



BYLAWS

Amended September 13, 2001
Amended March 30, 2006
Amended January 23, 2013
Amended October 21, 2014
Amended August 12, 2015
Amended October 20, 2015

NEBRASKA HOSPITAL ASSOCIATION

AMENDED BYLAWS

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**AMENDED BYLAWS
OF
THE NEBRASKA HOSPITAL ASSOCIATION**

(As Amended September 13, 2001; March 30, 2006; January 23, 2013; October 21, 2014, August 12, 2015, October 20, 2015)

ARTICLE I

NAME

This corporation shall be known as "The Nebraska Hospital Association."

ARTICLE II

OFFICES

The principal office of the corporation in the State of Nebraska shall be located in the City of Lincoln, County of Lancaster. The corporation may have such other offices, either within or without the State of Nebraska as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

The corporation shall have and continuously maintain in the State of Nebraska a registered agent whose office is identical with such registered office, as required by the Nebraska Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Nebraska and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III

PURPOSES

The purposes for which the Nebraska Hospital Association is formed are:

(a) To be a financially viable, not-for-profit health care association, serving Nebraska hospitals and their affiliated health-related activities in accordance with policies established by the Board of Directors, and to provide them with representation and advocacy, communications, policy analysis and development, education, health care data analysis and use, and special services so that they may better serve the public need.

(b) To provide leadership and support to the health care industry at the local and state, regional and national levels in improving the health care delivery system so that comprehensive health care services are provided efficiently and effectively to all consumers.

(c) To ensure that conscious and systematic planning, leading, organizing and controlling work is performed by all components of the organization so that the purposes of the organization are completed based on measurable quality standards and in a cost effective manner.

(d) To seek adequate financing of needed health care services and facilities.

(e) To advance cooperative relationships between reimbursement agencies and health providers in the state.

(f) To provide information to and establish additional lines of communication with the public regarding health services.

(g) To serve as the primary resource for collecting, analyzing and disseminating health care industry information and data within the State of Nebraska.

(h) To perform any and all such other functions as properly and commonly come within the providence of a nonprofit corporate association.

ARTICLE IV

MEMBERSHIP

Section 1. CLASSES OF MEMBERS. Membership in the Association shall be three classes: Institutional, Affiliate and Personal. Membership shall be limited to institutions, organizations and individuals interested in and supportive of the objectives and purposes of this Association and as accepted and determined by the Board of Directors of the Association.

A. INSTITUTIONAL MEMBERSHIP. There may be six types of Institutional Members as follows:

1. TYPE I shall include hospitals, both general and special, that care primarily for patients with conditions normally requiring a comparatively short stay.
2. TYPE II shall include all other institutions that provide inpatient care.
3. TYPE III shall include clinics and other similar organizations for the diagnosis and treatment of the sick and injured but not rendering inpatient care.
4. TYPE IV shall include any auxiliary or service group organized in connection with a hospital which holds institutional membership in the Association.
5. TYPE V shall include holding companies, parent corporations and similar organizations, which own, control or operate hospitals otherwise eligible for Type I membership. Organizations shall be eligible for Type V membership if at least 95% of its eligible operating units hold Type I membership or have applied for and been found eligible for such membership prior to approval of Type V membership for the central organizational entity. Said 95% membership level must be maintained by the Type V member to retain its membership standing. Upon approval of Type V membership, each Type I operating unit or unit eligible for Type I membership, shall be designated a Type I Institutional Member.
6. TYPE VI shall include organizations interested in the objectives of the Association but not eligible for institutional membership Types I, II, III, IV, or V, provided these organizations qualify for such membership in accordance with such regulations as the Board of Directors may enact from time to time.

B. TYPES OF AFFILIATE MEMBERSHIP. Affiliate membership shall be of the following types:

- TYPE I - Hospitals and health systems which are not located within the State of Nebraska.
- TYPE II - Nonprofit organizations and governmental agencies, whose principal purpose for existence relates to hospitals and health care organizations.
- TYPE III - General and special care state and federal government hospitals whose services are not generally available to the public.
- TYPE IV - All other Affiliate Members to include vendors of goods and services to hospitals and health care organizations.

