

**BYLAWS**  
**COLORADO FOUNDATION**  
**FOR**  
**MEDICAL CARE**  
**(CFMC)**

Revised –October 19, 2005

**BYLAWS**

**OF  
COLORADO FOUNDATION FOR MEDICAL CARE  
(CFMC)**

We, the Directors of the above-entitled corporation, under the Colorado Non-Profit Corporation Act, hereby adopt the following Bylaws for the government of the corporation, the regulation of its affairs, and the carrying on of its business.

**ARTICLE I**

**Membership**

1. **Classes of Membership**

(a) There shall be only one class of membership in this corporation. They shall be known as Corporate Members and shall have the right to vote on any question submitted for vote by the members.

(b) Any medical doctor or doctor of osteopathy who is authorized by the statutes of the State of Colorado to practice medicine in the State of Colorado shall be eligible to apply for membership as a corporate member. Any such physician who has previously applied for and been accepted as a Participating Member shall hereafter be a Corporate Member until his or her membership shall be terminated as provided in the Bylaws.

2. **Selection and Removal of Corporate Members**

(a) Any physician who desires to become a Corporate Member of this Corporation shall complete and file the application for that purpose as may be required by the Board of Directors. The application shall contain a provision whereby the applicant agrees to be bound by the Bylaws of the Corporation and the rules and regulations as may be adopted by the Corporation and further agrees to be bound by the principles of medical ethics, as interpreted by the American Medical Association and the Colorado Medical Society. Any Corporate Member whose license to practice medicine is suspended or revoked shall be automatically terminated as a Corporate Member.

(b) The Board of Directors shall be authorized to adopt the rules and regulations, as it may deem reasonable for the processing of applications for corporate membership.

3. **Cumulative Voting**

Cumulative voting and voting by proxy shall not be permitted.

4. Interest in Property

None of the members of this corporation shall ever have any right to or interest in any of the property, real or personal of any kind or description, which is now or may in the future be owned and controlled by the Corporation.

**ARTICLE II**

Meetings of the Corporate Members

1. Annual Meetings

An annual meeting of the Corporate Members of the Corporation will held at the time and place as established by the Board of Directors.

2. Mid-Year Meeting

A mid-year meeting of the Corporate Members of the Corporation may be held at the option of the Board of Directors.

3. Special Meetings

A special meeting of the Corporate Members of the Corporation may be called at any time by the Chair of the Board of Directors, the Board of Directors, or by not less than one-third of the Corporate Members.

4. Place of Meeting

The Board of Directors may designate any place, either within or without of the State of Colorado, as a place of meeting for the Annual Meeting or any special meeting called by the Board of Directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Colorado.

5. Notice of Meeting

Written notice stating the place, day and hour of any meeting of Corporate Members shall be delivered either personally or by mail, to each Corporate Member, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the Chair of the Board of Directors, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of meeting shall be deemed delivered when deposited in the United States mail addressed to the Corporate Member at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

6. Informal Action by Corporate Members

Any action required by law to be taken at a meeting of the Corporate members, or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter.

7. Quorum

Ten (10) Corporate Members shall constitute a quorum at any meeting. If a quorum is not present at the meeting, a majority of the Corporate Members present may adjourn the meeting from time to time without further notice.

8. Voting

A majority of the Corporate Members present at a meeting at which a quorum is present shall be necessary for the adoption of any matter to be voted upon by the members, unless a greater percentage is required by law or by these Bylaws.

### ARTICLE III

#### Board of Directors

1. General Powers

The affairs of this Corporation shall be managed by its Board of Directors.

2. Number and Qualifications

a. Number and Qualifications: The number of Directors shall be seventeen (17). Not less than nine (9) of the Directors shall be physicians duly authorized to practice medicine in the State of Colorado. Not more than two (2) Directors shall be hospital administrators employed by duly licensed hospitals in the State of Colorado. Not more than five (5) Directors shall be non-providers, with not more than one (1) representative of a senior citizen organization. Not more than one (1) Director shall be a representative of the Colorado Health Care Association, rotating a Directorship after one three-year term with the Colorado Association of Homes for the Aging.

b. Only one of the seventeen (17) Board members may be involved with a health maintenance organization (1) as a board member, (2) as a 5% or more owner, or (3) in a position of management of the HMO.

