old Business
- Report of Special Committees
- Report of Nominations Committee
- Election of Officers and Directors
- Induction of New Officers

ARTICLE X

Miscellaneous

Section 1. The seal of this corporation shall consist of two concentric circles between which shall appear the words Virginia Hospital & Healthcare Association and in the center of which shall appear the word Seal, an impression of which is affixed to this section of the Bylaws.

Section 2. The fiscal year of the corporation shall be October 1 to September 30. The incoming officers shall assume office immediately following the annual meeting.

Section 3. The annual report of the Secretary-Treasurer shall be accompanied by an audit performed by an independent consultant.

Section 4. Checks, notes, drafts and other orders for payment of money shall be signed by such persons as the Board of Directors shall authorize from time to time.

Section 5. These Bylaws may be amended by the affirmative vote of two-thirds of the voting members present at any meeting. A proposed amendment must be approved in writing by not less than five members and filed with the President at least sixty days prior to the meeting at which such amendment is to be considered. The President shall refer the proposed amendment to the Executive Committee and shall cause notice of such proposed amendment to be given to the members of the corporation not less than ten days prior to the meeting at which the amendment is to be considered. The Executive Committee shall report the proposed amendment with its recommendation to the corporation for approval or disapproval.

Articles of Incorporation of the



**VIRGINIA HOSPITAL
& HEALTHCARE
ASSOCIATION**

An alliance of hospitals and health delivery systems

Adopted by the membership on October 26, 1995.

I.

The name of the corporation is Virginia Hospital & Healthcare Association.

II.

The purpose or purposes for which the corporation is organized are maintaining a non-profit association of institutions and individuals interested in the development and improvement of hospital and outpatient service, including but not limited to promoting efficiency, quality and economy in the administration and operation of hospitals and related institutions and encouraging professional education and scientific research for the improvement of hospitals and outpatient service. No part of its net earnings shall inure to the benefit of any private shareholder or individual.

III.

1. The corporation shall have two classes of members which shall be known as institutional members and individual members.
2. There shall be the following types of institutional members:
 - (a) Type I shall include hospitals (general, non-governmental psychiatric and special facilities) which provide inpatient care and health delivery systems. The Board of Directors shall determine whether particular facilities or organizations qualify for membership as provided for in the Bylaws of the corporation.
 - (b) Type II shall include all other health care organizations ineligible for Type I membership, including without limitation federal and state long-term care facilities, dispensaries, clinics and similar organizations for the diagnosis and treatment of the sick and injured.
 - (c) Type III shall include organizations interested in the purposes of the corporation but which are not eligible for institutional membership Types I or II.
3. There shall be the following types of individual members:
 - (a) Type A shall include members of governing bodies and administrative, professional and technical personnel of Type I institutional members.
 - (b) Type B shall include members of governing bodies and administrative, professional and technical personnel of Types II and III institutional members.
 - (c) Type C shall include such other individuals who qualify for membership in accordance with regulations adopted by the Board of Directors from time to time.
4. Each Type I institutional member shall have voting rights as provided for in the Bylaws and all other types of members shall be non-voting members.

IV.

The post-office address of the initial registered office is 1003 Electric Building, 7th and Franklin Streets, Richmond, Virginia. The name of the city in which the initial registered office is located is City of Richmond. The name of its initial registered agent is Eppa Hunton, IV, who is a resident of Virginia and a member of the Virginia State Bar, and whose business office is the same as the registered office of the corporation.

V.

The number of directors constituting the initial Board of Directors is ten, and the names and addresses of the persons who are to serve as the initial directors are:

Harry C. Bach Fredericksburg, Virginia
Nathan Bushnell, III Rocky Mount, Virginia
Paul Flanagan Staunton, Virginia
William H. Flannagan Roanoke, Virginia
Hunter A. Grumbles Lexington, Virginia
Raymond E. Hogan Lynchburg, Virginia
Charles C. Hough Richmond, Virginia
Jesse Reel Franklin, Virginia
William R. Reid Roanoke, Virginia
David G. Williamson, Jr Roanoke, Virginia

VI.

From and after the first annual meeting of members, there shall be ten directors of this corporation or such other number, not less than three, as may be provided for in the Bylaws.