C. PERSONAL MEMBERSHIPS

1. Personal memberships shall include persons who at the time of their election as personal members, are members of the governing boards, administrators or such other personnel of institutional members as are recommended by the governing boards or administrative officers of said institutions. Personal membership may also be available to other persons who the Board of Directors determine are interested in the objectives of this corporation and who apply for such membership.
2. Personal memberships shall not be available to persons connected with eligible non-member institutions or persons connected with hospitals which fail to meet membership requirements. Persons associated with federal hospitals and persons in allied fields and organizations may be accepted for membership in accordance with such regulations as may be enacted by the Board of Directors from time to time.
3. Any person once a personal member may continue such membership so long as the personal member conforms with regulations instituted by the Board of Directors.
4. Life and honorary personal memberships of individuals may be established by the Board of Directors in accord with regulations or bylaws adopted by it.

Section 2. ELECTION OF MEMBERS. Application for membership shall be made to the President in writing. The application shall be considered by the Board of Directors in such manner as it shall prescribe. The applicant shall become a member for the current year upon Board approval of the application and payment of dues.

Section 3. RESIGNATION. A member not in default in dues payment and against whom no complaint or charge is pending may at any time file with the President, the institution's or person's resignation, and such resignation shall be effective on the day of the filing.

Section 4. DISCIPLINARY ACTION AND REINSTATEMENT

(a) DISCIPLINARY ACTION. The Board of Directors may take disciplinary action with respect to any member in the event it is determined such member is engaging in a course of conduct adverse to the objectives of the Association. In any such instance, the member concerned shall be given written notice that consideration of disciplinary action is pending, and such member shall be offered the opportunity of requesting an appearance before the Board of Directors for the purpose of hearing the

charges and responding thereto. When a hearing is requested, the member shall be given adequate prior notice of the time, place and nature of the hearing and of the disciplinary action that may ensue. If a hearing is not requested, it is waived. In the event, however, the hearing is held, written minutes shall be made of the charges, the response, the evidence and the action taken. Decisions of the Board on matters of disciplinary action shall be final and may consist of censure, suspension or expulsion.

(b) REINSTATEMENT. In the event disciplinary action taken against any member shall result in suspension or expulsion, such member may be reinstated under such terms and conditions as the Board may determine.

ARTICLE V

MEETINGS AND VOTING

Section 1. ANNUAL MEETING. There shall be an annual meeting of the Association held in the fourth quarter of each of the Association's fiscal years at a time and place designated by the Board of Directors. Such time and place shall be announced in writing to the membership at least ten (10) days in advance of the meeting date. Such meetings shall be open to representatives of all institutional members.

Section 2. SPECIAL MEETINGS. Special meetings of the Association may be called by the Chair of the Board or in his/her absence by the Vice Chair of the Board, upon resolution of the Board of Directors or upon the written petition of not less than thirty-five (35) voting members. This petition shall recite the purpose for which the special meeting is to be called. The Chair of the Board or Vice Chair of the Board, as the case may be, through the President, shall give notice in writing to the members of the Association not less than ten (10) days before the date fixed for such special meeting, which notice shall recite the purpose for such meeting.

Section 3. QUORUM. Thirty-five (35) members with voting rights shall constitute a quorum at any meeting of the members. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 4. VOTING RIGHTS. Each Institutional Member, only Types I and II, in good standing, shall be entitled to one voting representative at any annual or special meeting of the corporation. The chief administrative officer of such institutional member shall be its duly accredited voting representative, provided that such institutional member, entitled to vote, may designate another person as its duly accredited representative to exercise that institutional member's voting rights. Voting by proxy shall not be permitted.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. POWERS. The business affairs and property of the corporation shall be governed by a Board of Directors which shall be designated as provided in Section 2. hereof. The number of directors may be increased or decreased; however, the number of directors shall never be less than three (3) and not more than twenty-five (25). The Board of Directors shall have and shall exercise all of the rights and privileges legally exercisable by the corporation, except as otherwise provided for by law, the Articles of Incorporation or these Bylaws. The actions of the Board of Directors taken in accordance with these Bylaws shall represent the official action of the membership of the Association.

