

BYLAWS
OF
MOUNDVIEW MEMORIAL HOSPITAL & CLINICS, INC.
FRIENDSHIP, WISCONSIN

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AMENDED AND RESTATED BY LAWS
OF
MOUNDVIEW MEMORIAL HOSPITAL & CLINICS, INC.
FRIENDSHIP, WISCONSIN

ARTICLE I. NAME, PURPOSE, OFFICES

Section 1. Name. The name of this corporation shall be Moundview Memorial Hospital & Clinics, Inc., a Wisconsin corporation organized under Chapter 181 of Wisconsin statutes, without stock and not for profit.

Section 2. Purpose. As a community health resource center, Moundview Memorial Hospital & Clinics, Inc. will serve in a leadership capacity to facilitate the delivery of primary health care and medical services to Adams County and surrounding communities ^[2004]. As part of this mission, the corporation intends to facilitate delivery of quality health care in a professional and timely manner by maintaining progressive, professional management, dedicated, compassionate, and well-trained staff and employees, modern equipment and facilities, consistent with sound business practices. The corporation and all who are associated with it shall accept responsibility for providing care and comfort for the total person embracing the physical, emotional, and spiritual needs of each patient and will not discriminate on the basis of sex, race, color, age, handicap, national origin, or religious background. The corporation shall establish and maintain an institution or institutions with permanent facilities that include inpatient beds and medical services to provide diagnosis and treatment for patients and associated services. The corporation shall participate as may be appropriate in the circumstances, in any activities designed and carried on to promote the general health of the community.

This corporation is organized exclusively for charitable, scientific, and educational purposes as a not for profit corporation; and its activities shall be conducted for the aforesaid purposes in such a manner that no part of its net earning shall inure to the benefit of any member, director, officer, or individual. Upon dissolution of the corporation, and after payment of just debts and liabilities, all remaining assets shall be distributed to organizations enjoying an exempt status under Section 501 (c)(3) of the Internal Revenue Code of 1954, as amended, or successor provisions.

Section 3. Mission Statement. Moundview Memorial Hospital & Clinics, Incorporated, as a community health resource will provide modern facilities and equipment to ensure the delivery of services with an emphasis on primary health care to the people of the hospital service area. The Hospital's leadership, with its resources will respond in a timely manner to physical, psychological and spiritual needs, emphasizing the 'whole person.' Moundview Memorial Hospital & Clinics, Incorporated will provide management, and well trained staff to provide compassionate health care. Moundview Memorial Hospital & Clinics, Incorporated shall explore those proposals for networks, affiliations, mergers, and participate in HMO's as deemed in the best interest of those we serve. ^[2004]

Section 4. Offices. The principal office of the corporation in the State of Wisconsin shall be located in the Village of Friendship, County of Adams. The corporation may have such other offices within the State of Wisconsin as the Board of Directors may designate or as the business of the corporation may require from time to time.

Section 5. Address of Registered Agent. The corporation shall maintain a registered agent in the State of Wisconsin whose address may be, but need not be, identical with the principal office of the corporation. The registered agent must be a member of the corporation. The identity and address of the registered agent may be changed from time to time by resolution of

the Board of Directors and filing of a statement with the Wisconsin Secretary of State pursuant to the provisions of the Wisconsin statutes.

ARTICLE II. MEMBERSHIP

Section 1. Members. Any person over the age of eighteen years who is a resident of Adams County may become a member of the corporation upon: (a) paying the membership dues established by the Board of Directors in accordance with Section 2, below; and (b) agreeing in writing to abide by the terms of the Articles of Incorporation, the Bylaws and any amendments thereto adopted by this corporation. In addition, the Board of Directors may, upon majority vote, permit an individual who does not reside in Adams County to be a member of this corporation. Any person who becomes a member shall remain a member of this corporation unless or until his/her name is removed from such membership list as hereinafter provided. [revised 2008]

Section 2. Membership Dues.

a. The Board of Directors may from time to time set annual membership dues as may become necessary to fulfill the purposes of this corporation. Annual memberships are effective from July 1st to June 30th of each fiscal year. Annual membership dues must be paid during each fiscal year of the corporation in order for a member to continue as a member in good standing. [revised 2008]

Each person who has paid his or her membership dues by June 30 of the previous fiscal year and has additionally paid his or her membership dues for the current fiscal year at the time of the annual meeting, will be qualified to run for office and will be entitled to one vote on each matter submitted to a vote of the membership. [revised 2008]

b. Life membership may be granted to any eligible person who donates the sum of \$200 or more to the corporation. If paid prior to a meeting of the members, such donation qualifies the member to run for office and to vote. For purposes of clarification, lifetime members shall not be required to pay annual membership dues. All existing life memberships at the time of the adoption of these Bylaws shall continue in full force and effect unless or until revoked as provided herein. [revised 2008]

