

COPY

BYLAWS  
OF  
BLUEGRASS MEDICAL GROUP MANAGEMENT ASSOCIATION, INC.

ARTICLE I  
NAME

The name of the corporation shall be BLUEGRASS MEDICAL GROUP MANAGEMENT ASSOCIATION, INC. (hereinafter, the "Corporation"), a Kentucky nonprofit, non-stock corporation organized under KRS Chapter 273.

ARTICLE II  
PRINCIPAL OFFICE, REGISTERED AGENT

Section 2.1 - Principal Office. The principal office of the Corporation shall be located at the address of the Corporation's current President. The Corporation shall cause a Statement of Change of Principal Office Address to be filed with the Kentucky Secretary of State within ten (10) days of the election of a new President. The correspondence address will be PO Box 23110 Lexington, Ky 40523-3110.

Section 2.2 - Registered Agent. Corporation's Registered Agent shall be the Corporation's current President. The Corporation shall cause a Statement of Change of Registered Office, Registered Agent, or Both to be filed with the Kentucky Secretary of State within ten (10) days of the election of a new President.

ARTICLE III  
PURPOSES

The Corporation is organized and operated exclusively for charitable and educational purposes. In carrying out its corporate purposes, the corporation shall have all the powers allowed corporations by Chapter 273 of the Kentucky Revised Statutes. In furtherance of these purposes, the Corporation shall endeavor to educate and inform Members of the Corporation on issues that relate to the management of medical practices and to continually improve the performance of medical group practice professionals and the organizations they represent. The Corporation shall not engage in any regular business of a kind ordinarily carried on for profit and no monetary gain shall inure to the benefit of any Member of the Corporation.

ARTICLE IV  
MEMBERSHIP

Section 4.1- Admission to Membership. Membership in the Corporation shall be subject to the approval of the Board of Directors. All memberships, when approved by the Board of Directors, will become effective upon payment of the specified initiation fee and

dues. The dues, fees, and charges of the Corporation shall be established by the Corporation's Board of Directors, and shall be payable as directed by the Board of Directors.

**Section 4.2 - Classes of Membership.** The membership shall consist of the following classes:

- A. **Active Member:** Any medical office manager or supervisor and those involved in the management of a medical office are eligible to apply for Active Membership in the Corporation. Active Members shall be eligible to hold office, serve on any committee of the Corporation, and vote in all Corporation elections.
- B. **Associate Member:** Any person nominated by a medical office manager as a lead or department manager within their office is eligible to apply for Associate Membership in the Corporation. Associate Members may vote, hold office, and serve on committees of the Corporation at the discretion of the Executive Committee of the Corporation.
- C. **Student Member:** Any student who is enrolled in an accredited medical management program is eligible to apply for a Student Membership in the Corporation. Student Members cannot hold office or vote in elections of the Corporation but can serve on committees of the Corporation.
- D. **Business Partner:** Any individual or organization with an interest in the delivery of healthcare is eligible to apply for a Business Partner Membership. Business Partner Members can not vote in elections of the Corporation and can serve on committees of the Corporation but cannot hold an officer position in the Corporation.

**Section 4.3 - Membership Resignation.** Any Member of the Corporation not in arrears or having a financial obligation to the Corporation may resign in good standing. Resignations shall be made in writing to the Secretary. Refunds of advance payments shall be made only when approved by the Board of Directors.

**Section 4.4 - Suspension and Termination of Membership.**

- A. The Board of Directors, by the majority vote of its members, may suspend or terminate a Member for cause after an appropriate hearing. The Member concerned must be informed in writing fifteen (15) days prior to the date of such hearing. The vote on suspension or termination shall be taken by secret ballot.

- B. The Board of Directors of the Corporation may terminate the membership of any Members whose dues remain outstanding for 90 days after the date upon which such dues are due and payable.
- C. A Member whose membership has been terminated may be reinstated by the Board of Directors upon payment all applicable dues and initiation fees.
- D. Any Member whose membership becomes eligible for termination a second time will not be considered for reinstatement.
- E. Membership in the Corporation may be transferred or assigned only upon the prior written approval of the Board of Directors.

**Section 4.5 - Membership Reinstatement.** Former Members who resign from the Corporation in good standing will be eligible for reinstatement of membership, after its application for membership is approved by the Corporation's Board of Directors and upon payment of all applicable dues and initiation fees.