Section 2. COMPOSITION. The Board of Directors shall, or may, as provided in this Section 1., consist of the following:

(a) The Chair of the Board, Vice Chair of the Board, Secretary and Treasurer, which officers are elected by the corporate members at the annual meeting of the corporate members, shall automatically become members of the Board of Directors on the first day of the next calendar year.

(b) Four (4) persons elected by the corporate members shall serve as At-Large members of the Board of Directors. These directors shall be elected by the corporate members at the annual meeting of the members. Each such director shall be elected to serve for two (2) terms, consisting of two (2) years each term, shall take office on the first day of the calendar year immediately following the close of the annual meeting of the members at which meeting the director was elected, and shall serve until the last day of the calendar year following the close of the annual meeting of the corporate members at which his/her successor was elected.

- (i) In order to transition to establish staggered terms for the At-Large members of the Board of Directors, effective January 1, 2015, the phase-in shall be as follows:
- a. The At-Large Directors in Seat 1 and Seat 3 shall serve up to one (1) term of one (1) year and one (1) term of two (2) years;
 - b. The At-Large Directors in Seat 2 and Seat 4 shall serve up to two (2) terms of two (2) years each.
 - c. Subsequently, all full terms will be for two (2) terms of two (2) years each, and this provision in the Bylaws shall be removed.

(c) The immediate past Chair of the Board shall automatically become a member of the Board of Directors the first day of the next calendar year following the close of the annual meeting of the corporate members at which meeting his/her successor was elected and shall serve until the last day of the calendar year.

(d) Up to five (5) additional qualified persons who the members of the Board of Directors as specified in (a), (b) and (c) of this subsection may, at the discretion and will of the majority of them, be appointed to serve as District Chairs of the Board of Directors for a term of two years to coincide with the calendar year. This provision (d) is adopted to allow for the appointment of a representative from each of

the five districts into which the State of Nebraska has been divided for corporate purposes. Therefore, not more than one person shall be appointed from any one district. The number of persons who may be appointed and the limit as to number of persons appointed from any one district shall not change even though the number of districts into which the State of Nebraska is divided for corporate purposes may be increased or decreased at the discretion of the Board of Directors. Any person appointed to the Board of Directors under the provisions of this Section 2. (d) shall designate a Vice District Chair from his/her district who shall have the right to attend Board of Directors meetings in the place of the original appointee when that original appointee is unable to attend such meetings. When attending such meetings in the place of the original appointee, the alternate shall have and exercise the same rights and duties as the original appointee, excluding the right to vote.

(e) Members of the Nebraska Hospital Association holding the Delegate and Alternate Delegate positions on the Regional Policy Board of the American Hospital Association, shall automatically become members of the Board of Directors for the duration of their term of their American Hospital Association office.

(f) One physician (either MD or DO) affiliated (employed or not) with a NHA hospital, for a term of two years to coincide with the calendar year.

(g) One Hospital Trustee representing a NHA member hospital for a term of two years to coincide with the calendar year.

Section 3. QUALIFICATIONS. No person shall be entitled to serve as a member of the Board of Directors unless the board member is an employee, employed in the capacity of chief or assistant chief administrative officer, of an Institutional Member, Type I or II, of the corporation.

Section 4. TENURE. Each director appointed, elected or otherwise entitled to serve on the Board under the provisions of Subsection 2, (a) or (c) of this Article VI shall serve from the first day of the next calendar year following the close of the annual meeting of the corporate members at which meeting the director was appointed, elected, or otherwise entitled to serve until the last day of the calendar year.