Membership dues, including the donation for life membership set forth, above, may be paid to the corporation by someone other than the member. In such situation, the individual to be named as a member must agree in writing to become a member. Only one membership in the corporation, including life membership, may be issued to any person. [revised 2008]

Section 3. Voting Rights. Each person who was a member as of the June 30th immediately prior to a meeting of the members and is a current member at the time of the meeting shall be entitled to one vote on each matter submitted to a vote of the membership. Individuals who have lifetime membership shall have voting privileges regardless of residence in Adams County. [revised 2008]

Section 4. Termination of Membership. Those persons who have not paid the dues for the current year will be considered suspended from the membership. In addition, the Board of Directors may, in its sole discretion, revoke the membership of any individual who acts in a manner that is contrary to the interests of the corporation including, but not limited to, actions which constitute: (a) misappropriation of the corporation's property; (b) unauthorized use or disclosure of any confidential information of the corporation or its patients; (c) fraud or dishonesty on the part of a member with regard to the corporation; (d) a material breach of any provision of

the Articles of Incorporation of the corporation, the Bylaws and amendments thereto adopted by this corporation; or (e) an action by a member that: (i) is intended to result in personal enrichment of member at the expense of the corporation or (ii) is reasonably expected to result in significant economic or reputational injury to the corporation. [revised 2008]

Section 5. Transfer of Membership. Membership in this corporation is not transferable or assignable.

ARTICLE III. MEETING OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the members shall be held at the Moundview Memorial Hospital & Clinics, Inc. hospital building or such other place in Adams County as the Board of Directors may direct during the month of September, October or November, as the Board of Directors may determine. Such annual meeting shall be called by the President [2004] of the corporation, and notice thereof shall be published in a newspaper of local distribution not more than thirty (30) days nor less than seven (7) days before such meeting. If the election of directors shall not be held on the day designated in such notice of an annual meeting, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be conveniently scheduled. Roberts Rules for Order shall be followed for parliamentary procedure. [revised 2000]

Section 2. Special Meetings. During the annual meeting or any special meeting, the President or any person chairing the meeting shall allow voting members to vote on additional meetings if they so desire. No more than three additional meetings will be held each year unless ten percent of the voting membership petitions for a special meeting, or the President calls a special meeting. Notice of special meetings shall be published as required in Section 1 above stating the purpose of such meeting. Roberts Rules for Order shall be followed for parliamentary procedure. [revised 2000]

Section 3. Place of Meetings. The Board of Directors may designate any place within the County of Adams as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, the place of the meeting shall be as set forth in Section 1 above.

Section 4. Quorum. Ten (10) voting members who are eligible to vote at any meeting shall constitute a quorum. If a quorum is not present at any meeting of the members, the majority of the members present may adjourn the meeting from time to time without further notice.

Section 5. Proxies and Voting by Mail. No vote by proxy or by mail shall be valid. Only votes cast by those members present in person at the meeting shall be valid.

Section 6. Closing of Membership Books for Fixing of Record Date. For the purpose of determining members entitled to notice or to vote at any meeting of members or at any adjournment thereof, or in order to make determination of members for any other purpose, the Board of Directors of the Association may provide that the membership books shall be closed for a stated period but not to exceed, in any case, fifty (50) days. Prior to closing books a public notice will be placed in the local newspaper ten (10) days prior to closing. If the membership books are not closed and no record date is fixed for the determination of members, membership shall be open until commencement (call to order) [2004] of the annual meeting.

Section 7. Voting List. The officer or agent having charge of the membership book of the Association shall make available at least fifteen (15) days before each meeting of members a complete list of the members entitled to vote at such meeting, or any adjournment thereof, ar-

ranged in alphabetical order. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting, and at any time from the Administrator.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors. Notwithstanding the foregoing, the Board of Directors shall not, without the approval of two-thirds of the members of the corporation voting at a meeting of the members, approve any of the following actions on behalf of the corporation:

- (a) engage in any act in contravention of these Bylaws (as the same may be amended in accordance herewith), the Articles of Incorporation or the Act;
- (b) sell, lease, exchange or otherwise dispose of all, or substantially all, of property of the corporation, with or without the goodwill, other than in the usual and regular course of its activities;
- (c) merge, convert or consolidate the corporation with or into another entity; or
- (d) dissolve the corporation. [revised 2009]