**Section 4.6 - Guests.** Members shall have the right to invite guests to meetings provided that the President may elect to have certain meetings or certain portions of meetings closed to non-members. Attends of an educational session that are not Members or invited by a Member shall pay a fee of \$10 per session. An individual may only attend two (2) meetings as a guest and, thereafter, the individual must become a Member to attend meetings.

## **ARTICLE V** **DIRECTORS**

**Section 5.1 - Membership.** The Board of Directors shall be composed of the officers of the Corporation which are the President, President Elect, First Vice President, Second Vice President, Secretary, and Treasurer. The term of service for the Board of Directors shall be one (1) year with the exception of the treasurer which will be a two (2) year term.

**Section 5.2 - Vacancies.** A vacancy occurring on the Board shall be filled in accordance with the terms of Section 6.4 of these Bylaws.

**Section 5.3 - Resignation.** Any Director may resign at any time by giving written notice to the Board, subject to the rights, if any, of the Corporation under any contract to which the Director is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5.4 - Removal of a Director.** Any Director may be removed from office, with or without cause, by a vote of the remaining Directors. Reasons for removal may include, without limitation, failure to attend meetings and to diligently perform the duties of Directors, and such other reasons as provided in the Kentucky Revised Statutes. In the event any one or more of the Directors is so removed, new Directors shall be elected by the remaining Directors from nominees meeting the requirements of Section 5.1 of these Bylaws.

**Section 5.5 - Powers and Duties.** The Board of Directors shall control and manage the property and affairs of the Corporation.

**Section 5.6 - Meetings of the Board.**

- A. **Regular Meetings:** Six or more meetings will be held annually at such times as the Board shall determine and at least five (5) days notice shall be given to Directors for these meetings.
- B. **Special Meetings:** Special meetings of the Board may be called by the President, at the President's discretion, or by any two (2) Members of the Executive Committee. The President or the Executive Committee is required to call a meeting of the Board of Directors upon the written request of three (3) Members of the Board. At least five (5) days notice shall be given to Directors for these meetings.
- C. **Annual Membership Meeting:** An annual membership meeting shall be held during the October meeting of the Corporation unless otherwise set by the Board of Directors, for the purpose of transacting any business appropriately before such meeting. Notice of the date, time, and place of such meeting shall be made to all members no less than twenty (20) days prior to date of such meeting by reasonable means.
- D. **Quorum:** Four (4) voting Directors shall constitute a quorum for the transaction of business by the Board at its meetings.
- E. **Presiding Officer:** The President shall serve as the presiding officer of all meetings of the Board. The President-Elect shall serve as the presiding officer in the absence of the President. In the event that neither the President nor the President-Elect can so serve, the Board shall appoint a presiding officer.
- F. **Attendance of Members at Meetings:** Directors are expected to attend all Board meetings. In the event that a Director cannot attend a Board meeting, the Member must inform the Board President of the anticipated absence

prior to the Board meeting. In the event of three (3) absences in a calendar year without notice, that member's commitment to serving on the Board will be reassessed by the Executive Committee and appropriate action taken. Three absences in any calendar year will constitute grounds for removal from the Board.

- G. Action in Lieu of Meeting: Any action required or permitted to be taken by the Board, may be taken without a meeting, as long as all the Members of the Board individually or collectively consent, in writing, to such action. Any such action shall be reflected in the corporate minutes of the Corporation and shall have the force and effect of a unanimous vote of the Board.

**Section 5.7 - Compensation.** Directors shall serve without compensation except for reimbursement for reasonable expenses and as otherwise specifically provided by a resolution of the Board. Directors may be reimbursed for all out-of-pocket expenses incurred in attending meetings and carrying out duties and functions directly related to the Corporation's business.

**Section 5.8 - Conflicts of Interest.** The Board shall promulgate written policies regarding conflict of interest related to its own directors and any directors who may be employees of the Corporation. Such policies shall not be inconsistent with the standards of conduct set forth in the Kentucky Revised Statutes. Such policies shall ensure full disclosure of financial interests and transactions where conflict of interest is a possibility, and shall seek to avoid potential conflict of interest. Such policies shall impose upon each Director the responsibility to be alert to possible conflicts of interest. Such policy shall require that each Director declare his/her absence of conflicts of interest on an annual basis and acknowledge understanding that the Corporation is a charitable organization that must engage primarily in activities that accomplish one (1) or more of its tax-exempt purposes.