Section 5. REGULAR MEETINGS. There shall be at least four regular meetings of the Board held each year. One regular meeting shall be held in each of the four quarters of each of the Association's fiscal years. The first regular meeting of the Board of Directors shall be held within ninety days from the close of the annual meeting of the corporate members. This meeting shall be considered to be the annual meeting of the Board. The exact time and place for this annual meeting shall be set by the Chair of the Board who shall give written notice of such meetings as provided for in Section 8 of this Article VI. The Board of Directors may provide by resolution the time and place, either within or without the State of Nebraska, for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 6. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chair of the Board or any six directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Nebraska, as the place for holding any special meeting of the Board called by them.

Section 7. ATTENDANCE AT MEETINGS. A representative of each institutional member of the Association may attend regular and special meetings of the Board of Directors. The Board may, however,

by the affirmative vote of a majority of a quorum of its voting members, determine to convene in a closed session. Closed sessions may be held for any purpose determined by the Board to be appropriate and shall include by way of illustration and not of limitation, such reasons as legislative strategy, pending or threatened litigation, conferring with counsel, security, investigations of misconduct, personnel matters, and other similarly sensitive subjects. When it is convened in a closed session, everyone shall be excluded from the deliberations except members of the Board, Association officers and employees who are requested by the Board to remain, and legal counsel. A closed session of the Board shall continue until such time as the Chair or a majority of the quorum present shall determine to end it and reconvene in a regular meeting open to Association members as herein provided. Each Board member is required to attend 75% of all Board meetings. Absences without justified notification shall be considered detrimental to the Association.

Section 8. ELECTRONIC PARTICIPATION AT MEETINGS. Board of Directors may not participate in and act at any meeting of the full Board of Directors through the use of a conference telephone or other communications equipment, unless approval is granted by the President of the Nebraska Hospital Association or a majority vote of the Board of Directors. Telephonic or electronic Board of Director participation in a Board of Director meeting will not constitute attendance or presence at the meeting. This section is limited to the Board of Directors meetings and is not applicable to Executive Committee meetings as described in Article VII; Committee on Nominations meetings and other Committee and Issue Strategy Group meetings as described in Article XI. Note, email is not considered a proper form of electronic participation at a meeting of the Board of Directors.

Section 9. PRESIDING OFFICER AND SECRETARY OF THE BOARD. The Chair of the Board of the corporation shall act as presiding officer at all meetings of the Board of Directors. In his/her absence, the Vice Chair of the Board shall act. The Secretary of the corporation shall act as Secretary for the Board of Directors. In the absence of the Secretary, the Board shall choose one of its members to act as the Secretary of the Board.

Section 10. NOTICE. Notice of any regular or special meeting of the Board of Directors shall be given at least three (3) days (ten [10] days' notice shall be given when time permits) previously thereto by written notice delivered personally or sent by mail, facsimile or email to each director at his/her address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Email shall be deemed a proper form of notice under these Bylaws. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

Section 11. 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 12. MANNER OF ACTING. The act of a 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.

Section 13. SETTING STANDARDS OF CONDUCT AND LIMITING LIABILITY. The following standards of conduct shall apply to all members of the Board of Directors:

- A. **FIDUCIARY RELATIONSHIP.** A member of the Board of Directors shall stand in a fiduciary relation to the Association and shall perform their duties as a director including their duties as a member of any committee of the Board of Directors upon which a Board member may serve in good faith in a manner the director reasonably believes to be in the best interests of the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing the Board member's duties a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following: (1) one or more officers or employees of the Association who the director reasonably believes to be reliable and competent in the matters presented; (2) legal counsel, public accountants or other persons as may be retained by the Association as to matters which the director reasonably believes to be within the professional or expert competence of such persons; or (3) a committee or body of the Board of Directors upon which the director does not serve, duly designated in accordance with law or Association Bylaws, as to matters within its designated authority, which committee or body of the Board of Directors the director reasonably believes to merit confidence. A director shall not be considered to be acting in good faith if the Board member has knowledge concerning the matter in question that would cause their reliance to be unwarranted.
- B. **BEST INTERESTS CONSIDERATIONS.** In discharging the duties of their respective positions, the Board of Directors, committees or bodies of the Board of Directors and individual directors may, in considering the best interests of the Association, consider the effects of any action upon employees, upon suppliers and customers of the Association and upon communities in which offices or other establishments of the Association are located, and all other pertinent factors.
- C. **BEST INTERESTS PRESUMPTION.** Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the Association.
- D. **MEMBER APPROVAL.** Notwithstanding any other provisions of these Bylaws, the approval of voting members shall be required to amend, alter, change, repeal or adopt any provisions as part of these Bylaws that is inconsistent with the purpose or intent of Section 12, and, if any such action shall be taken, it shall become effective only on a prospective basis from and after the date of such member approval.