Section 2. Number, Tenure and Qualifications.

a. The Board of Directors shall consist of seven (7) Directors. Directors shall be elected by the members at the annual meeting. Each Director shall be an eligible voting member of the corporation and a resident of Adams County. Employees of the corporation are not eligible to serve on the Board of Directors. Directors in office at the time of the adoption of these Bylaws shall continue in office until the expiration of their terms. Subsequent to the adoption of these Bylaws, each year there shall be an election of Directors for three (3) year terms: In the first year three (3) Directors shall be elected; in the second year two (2) Directors shall be elected; and the third year two (2) Directors shall be elected. This schedule shall continue thereafter. Each Director may serve a maximum of three (3) consecutive terms. Any Director who has served three (3) consecutive three (3) year terms is not eligible for election or appointment as a Director for a period of one (1) year thereafter. Notwithstanding the foregoing, the term of each Director in office as of November 17, 2009, shall be extended by one (1) additional year. [revised 2009]

b. The Board Development Committee shall select and recommend to the Board, one candidate for each open position on the Board. Nominees for Board positions shall be considered from suggestions made by the members of the corporation. Suggestions for nomination to the Board shall be delivered to the Board Development Committee no later than the 15th day of June prior to that years' annual membership meeting. No nomination for any candidate not so approved by the Board shall be accepted at the annual membership meeting. [revised 2010]

c. The membership of the corporation shall vote for or against the list of Candidates and not on individual candidates. The list of candidates shall be approved by an affirmative vote of the majority of the members of the Corporation present at the annual meeting. In the event the list of candidates is not approved at the annual meeting, the Board shall, prior to the conclusion of that annual meeting, set a special meeting date and time at which a list of candidates, nominated in the same manner as set forth in subsection (b), shall be voted upon. [revised 2010]

Section 3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after the annual meeting of members. The Board of Directors may provide by resolution the time and place, within the State of Wisconsin, for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President. The President shall call a special meeting at the request of three (3) Directors. Said special meetings shall be called by the President within ten (10) days of the receipt of said request. The President of the Board may fix any place in the State of Wisconsin for holding a special meeting of the Board of Directors.

Section 5. Notice of Special Meeting. Said notice shall be given by personal delivery or by mailing at the last known address of said Director. Twenty-four (24) hour written notice of any special meeting shall be given to all members of the Board of Directors. Attendance by a member of the Board of Directors at any special meeting shall constitute waiver of such notice by said Director. The notice shall state the purpose for the special meeting.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. The Directors of the corporation may participate in regular, special or committee meetings of the Board by telephone or other technology that provide mutual communication among all participating members. [2004]

Section 8. Vacancies. Any vacancy occurring in the Board of Directors and any directorship may be filled by the Board of Directors, until the next Annual Association meeting at which time the membership will elect a qualified member to fulfill the term of the vacancy.

Section 9. Removal of Directors. Any Director who is not a member of the corporation in good standing shall be removed from office as Director. Any Director having an unexcused absence as determined by the President of the Board of more than two regular and two committee meetings in a row, or missing more than fifty percent of the regular or committee meetings in a fiscal year should be informed by the President of the Board of Directors to improve attendance or resign. If improvement is not achieved within six months nor resignation submitted, the President of the Board, with the concurrence of the full Board, shall notify the Director that he/she has been removed as a member of the Board.

Section 10. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at such regular special meetings of the Board.

Section 11. Continuing Education. New directors of the Board are required to participate in an orientation program presented by the Administrator. A minimum of thirty (30) minutes of continuing education for Directors is required quarterly. Documentation of continuing education activity is to be maintained by the Secretary of the Board and reviewed by the President of the Board annually.

Section 12. Governing Body Performance. The President of the Board shall on an annual basis, review the Board of Directors performance. A report shall be given to the membership at the annual meeting.

Section 13. Conflict of Interest.

a. Each Director shall disclose to the Board of Directors any duality of interest or possible conflict of interest whenever the duality or conflict pertains to a matter being considered by the Board.

b. Any Director having duality of interest or conflict of interest on any matter shall abstain from voting on the matter and shall not be counted in determining the quorum for the vote on the matter. In addition, he or she shall not use his or her personal influence on the matter, but may briefly state his or her position on the matter and may answer pertinent questions from other directors since his or her knowledge may be of great assistance.

c. The minutes of the meeting involving any such situation shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

d. If a Director is uncertain as to whether he or she has a duality or conflict of interest which requires abstention, or if a Director asserts that another Director has such a duality or conflict, the Board, by majority vote of those present other than the Director having the possible conflict, shall decide whether abstention is required. If so, the Director will be deemed to have abstained.

e. No purchase or compensation involving \$1,000.00 or more from or to any director of any entity of which the Director is an officer, director, partner, or owner shall be made without prior approval from the Board of Directors.