3. Proposals for Nominations

a. Proposals for Nomination from professional groups to the Nominating Committee:

(1) Two (2) physicians shall be proposed for nomination by the Colorado Medical Society Board of Directors. All of the nominees shall be members of CFMC.

(2) One (1) physician shall be proposed for nomination by the Colorado Society of Osteopathic Medicine. This proposed nominee shall be a member of CFMC.

(3) Two (2) hospital administrators, as indicated above, shall be proposed for nomination by Colorado Health and Hospital Association. One of the proposed nominees shall be employed in and proposed to represent an urban area of the State. The second proposed nominee shall be employed in and proposed to represent a rural area.

(4) One (1) Director shall be proposed for nomination by the Colorado Health Care Association, for a three-year term. The Colorado Association of Homes for the Aging shall propose for nomination an individual to fill a second three-year term upon completion of the Colorado Health Care Association representative's term. Each Association shall rotate in nomination every three years.

b. Proposals for Nomination from CFMC Executive Committee to the Nominating Committee:

(1) Six (6) physicians shall be proposed for nomination by the CFMC Executive Committee, with consideration given to assuring that the various geographic areas of the state of Colorado are represented. . All of the nominees shall be members of CFMC.

(2) Two (2) non-providers shall be proposed for nomination by the CFMC Executive Committee. For purposes of this proposal for nomination, a provider is defined as a physician, a health facility administrator, or a non-physician health care practitioner. These positions shall represent the following areas: business representative, State consumer representative.

(3) One (1) non-provider shall be proposed for nomination by the CFMC Executive Committee. For purposes of this proposal for nomination, the Executive Committee shall receive nominations from several senior citizen organizations and the Executive Committee shall choose one to nominate for a position as a member of the Board.

(4) Two (2) individuals shall be proposed for nomination by the CFMC Executive Committee. These positions shall represent the following areas: health policy/research and medical ethics. Either or both of these positions may be filled by either physicians or non-providers.

4. Nominations, Election and Duration of Service

a. By the Nominating Committee: All nominations for election of Directors to fill vacancies caused by expiration of term of office shall be made by the Nominating Committee, chosen and constituted as indicated below. The Nominating Committee shall not be limited to the proposed nominees submitted by the professional organizations or the CFMC Executive Committee indicated above, but those proposed nominations shall be accepted by the Nominating Committee in the absence of significant disqualification known by the Nominating Committee regarding any proposed nominee. If the Nominating Committee rejects a proposed nominee, another person who meets the required qualifications as indicated above shall be nominated in place of the proposed nominee.

b. By Petition: All of the nominations submitted by the Nominating Committee shall be published to the entire membership of the Corporation not later than ninety (90) days prior to the Annual Meeting, together with notice that additional nominations of persons who meet the required qualifications as indicated above to fill a vacancy on the Board of Directors may be made by a petition signed by not less than twenty-five (25) Corporate Members and returned to the Corporate Office not later than sixty (60) days prior to the Annual Meeting.

c. Election:

(1) Not later than forty-five (45) days prior to the Annual Meeting, a list of all nominations proposed by the Nominating Committee and by petition shall be published to all Corporate Members. The publication shall include a printed ballot that may be used for the purpose of voting by mail.

(2) The Directors shall be elected at the Annual Meeting for terms of three (3) years each by secret written ballot of those Corporate Members present and by written ballots by mail received at the Corporate Office not later than three (3) days prior to the date of the Annual Meeting.

5. Nominating Committee

a. Composition: The Nominating Committee shall be composed of five (5) members who shall be selected by the Board of Directors, not less than one hundred twenty (120) days prior to the Annual Meeting. This Committee shall be composed of up to three (3) past Chairs of the Board of Directors and two (2) or more additional Board members with consideration given to assuring that the various geographic areas of the state of Colorado are represented. The Chair of the Board of Directors of the Corporation shall serve as an Ex-Officio, non-voting member of the Nominating Committee.

b. Responsibilities:

(1) The Nominating Committee shall make nominations for vacancies, caused by expiration of term of office on the Board of Directors.