Section 14. COMPENSATION. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 15. VACANCIES. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of any increase in the number of directors, shall be filled by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of their predecessor in office.

Section 16. INFORMATION ACTION OF DIRECTORS. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors.

ARTICLE VII

EXECUTIVE COMMITTEE

Section 1. COMPOSITION AND POWERS. There may be an Executive Committee consisting of the Chair of the Board, Vice-Chair of the Board, Secretary, Treasurer and the most immediate Past Chair of the Board. The Chair of the Board of the corporation shall serve as the Chair of the Executive Committee. The Executive Committee shall have all the powers of the Board of Directors between meetings of the Board. All actions of the Executive Committee shall be reported in writing to the Board of Directors and the members of the Association immediately following each Executive Committee meeting. The Executive Committee shall meet as frequently as is necessary to maintain continuity and effective governance in corporate affairs and shall annually evaluate the performance of the President and report to the Board on that evaluation, as well as the recommendation on compensation. The Executive Committee shall be concerned with the financial affairs of the corporation. Actions of the Executive Committee shall be ratified or rescinded by the Board of Directors at its next meeting following the action taken by the Executive Committee.

Section 2. TERM. The officer members shall serve so long as they hold the offices designated.

Section 3. QUORUM. A majority of the members of the Executive Committee shall constitute a quorum of that committee.

ARTICLE VIII

OFFICERS

Section 1. OFFICERS. The officers of the corporation shall be a Chair of the Board, Vice-Chair of the Board, a Secretary, a Treasurer, all of whom shall be elected by the corporate members at their annual meeting in accordance with the provisions of this Article VIII, and the Immediate Past Chair of the Board. No person may hold office in this Association who is not an employee, employed in the capacity of chief or assistant chief administrative officer of a Type I or II Institutional Member of the corporation.

Section 2. APPOINTED OFFICERS. In addition to the officers provided for in Subsection 1., the Board of Directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Notwithstanding any provisions contained in these Bylaws which appear contrary, officers appointed or elected under the provisions of this Subsection 2. shall be appointed by and serve at the pleasure of the Board of Directors.

Section 3. ELECTION AND TERM OF OFFICE. The officers of the corporation provided for in Section 1. of this Article shall be elected annually by the members of the corporation at the regular annual meeting of the corporate members. If the election of officers shall not be held at such meeting, such

election shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until his/her successor shall have been duly elected or appointed and shall have qualified.

Section 4. REMOVAL. Any officer elected or appointed by the corporate members may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 5. 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. A member elected to fulfill a vacant position shall not be precluded from serving full term(s) of office in future elections based on that fulfillment.

Section 6. CHAIR OF THE BOARD. The Chair of the Board shall preside at all meetings of the members and of the Board of Directors. The Chair may sign, with the secretary 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 or by statute to some other officer or agent of the corporation; and in general the Chair shall perform all duties incident to the office of Chair of the Board and such other duties as may be prescribed by the Board of Directors from time to time. The Chair shall submit an annual report, in writing, at the Annual Membership Meeting. The Chair of the Board shall be an ex-officio member of all committees of the Association with voting privileges.