ARTICLE V. OFFICERS

Section 1. Elected Officers. Elected officers shall be a President, a Vice-President^[2004], a Secretary, and a Treasurer.

Section 2. Manner of Selection. Officers enumerated in Section 1 of this Article shall be elected annually by and from the membership of the Board of Directors and shall hold their respective offices until their successors are elected.

Section 3. Duties of the President. The President shall call and preside at all meetings of the Board of Directors and shall act as Chairperson of the Executive Committee and as an ex-officio member of all other committees of the Board of Directors. The President may sign, with the Secretary or Treasurer or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed.

The President shall appoint a member of the Board of Directors to serve on the appropriate Quality Assurance Committee.

Section 4. Duties of the Vice President. The Vice President shall act as President in the absence of the President and when so acting, shall have all the powers and authority of the President.

Section 5. Duties of the Secretary. The Secretary shall countersign all deeds, leases, and conveyances executed by the corporation, affix the seal of the corporation thereto and to such other papers as shall be required or directed, shall keep a record of all proceedings of the Board of Directors, and safely and systematically keep all books, papers, records, and documents belonging to the corporation, pertaining to the business thereof.

Section 6. Duties of the Treasurer. The Treasurer shall keep and account for all monies, credits and property of any and every nature of the corporation, and keep an accurate account of all monies received and disbursed and of money and property on hand.

Section 7. Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer, or to perform the duties of such officer whenever, for any reason, it is impracticable for such officer to act personally, and such assistant or acting officer so appointed by the Board of Directors shall have the power to perform all duties of the office to which he is so appointed to be assistant, or as to which is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

All the foregoing officers shall perform such additional or different duties as shall from time to time be imposed upon them as required by the Board of Directors or as may be prescribed from time to time by the Bylaws.

Section 8. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE VI. COMMITTEES

Section 1. Standing Committees. The President at the first regular meeting of the Board of Directors held after the annual meeting shall appoint the following standing committees for the ensuing year: Long Range Planning Committee, Personnel Committee, Finance/Audit Committee [2004] and such other committees as the Board of Directors may authorize. The chairpersons of all standing committees shall be members of the Board of Directors. A quorum for the meeting shall be one-half of the members of the committee. The report given at any meeting of the Board of Directors shall be written into the minutes of the Board of Directors and so shall constitute minutes of that committee.

Section 2. Long Range Planning Committee. The Long Range Planning Committee shall consist of representatives of the Board of Directors; the Administration, including Nursing, Plant Maintenance and other departments as necessary, and the Medical Staff. It shall be responsible for the study of services, structures, uses and functions, and to plan possible future changes in any of these. It shall report its recommendations, including priorities, to the Board of Directors. This committee shall develop an overall long range plan and budget for the Association. This plan shall be reviewed at least annually and updated as needed.

Section 3. Personnel Committee. The Personnel Committee shall, in cooperation with the Administrator, review all matters of internal administration of the corporation. The committee shall establish rules and policies concerning employee duties, working conditions and employee welfare. A report is given by Administration to the Personnel Committee and the Board

of Directors that details all the components of job descriptions and evaluations of all employees who were evaluated and their outcomes.

Section 4. Special Committees. All standing and special committees and the Chairperson of each committee, except the Executive Committee shall be appointed by the Chairperson of the Board of Directors, with concurrence of the Board of Directors. Special Committees shall be appointed for such special tasks as circumstances warrant. Such Special Committees shall limit their activities to the accomplishment of the task for which they were created and appointed, and shall have no power to act except as is specifically conferred by action of the Board of Directors. Upon completion of the task for which appointed, such Special Committees shall stand discharged. Except as otherwise provided, the Chairperson and Administrator shall be ex-officio members of all committees.

Section 5. Executive Committee. The Executive Committee, consisting of the Corporation's officers shall have and may exercise, when the entire Board of Directors is not able to be called into session, all of the powers of the Board of Directors in the management of the business and affairs of the corporation.

Section 6. Finance/Audit Committee. The role of this committee is to provide oversight of the financial and compliance reporting and disclosure process of MMH&C and the results of that process. Management is responsible to ensure the accuracy of the financial statement and compliance with pertinent laws, regulations and agreements. It is the responsibility of this board committee to carry out due diligence by evaluating information from administration and the external auditors and to form conclusions.