## **ARTICLE VI** **OFFICERS**

**Section 6.1 - Officers; Election and Term.** The officers of the Corporation shall be a President, President-Elect, First Vice President, Second Vice President, Secretary, and Treasurer. The Secretary of the Board of Directors shall cause a slate of nominees, to be determined as set forth in Section 7.1.B of these Bylaws. The officers shall then be elected by the Membership of the Corporation at the September meeting of the Membership each year. In the event of a tie vote, a second general Membership vote will be taken. If the tie still exists, the Executive Committee shall vote to break the tie.

- A. The President shall preside at all meetings of the membership and the Board of Directors, and shall be an ex-officio Member of all committees. It shall be the responsibility of the President to appoint members of all Committees provided

for in these Bylaws. The President may call a meeting of any committee at any time deemed necessary.

- B. The President-Elect shall assume the powers and responsibilities of the President in the absence of the President and shall succeed the current President at the end of the current President's term.
- C. The First Vice President and Second Vice President shall organize all membership meetings of the Corporation, obtain sponsorships for all meetings of the Corporation, and, in general, perform all duties incident to the organization of such meetings. The First Vice President shall succeed the current President-Elect at the end of the current President-Elect's term and the Second Vice President shall succeed the current First Vice President at the end of the current First Vice President's term.
- D. The Secretary shall record the Minutes of all meetings of the Board of Directors and the Executive Committee, and shall perform such other duties as may be prescribed by the Board of Directors or the President.
- E. The Treasurer shall be responsible for the records of the membership, all funds of the Corporation, shall deposit funds in the name of the Corporation in such banks as shall be selected by the Board of Directors, and shall, in general, perform all duties incident to the Office of the Treasurer. A committee appointed by the President shall audit the books at the expiration of the Treasurer's term of office or if the Treasurer is unable to fulfill his or her term. At the end of the term the outgoing Treasurer must assist the new Treasurer with the annual reported outlined in Section 8.3.

**Section 6.2 - Subordinate Officers.** The Board may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period and who shall have such authority and perform such duties as are required in these Bylaws or as the Board may from time-to-time determine.

**Section 6.3 - Resignation.** Any officer may resign at any time by giving written notice to the Board, subject to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6.4 - Vacancy.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in this Article VI for the regular appointments to such office.

**ARTICLE VII**  
**COMMITTEES**

**Section 7.1 - Standing Committees.** The President shall appoint a chair for each of the following standing committees. Each chair will be present at all committee meetings and elect a secretary to record the committee meeting minutes for the record.

- A. **Executive Committee.** The Executive Committee shall consist of the President, President-Elect, First Vice President, Second Vice President, Secretary, Treasurer, and the Chairs of the Nominating, Current Trends in Health Care, and Bylaws Committees. Each member of the Executive Committee shall continue in office until a successor has been appointed. The Executive Committee may approve educational scholarships to Active or Associate Members of the Corporation, at its discretion; provided, however, for any such scholarship to be awarded, the Corporation must have no less than Ten Thousand Dollars (\$10,000) remaining its Operating Account after such scholarship is awarded. No scholarship shall exceed Five Hundred Dollars (\$500) and no Active Member, Associate Member or their respective practices can receive more than one (1) scholarship in any calendar year.
- B. **Nominating Committee.** The Nominating Committee shall consist of a Chair and at least four (4) Members of the Corporation and shall be elected by all voting Members of the Corporation at the July Meeting of the Corporation. This Committee shall prepare a slate of candidates for the various offices of the Board of Directors and shall assist in the conduct of any elections as needed.
- C. **Current Trends in Health Care Committee.** The Current Trends in Health Care Committee shall consist of a Chair and at least two (2) additional members, to be selected by the President. This Committee shall monitor emerging issues related to the provision of health care, including (without limitation) issues related to physician fee schedules, reimbursement for healthcare services, pre-certification issues, management issues, and legal trends in healthcare. This committee shall plan a presentation for the Corporation's September meeting each year.
- D. **Bylaws Committee.** The Bylaws Committee shall consist of a Chair and at least two (2) additional members, to be selected by the President. This Committee shall be charged with the periodic review of the Corporation's Bylaws and for recommending necessary amendments to the Bylaws for a vote of the Board of Directors.
- E. **Membership Committee.** The Membership Committee shall consist of a Chair and at least two (2) additional members, to be selected by the President. This Committee shall be charged with welcoming members at membership meetings soliciting medical managers from various medical specialties to serve on and

provide input during membership meetings; work on recruitment of members; direct membership activities; Executive Board meetings and meeting with Committee membership.

**Section 7.2 - Special Committees.** The President may appoint such other Committees as may be deemed either necessary or desirable at the President's discretion, or at the direction of the Board of Directors.