Section 7. VICE-CHAIR OF THE BOARD. In the absence of the Chair of the Board or in the event of his/her inability or refusal to act, the Vice-Chair of the Board shall perform the duties of the Chair of the Board, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair of the Board. The Vice-Chair of the Board shall perform such other duties as from time to time may be assigned to the Vice-Chair by the Chair of the Board or by the Board of Directors.

Section 8. TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation: receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article XIII of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Chair of the Board or by the Board of Directors. The Treasurer shall report at least quarterly to the Board of Directors on the financial condition of the Association.

Section 9. SECRETARY. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to

the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Chair of the Board or by the Board of Directors.

Section 10. IMMEDIATE PAST CHAIR. The Immediate Past Chair of the Board shall serve as the Chair of the Committee on Nominations and have such duties as assigned to the Immediate Past Chair by the Chair.

ARTICLE IX

PRESIDENT

Section 1. The Board of Directors may employ a President.

- A. **TERM OF OFFICE.** The term of office of the President shall be determined by the Board of Directors. The President and any other employees of the corporation need not be members of the corporation or employees of members of the corporation.
- B. **DUTIES AND COMPENSATION.** The duties and compensation of the President shall be determined by the Board of Directors. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation.
- C. **RESPONSIBILITY AND POWERS.** The President shall be responsible to the Board of Directors through the Chair of the Board of the Association and shall have such powers as are usually exercised by the executive officer of similar organizations and as are specifically given to the President by the Board of Directors from time to time. The President shall assist the Secretary and Treasurer of the Board of Directors in performing the duties of the Secretary and Treasurer with respect to keeping proper minutes of meetings and doing the work of the corporate Treasurer, shall be responsible for selecting employees of the corporation and for assigning employee duties and supervising their work. The President shall be an ex-officio member, without vote, of all corporate committees and councils. The President shall submit an annual report, in writing, at the Annual Membership Meeting.

ARTICLE X

DISTRICTS

The Board of Directors may, at its discretion, divide Nebraska into geographical districts for the purpose of facilitating the work of this corporation. The Board of Directors shall establish rules for organization and procedure of the districts, covering relationships with the corporation. The districts, in their organization, shall elect a Chair and other officers of the district.

Section 1. ESTABLISHMENT OF DISTRICTS. The Association shall be made up of districts, the boundaries of such districts to be established by the Board of Directors. Such boundaries may be changed from time to time at the discretion of the Board of Directors. Districts shall function only under the jurisdiction and authority of the Board of Directors and shall not be considered autonomous.

Section 2. DUES, ASSESSMENTS AND FUNDS OF DISTRICTS. Districts may not collect dues, levy assessments, dispense or maintain funds except by authority of the Board of Directors.

Section 3. DISTRICT MEETINGS. Each district shall hold at least one meeting annually. Notice of district meetings shall be in writing, sent by mail, facsimile or email to district members at least 10 days prior to said meetings. Duly designated representatives representing a majority of member institutions shall constitute a quorum for the conduct of district meetings.

Section 4. DISTRICT OFFICERS. Each district at its annual meeting may elect the following officers:

(a) District Chair. The District Chair shall call district meetings, supervise program arrangements for and preside at such meetings. In addition thereto, the District Chair may appoint a designate to attend Association board meetings for the purpose of liaison with their district without vote.

(b) District Vice Chair. The District Chair shall assist the District Chair in performance of the District Chair's duties, and in the absence of the District Chair shall perform the duties of the District Chair.

ARTICLE XI

COMMITTEES/ISSUE STRATEGY GROUPS

Section 1. STANDING COMMITTEES. There shall be two standing committees; the Executive Committee as provided in Article VII and Committee on Nominations.