This committee carries out its responsibilities for the benefit of donors, payors, grantors, bond holders, oversight agencies, patients and the public at large.

Duties of the committee include, in addition to the general oversight discussed above:

1. Understanding the organization's operations and programs
2. Understanding the organization's control environment and risk management systems.
3. Understanding and overseeing the financial and compliance reporting process.
4. Understanding and overseeing the audit processes.
5. Selecting the independent audit firm.

The committee will be comprised of no fewer than three board members, including the Treasurer who is the chairperson and the hospital CEO and CFO.

Section 7. Board Development Committee. The Board Development Committee shall consist of not less than five members, not more than two of whom may be non-members of the Board of Directors. The Chairperson shall be a Director. The non-board members shall be nominated and selected at the Corporation's annual meeting by the members. The Committee shall receive, consider and recommend to the Board a list of nominees for election to the Board in each year in which there is or will be a vacancy on the board. Nominees shall be selected from recommendations of the corporation members. The committee shall endeavor to recommend nominees from the corporation's service area, taking into consideration nominee experience and training in the fields of business, finance, health, legal, information technology and other areas that may benefit the corporation. [revised 2010]

ARTICLE VII. ADMINISTRATOR

Section 1. Selection and General Duties. The Board of Directors shall appoint a qualified hospital Administrator. The Administrator shall have had education and actual experience

of a suitable kind, nature and duration in hospital administration. The Administrator shall be responsible for the management of the hospital and all its departments, subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. The Administrator shall act as the "duly authorized representative" of the Board of Directors in all matters in which the Board has not formally designated some other person for that specific purpose. The Administrator shall be responsible to the Board of Directors for the proper performance and evaluation of assigned duties.

Section 2. Specific Authority and Duties of the Administrator. In addition to the general authority and duties set forth in subsection A hereof, the Administrator shall have the following specific authority and duties.

a. Policies and Procedures. To carry out and enforce all policies established by the Board of Directors, and advise on formation of these policies.

b. Plan of Organization. To perfect and submit to the Board of Directors for approval a plan of organization of personnel and others concerned with the operations of the hospital.

c. Personnel. To select, employ, control and discharge all employees. To develop and maintain personnel policies and practices for the hospital which must be approved by the Board of Directors to become effective.

d. Financial Management and Annual Budget. To supervise all business affairs and to insure that all funds are collected and expended to the best possible advantage. To prepare an annual budget showing the expected receipts and expenditures as required by the Executive Committee.

e. Physical Maintenance. To see that all physical properties are kept in good repair and operating condition.

f. Patient Care. To work with the Medical Staff and with all those concerned with the rendering of professional services to the end that the appropriate care may be rendered to all patients. A process will be designed to assure that all individuals providing patient care services but not subject to medical staff privilege delineation are competent to provide such services. Individuals who provide patient care services but are not subject to medical staff privilege process will be credentialed as Allied Health Professionals to assure their competency to provide such services. A process or processes shall be designed to assure that all individuals responsible for the assessment, treatment, or care of patients are competent, as appropriate to the ages of patients served, (i.e., the ability to obtain information and interpret information) in terms of patient needs; a knowledge of growth and development; an understanding of the range of treatment needed by these patients.

g. Reports. To submit regularly to the Board of Directors or its authorized committees periodic reports showing the professional service statistics and financial activities of the hospital and to prepare and submit such special reports as may be required by the Board of Directors.

h. Meetings. To attend all meetings of the Board of Directors and its committees, and of the Medical Staff.

i. Medical Staff Liaison. To serve as the channel for all the official communication between the Board of Directors or any of its committees, and the Medical Staff.

j. Community Relations. To provide liaison between the hospital and the community as deemed appropriate by the Board of Directors.

k. Partners of MMH&C. To review the Bylaws, Rules and Regulations of the Partners and all of its activities and make recommendations concerning the same to the Board of Directors.

l. General. To represent the hospital in its relationships with other health agencies and the public and to perform other duties that may be necessary in the best interest of the hospital.