## **ARTICLE VIII**

### **RECORDS, REPORTS AND INSPECTION RIGHTS**

#### **Section 8.1 - Maintenance of Articles, Bylaws, and Other Records.**

- A. The Corporation shall keep at its principal office the original or copies of the Articles of Incorporation and the Bylaws, as amended to date.
- B. The accounting books, records, and minutes of proceedings of the Board and Committees of the Board shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, electronic, or printed form.

**Section 8.2 - Inspection by Directors or Members.** Except as otherwise limited by law, every Director and Member shall have the right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation for any reasonable purpose. This inspection by a Director or Member may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

**Section 8.3 - Annual Report.** The fiscal year of this Corporation shall be a calendar year. The Treasurer shall provide a report containing the following information in reasonable detail to the Directors within sixty (60) days of the end of the fiscal year:

- A. The assets and liabilities of the Corporation as of the end of the fiscal year;
- B. The principal changes in assets and liabilities during the fiscal year;
- C. The revenue or receipts of the Corporation both unrestricted and restricted to particular purposes, for the fiscal year;



- D. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;
- E. Any information required by the Kentucky Revised Statutes regarding transactions with interested persons and indemnifications; and
- F. The report shall be accompanied by any report by independent accountants, or, if there is no such independent report, a certificate to the effect that the report was prepared without audit.

**ARTICLE IX**  
**EXECUTION OF DOCUMENTS**

The following persons shall be authorized to execute any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized (i) any officer or other person duly authorized by resolution of the Board to execute documents; or (ii) in the absence of express authorization by Board resolution, the President of the Board subject to such limitations as may be imposed by resolution of the Board.

**ARTICLE X**  
**AMENDMENTS**

These Bylaws may be amended, in whole or in part, by the Board of Directors, by an affirmative vote of three-fourths (3/4) of members of the Board at any regular or special meeting; provided, however, notice of the character of the proposed amendment shall be given to all Directors at least twenty (20) days before such amendment is voted upon, unless such notice is waived by an affirmative vote of no less than three-fourths (3/4) of the members of the Board of Directors.

**ARTICLE XI**  
**WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of these Bylaws, the Articles of Incorporation, or the laws of the Commonwealth of Kentucky, waiver thereof in writing, signed by the person(s) entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XII**  
**INDEMNIFICATION OF OFFICERS AND DIRECTORS**

No individual serving as a Member of the Board of Directors shall be personally liable to the Corporation or its Members for monetary damages for the breach of his or her duties as a Director, except for (i) any transaction in which a Director's personal financial interest is in conflict with the financial interests of the Corporation or its Members, (ii) acts

or omissions made in the absence of good faith or which involve intentional misconduct or are known to the Director to be a violation of law, or (iii) any transaction from which the Director derived an improper personal benefit .

The Corporation shall, to the fullest extent permitted by law, indemnify all incorporators, officers, and Directors of the Corporation, and may, in the discretion of its board of Directors, indemnify all other persons it has the power to indemnify, from and against all expense, liability, and other matters, and may advance expenses to all Directors, officers, employees, or agents of the Corporation who are, were, or are threatened to be made a defendant or respondent to any threatened, pending, or completed action, suit, or proceeding (whether civil, criminal, administrative, or investigative) by reason of the fact that he is or was a Director, officer, employee, or agent of the Corporation, to the fullest extent that is expressly permitted or required by the statutes of the Commonwealth of Kentucky and all other applicable law.

### **ARTICLES XIII** **DISSOLUTION**

Upon the dissolution of the Corporation, the property of the Corporation shall not inure to the benefit of, or be distributed to, any member of the Corporation. In the event of the dissolution of the Association, any property remaining after the payment of the debts and liabilities of the Corporation shall be transferred to a corporation, fund, or foundation organized and operated exclusively for a charitable, scientific, or educational purpose as defined in 26 U.S.C. 501(c)(3), as amended. Such corporation, fund, or foundation shall be selected by the majority vote of the Members of the Corporation.

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OFFICER'S CERTIFICATE

I, Amy Morrison, hereby certify that I am a duly elected and acting officer of Bluegrass Medical Group Management Association, Inc., a Kentucky non-profit, non-stock corporation, and that the foregoing Bylaws, comprising eleven (11) pages, constitute the current Bylaws of the Bluegrass Medical Group Management Association, Inc., which were duly adopted by the unanimous vote of the Directors of the Corporation on this the 3<sup>RD</sup> day of December, 2009.

Amy Morrison  
Print Name: Amy Morrison  
Title: President