(a) COMMITTEE ON NOMINATIONS. This Committee shall nominate to the annual meeting of the members, nominees for Chair of the Board, Vice-Chair of the Board, Secretary, Treasurer, and those members of the Board of Directors to be elected; also, delegate and alternates to the Regional Policy Board of the American Hospital Association. Other nominations for any one or all of these offices may be made from the floor at the annual meeting. The Committee on Nominations shall consist of the three most immediate past Chair of the Board, with the most immediate past Chair of the Board acting as Chair of the Committee. If any of the three most immediate past Chair of the Board shall not be employees of a Type I or II Institutional Member of the corporation, or if for any reason, should refuse or fail to serve, the Chair of the Board shall appoint a replacement, meeting the qualifications specified in Article VI, Section 3, of these amended Bylaws. If the immediate past Chair of the Board does not serve on the Committee on Nominations, the next most immediate past Chair of the Board shall chair the Committee.

Section 2. OTHER COMMITTEES AND ISSUE STRATEGY GROUPS. Other committees or issue strategy groups not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a majority of the directors present at a meeting at which a quorum is present. Members of each such committee or issue strategy group shall be members or employees of members of the corporation, and the Chair of the Board of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such members whenever in their judgment the best interests of the corporation shall be served by such removal.

Section 3. TERM OF OFFICE. Each member of a committee or issue strategy group shall continue as such until the end of the calendar year following the next annual meeting of the members of the corporation and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee or issue strategy group, or unless such member shall cease to qualify as a member thereof.

Section 4. MEMBERSHIP. Committees and issue strategy groups shall consist of at least three members each.

Section 5. CHAIR. Except as otherwise provided, one member of each committee or issue strategy group shall be appointed Chair by the person or persons authorized to appoint the members thereof.

Section 6. VACANCIES. Vacancies in the membership of any committee or issue strategy group may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 7. QUORUM. Unless otherwise provided by the Board of Directors designating a committee or issue strategy group, a majority of the whole committee or issue strategy group shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee or issue strategy group.

Section 8. RULES. Each committee or issue strategy group may adopt rules for its own governance not inconsistent with these Bylaws or with rules, motions or resolutions adopted by the Board of Directors.

Section 9. REPORTS. The Chair of each committee or issue strategy group, on or before such date in each year which shall be fixed by the Chair of the Board, shall submit a written annual report covering the work of the respective committee or issue strategy group for the year and its recommendations. Each committee or issue strategy group shall give periodic reports of its activities and recommendations at each regular meeting of the Board and at other times if requested by the Chair of the Board. No recommendations or other action of a committee or issue strategy group shall be considered as the action of the corporation unless and until the same shall have been approved or authorized by the Board of Directors. The Board of Directors shall submit such recommendations, if any, and actions to the meeting of the members, as it deems proper, with any recommendations of its own.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. GENERAL. Every person (and the heirs and legal representatives of such person) who is or was a director, officer, employee, or agent of the Association, or of any other corporation, partnership, joint venture, trust or other enterprise which such person serves or served as such at the request of the Association may in accordance with this Article XII be indemnified by the Association against any and all expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred that may be incurred by such person in connection with or resulting from any threatened, pending, or completed action, suit or proceeding whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) in which such person may become involved, as a party or otherwise by reason of being or having been a director, officer, employee, or agent of the Association or such other corporation, partnership, joint venture, trust, or other enterprises, whether or not such person continues to be such at the time liability or expense is incurred, provided:

(a) in the case of any threatened, pending, or completed action or suit brought by or in the right of the Association to procure a judgment in its favor, that such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association and has not been adjudged to be liable for negligence or misconduct in the performance of duties of the Association; provided however, that if and only to the extent that the Court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court shall deem proper, such person shall be indemnified by the Association in accordance with the court's Order and the provisions of this Article XII; and

(b) in the case of any threatened pending, or completed action or suit, not covered by clause (a), such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, and in addition, in any criminal action or proceeding in which such person had no reasonable cause to believe that his or her conduct was unlawful. The termination of any action, suit, or other proceeding, by judgment, order, settlement (whether with or without Court approval), or conviction or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that such person did not meet the standards of conduct set forth in this paragraph.