ARTICLE VIII. MEDICAL STAFF

Section 1. General. The Board of Directors shall appoint a Medical Staff composed of physicians, dentists, and podiatrists who are graduates of recognized medical or dental schools or schools of podiatry, and licensed to practice in the State of Wisconsin, and shall see that they are organized into a responsible administrative unit and adopt such bylaws, rules and regulations for government of their practice in the hospital as the Board of Directors deems to be of the greatest benefit to the care of patients within the hospital. In the case of the individual patient, the physician duly appointed to the Medical Staff shall have full authority and responsibility for the care of that patient subject only to such limitations as the Board of Directors may formally impose, and subject to the bylaws, rules and regulations for the Medical Staff and Dental Staff adopted by the Medical Staff and the Board of Directors. Medical Staff Physicians shall be included on Governing Body committees that deliberate issues affecting the discharge of Medical Staff responsibilities.

Section 2. Applications. All applications for appointment to the Medical Staff shall be in writing and addressed to the Administrator of the hospital. The application shall contain full information concerning the applicant's education, licensure, practice, previous hospital experience, and any unfavorable history with regard to licensure, practice, and hospital privileges. The information shall be verified by the Credentials Committee of the Medical Staff.

Section 3. Recommendations. The Medical Staff shall make recommendations to the Board of Directors concerning:

1. Appointments, reappointments and other changes in staff status.
2. Granting of clinical privileges.
3. Disciplinary actions.
4. Matters relating to professional competency and quality assurance.
5. Such specific matters as may be referred to it by the Board of Directors.

Section 4. Appointments/Reappointments. Initial appointments will be for a period of six months. Reappointments will be for a period of not more than two Medical Staff years.

Section 5. Hearing, Review and Appeal. When an appointment/reappointment is proposed not to be accepted or renewed, or when privileges have been or are proposed to be reduced, altered, suspended, or terminated, the Staff member shall be offered the opportunity of a hearing before the Medical Staff whose recommendations shall be considered by the Board of Directors. Such hearings shall be conducted under procedures to insure due process, and to

afford full opportunity for the presentation of all pertinent information. Report of such hearings before the Medical Staff shall be furnished by the Medical Staff to the Board of Directors.

When the Board of Directors does not concur with a Medical Staff recommendation relative to Medical Staff appointment, reappointment or termination of appointment, and the granting or curtailment of clinical privileges, there shall be provision for a review of the recommendation by a combined committee of the Medical Staff and the Board of Directors before the Board of Directors renders a final decision.

Section 6. Bylaws, Rules and Regulations. Bylaws, rules and regulations for the Medical Staff setting forth its organization and government shall be recommended by the Medical Staff, and such bylaws as approved by the Board of Directors shall become part of the Bylaws of Moundview Memorial Hospital & Clinics, Inc. The power of the Board of Directors to adopt or amend Medical Staff or Dental Staff bylaws, rules and regulations shall not be dependent upon ratification by the Medical Staff.

Section 7. Medical Care Evaluation. The hospital and Medical Staff have a duty to cooperate in their mutual responsibility of assuring an appropriate quality of patient care standards within the hospital. In those areas wherein medical, dental, or podiatric judgment and evaluation of professional competence are involved, the hospital has a duty to rely upon the judgments and recommendations of the Medical Staff, to cooperate and to provide needed assistance with full understanding that the primary responsibility is that of the Medical Staff. Patients will be admitted to the hospital only on the recommendation of a physician who has admitting privileges. The Medical Staff shall arrange that a physician is on call at all times. The Medical Staff shall conduct ongoing Quality Assurance activities.

Section 8. Advisory Representative to Board. The Medical Staff shall designate the Chief of Staff or his/her designee as Advisory Representative to the Board of Directors and such representative shall be requested to attend all Board of Directors meetings and committee meetings as requested.

ARTICLE IX. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authorization may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as may be selected by or under the authority of the Board of Directors.

Section 5. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the corporation.

ARTICLE X. FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June of each year.

ARTICLE XI. SEAL

Section 1. Seal. The Board of Directors shall provide an Association Seal which shall be circular in form and shall have inscribed thereon the name of the Association and the State of Incorporation, and the words: "Association Seal, Wisconsin".

ARTICLE XII. INDEMNIFICATION

Section 1. Indemnification for Successful Defense. Within 20 days after receipt of a written request pursuant to Section 3, the corporation shall indemnify a director or officer, to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director or officer was a party because he or she is a director or officer of the corporation.

Section 2. Other Indemnification.

a. In cases not included under Section 1, the corporation shall indemnify a director or officer against all liabilities and expenses incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is a director or officer of the corporation, unless liability was incurred because director or officer breached or failed to perform a duty he or she owes to the corporation and the breach or failure to perform constitutes any of the following:

1] A willful failure to deal fairly with the corporation or its members in connection with a matter in which the director or officer has a material conflict of interest.

2] A violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful.

3] A transaction from which the director or officer derived an improper personal profit.

4] Willful misconduct.

b. Determination of whether indemnification is required under this Section shall be made pursuant to Section 5.

c. The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required under this Section.

Section 3. Written Request. A director or officer who seeks indemnification under Section 1 or 2 shall make a written request to the corporation.

Section 4. Nonduplication. The corporation shall not indemnify a director or officer under Section 1 or 2 if the director or officer has previously received indemnification or allowance of expenses from any person, including the corporation, in connection with the same proceeding. However, the director or officer has no duty to look to any other person for indemnification.

Section 5. Determination of Right to Indemnification.

a. Unless otherwise provided by the Articles of Incorporation or by written agreement between the director or officer and the corporation, the director or officer seeking indemnification under Section 2 shall select one of the following means for determining his or her right to indemnification:

1] By a majority vote of a quorum of the Board of Directors consisting of directors not at the time parties to the same or related proceedings. If a quorum of disinterested directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two or more directors not at the time parties to the same or related proceedings. Directors who are parties to the same or related proceedings may participate in the designation of members of the committee.

2] By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed sub. (1) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings.

3] By a panel of three arbitrators consisting of one arbitrator selected by those directors entitled under sub. (2) to select independent legal counsel, one arbitrator selected by the director or officer seeking indemnification and one arbitrator selected by the two arbitrators previously selected.

4] By an affirmative vote of a majority of the members present or represented at a meeting at which a quorum is present, if there are members having voting rights. Membership rights owned by, or voted under the control of, persons who are at the time parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not be voted in making the determination.

5] By a court under Section 8.

6] By any other method provided for in any additional right to indemnification permitted under Section 7.

b. In any determination under (a), the burden of proof is on the corporation to prove by clear and convincing evidence that indemnification under Section 2 should not be allowed.

c. A written determination as to a director's or officer's indemnification under Section 2 shall be submitted to both the corporation and the director or officer within 60 days of the selection made under (a).

d. If it is determined that indemnification is required under Section 2, the corporation shall pay all liabilities and expenses not prohibited by Section 4 within 10 days after receipt of the written determination under (c). The corporation shall also pay all expense incurred by the director or officer in the determination process under (a).

Section 6. Advance Expenses. Within 10 days after receipt of a written request by a director or officer who is a party to a proceeding, the corporation shall pay or reimburse his or her reasonable expenses as incurred if the director or officer provides the corporation with all of the following:

1] A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the corporation.

2] A written undertaking, executed personally or on his or her behalf, to repay the allowances to the extent that it is ultimately determined under Section 5 that indemnification under Section 2 is not required and that indemnification is not ordered by a court under Section 8 (b)(2). The undertaking under this subsection shall be an unlimited general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

Section 7. Nonexclusivity.

a. Except as provided in (b), Sections 1, 2 and 6 do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under any of the following:

1] The Articles of Incorporation.

2] A written agreement between the director or officer and the corporation.

3] A resolution of the Board of Directors.

4] A resolution, after notice, adopted by an affirmative vote of a majority of the members present or represented at a meeting at which a quorum is present, if there are members having voting rights.

b. Regardless of the existence of an additional right under (a), the corporation shall not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses unless it is determined by or on behalf of the corporation that the director or officer did not breach or fail to perform a duty he or she owes to the corporation which constitutes conduct under Section 2(a) (1), (2), (3) or (4). A director or officer who is a party to the same or related proceeding for which indemnification or an allowance of expenses is sought may not participate in a determination under this subsection.

c. Sections 1 or 12 do not affect the corporation's power to pay or reimburse expenses incurred by a director or officer in any of the following circumstances.

1] As a witness in a proceeding to which he or she is not a party.

2] As a plaintiff or petitioner in a proceeding because he or she is or was an employee, agent, director or officer of the corporation.

Section 8. Court-Ordered Indemnification.

a. Except as provided otherwise by written agreement between the director or officer and the corporation, a director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application may be made for an initial determination by the court under Section 5(a) (5) or for re-

view by the court of an adverse determination under Section 5(a) (1), (2), (3), (4) or (6). After receipt of an application, the court shall give any notice it considers necessary.

b. The court shall order indemnification if it determines any of the following:

- 1] That the director or officer is entitled to indemnification under Section 1 or 2.
- 2] That the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, regardless of whether indemnification is required under Section 2.

c. If the court determines under (b) that the director or officer is entitled to indemnification, the corporation shall pay the director's or officer's expenses incurred to obtain the court-ordered indemnification.