Section 2. DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION. Every person (and the heirs and legal representatives of such person) referred to in Section 1 of this Article XII who has been unsuccessful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, shall be entitled to indemnification as provided in Section 1, or in defense of any claim, issue or matter therein, shall be entitled to indemnification as provided in Section 1. Except as provided in the preceding sentence, any indemnification under Section 1 shall be made by the Association, but only if either:

(a) the Board of Directors, acting by a quorum consisting of directors who were not parties to such action, suit, or other proceedings, shall find that such person has met the standards of conduct as set forth in Section 1, or

(b) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so direct, independent legal counsel (who may be regular counsel of the Association) shall deliver to the Association a written opinion that the person has met such standards.

Section 3. ADVANCEMENT OF EXPENSES. Expenses incurred with respect to any action, suit, or other proceeding of the character described in Section 1 of this Article XII may be paid by the Association in advance of the final disposition thereof as authorized in the manner provided in Section 2, upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless it shall ultimately be determined that such person is entitled to indemnification under this Article XII.

Section 4. RIGHTS NOT EXCLUSIVE. The rights of indemnification provided in this Article XII shall be in addition to any rights to which any person (or the heirs or legal representative of such person) referred to in Section 1 of this Article XII may otherwise be entitled under any statute, by law or agreement, both as to action in such person's official capacity and as to action in any other capacity while holding such office and shall continue as to a person who has ceased to be a director, officer, employee or agent of the Association or such other corporation, partnership, joint venture, trust, or other enterprise as identified in Section 1 of Article XII.

ARTICLE XIII

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. CHECKS, DRAFTS, ETC. All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President.

Section 3. DEPOSITS. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories consistent with investment policies established by the Board of Directors.

Section 4. GIFTS. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

ARTICLE XIV

CERTIFICATES OF MEMBERSHIP

Section 1. CERTIFICATES OF MEMBERSHIP. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation when an institutional member has been elected to membership and has paid any dues that may then be required, which shall be in such form as may be

determined by the Board. Such certificates shall be issued annually and signed by the President. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation.

ARTICLE XV

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his/her agent or attorney for any proper purpose at any reasonable time. The financial affairs of this corporation shall be audited at least once each year by a certified public accounting firm.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XVII

DUES

Section 1. ANNUAL DUES. The Board of Directors may determine from time to time the amount of annual dues payable to the corporation by members of each class.

Section 2. PAYMENT OF DUES. Annual dues shall be paid upon thirty (30) days' receipt of invoice or in accordance with a payment schedule as determined by the President of the corporation. If membership is granted before June 1 of any year, the new member shall pay the full year's annual dues for the year membership is granted. If membership is granted on or after June 1, the new member shall pay one-half of the regular year's annual dues for that part of the first year's membership.

Section 3. DEFAULT AND TERMINATION OF MEMBERSHIP. When any member of any class shall be in default in the payment of dues for a period of one month from the beginning of the fiscal year or period for which such dues became payable, his/her membership may thereupon be terminated by the Board of Directors in the manner provided in Article IV of these Bylaws.

ARTICLE XVIII

AFFILIATION

Section 1. The Association may enter into Agreements of Affiliation with the American Hospital Association, regional hospital associations and other allied health organizations.

Section 2. Such affiliation shall be undertaken in view of the mutual interests of the participating associations and shall be designed to improve the effectiveness of the associations concerned in accomplishing their mutual objectives of aiding hospitals to provide better care for all the people.

Section 3. Agreements of Affiliation shall include provision for minimum mutual membership requirements, where such are applicable, obligations, responsibilities and privileges of the participating association, financial arrangements, and similar matters as shall be determined from time to time by the Board of Directors.

ARTICLE XIX

WAIVER OF NOTICE

Whenever any notice is required to be given under the provision of the Nebraska Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XX

AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the Board of Directors present at any regular meeting or at any special meeting, if at least ten (10) days' written notice is given of intention of alter, amend or repeal or to adopt new Bylaws at such meeting.

Amended by the Board of Directors: September 13, 2001
March 30, 2006
January 23, 2013
October 21, 2014