Section 9. Indemnification of Employees or Agent. The corporation may indemnify and allow reasonable expenses of an employee or agent who is not a director or officer to the extent provided by the Articles of Incorporation or Bylaws, by general or specific action of the Board of Directors or by contract.

Section 10. Insurance. The corporation may purchase and maintain insurance on behalf of an individual who is an employee, agent, or director or officer of the corporation against liability asserted against or incurred by the individual in his or her capacity as an employee, agent, director or officer, regardless of whether the corporation is required or authorized to indemnify or allow expenses to the individual against the same liability under Sections 1, 2, 6 and 9.

Section 11. Liberal Construction. In order for the corporation to obtain and retain qualified directors and officers, the foregoing provisions shall be liberally administered in order to afford maximum indemnification of directors and officers, and, accordingly, the indemnification above provided for shall be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

Section 12. Definitions Applicable to This Article.

a. "Affiliate" shall include, without limitation, any corporation, partnership, joint venture, employee benefit plan, trust or other enterprise that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the corporation.

b. "Corporation" means this corporation and any domestic or foreign predecessor of this corporation where the predecessor corporation's existence ceased upon the consummation of a merger or other transaction.

c. "Director or Officer" means any of the following:

- 1] A natural person who is or was a director or officer of this corporation.
- 2] A natural person who, while a director or officer of this corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise.
- 3] A natural person who, while a director or officer of this corporation, is or was serving an employee benefit plan because his or her duties to the corporation also impose on

duties or otherwise involve services by, the person to the plan or to participants in or beneficiaries of the plan.

- 4] Unless the context requires otherwise, the estate or personal representative of a director or officer.

For purposes of this Article, it shall be conclusively presumed that any Director or Officer serving as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of an Affiliate shall be so serving at the request of the corporation.

d. "Expenses" include fees, costs, charges, disbursements, attorney fees and other expenses incurred in connection with a proceeding.

e. "Liability" includes the obligation to pay a judgment, settlement, penalty assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, and reasonable expenses.

f. "Party" includes a natural person who was or is, or who is threatened to be made, a named defendant or respondent in a proceeding.

g. "Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the corporation or by any other person.

ARTICLE XIII. ASSOCIATED ORGANIZATIONS

Section 1. Management and Control. The Board of Directors shall have full and complete authority to create associate organizations for such purposes as the Board of Directors may from time to time decide to promote the general welfare of the hospital and, more particularly, to provide associated services to those persons being treated in the hospital. All associate organizations shall have such rights and privileges as may be granted from time to time by the Board of Directors.

Section 2. Service and Supplies. The Board of Directors may provide space and furnish services and supplies to said hospital associates in such manner as the Board may from time to time deem proper.

Section 3. Bylaws, Rules and Regulations. The members of said hospital associates shall prepare bylaws, rules and regulations setting forth its organization and government. Proposed bylaws, rules and regulations may be recommended to the Board of Directors by said associate, but only those adopted by the Board of Directors shall become effective. Said hospital associate shall at all times function under the direct supervision of the Administrator and the indirect supervision and control of the Board of Directors.

Section 4. Meeting Minutes. The hospital associate shall transmit all minutes of meetings to the Administrator who shall advise the Board of Directors concerning the Associate.

ARTICLE XIV. AMENDMENTS

Any provision of these Bylaws may be altered, amended or repealed by the Board of Directors; provided that any alteration, amendment or repeal of Section 1 of Article IV of these Bylaws shall be effective only upon an affirmative vote of two-thirds of the members of the Corpo-

ration present at a meeting of the Corporation, provided that all proposed changes to Section 1 of Article IV of these Bylaws shall have been reviewed at a meeting of the Board of Directors prior to consideration of proposed changes by the members and provided that the notice for the corporate meeting shall indicate an intention to consider proposed changes to the Bylaws. [revised 2009]

The Association Bylaws shall be reviewed annually and revised as necessary.

ADOPTED BY THE MEMBERS OF THE MOUNDVIEW MEMORIAL HOSPITAL & CLINICS, INCORPORATED:

_____	_____
Board President	Date
_____	_____
Board Secretary	Date
_____	_____
Board President	Date
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Board Secretary	Date
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Board President	Date
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Board Secretary	Date
_____	_____
Board President	Date

The Association Bylaws shall be reviewed annually and revised as necessary.

ADOPTED BY THE MEMBERS OF THE MOUNDVIEW MEMORIAL HOSPITAL & CLINICS,
INCORPORATED:

_____	_____
Board President	Date
_____	_____
Board Secretary	Date
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