(2) The Nominating Committee shall make nominations for the offices of Chair of the Board of Directors, Vice Chair of the Board of Directors, Secretary, Assistant Secretary, and Treasurer who will be elected at the first meeting of the newly elected Board of Directors following the Annual Meeting.

6. Regular Meetings

The regular Annual Meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after and at the same place as the Annual Meeting of the Corporate Members of the Corporation. The Board of Directors may provide by resolution the time and place, either within or without of the State of Colorado, for the holding of additional regular meetings of the Board without other notices than a resolution.

7. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the Chair of the Board of Directors or not less than one-third of the members of the Board of Directors. The Chair of the Board of Directors may fix the place for holding any special meeting of the Board called by the Chair of the Board of Directors or the Board of Directors.

8. Notice

Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his or her address shown by the records of the Corporation. If mailed, the notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, the notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The attendance of a Director at any meeting shall constitute a waiver of notice of the 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 the meeting, unless specifically required by law or by these Bylaws.

9. 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 a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

10. Voting

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.

11. Vacancies

Any vacancy occurring on the Board of Directors caused by the death, resignation, removal, disqualification, or otherwise, other than the expiration of the term of office for which elected and any Directorship to be filled by reason of any increase in the number of Directors shall be filled by election by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

12. Compensation

Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors reasonable compensation and expenses of attendance, if any, may be allowed for attendance at regular or special meetings of the Board., Nothing in these Bylaws shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for that service.

13. Informal Action by 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, is signed by all of the Directors.

14. Removal of Directors

(a) Any Director may be removed at any time, with or without cause, by a majority vote of the members at any Annual Meeting of the members or at any special meeting of the members called expressly for that purpose. Directors may be removed for cause by a two-thirds vote of the total membership of the Board of Directors.

(b) Cause for removal may include failing to regularly attend the meetings of the Board of Directors, consistently failing to arrive on time and/or leaving early, consistently failing to read the material submitted to the members of the Board prior to the meetings, and consistently failing to come to the meetings prepared to fully participate in the business of the Board of Directors.

15. Non-voting member of the Board of Directors

(a) The Board of Directors may elect one (1) Ex-Officio or Emeritus member to the Board of Directors. The election shall be by the Board of Directors upon a proper motion and

shall require a 2/3 majority of those Directors present at the meeting at which a quorum is present.

- (b) Any Ex-Officio or Emeritus member of the Board of Directors shall be elected for a term of up to one (1) year and may be elected to successive one-year terms.
- (c) The Ex-Officio or Emeritus member of the Board shall be entitled to a voice in the deliberations of the Board but shall not be entitled to vote.
- (d) In the election of an Ex-Officio or Emeritus member of the Board, all existing requirements due to CFMC contracts must be observed and met by the person elected to the position.
- (e) It is understood that electing a non-voting member will not affect the number of voting members referred to in Article III, 2. (a).

#### ARTICLE IV

##### Officers

###### 1. Officers

(a) The Elected Officers of the Corporation shall be a Chair of the Board of Directors; a Vice Chair of the Board of Directors who also serves as Chair-Elect; a Secretary; an Assistant Secretary; and a Treasurer. The non-elected Officers of the Corporation shall be an Assistant Treasurer, a Medical Director; a President/CEO, who shall be the Chief Executive Officer of the Corporation, and any other officers who are elected in accordance with the provisions of this Article. The Board of Directors may appoint any other officers as it may deem desirable who shall have the authority and perform the duties prescribed from time to time by the Board of Directors. No two (2) or more offices may be held by the same person at the same time.

(b) Chair of the Board of Directors: The Chair of the Board of Directors of the Corporation shall have general supervision over the business and affairs of the Corporation and shall have authority to make reasonable delegation of the authority and duties of the office. The Chair shall preside at all meetings of the Board of Directors at which he or she may be present, unless the Chair delegates that responsibility.

(c) Vice Chair of the Board of Directors: In the absence of the Chair of the Board of Directors, or at the request of the Chair of the Board of Directors, the Vice Chair of the Board of Directors shall preside at meetings of the Board of Directors. In the absence of the Chair of the Board of Directors, or in the event of his or her inability or refusal to act, the Vice Chair of the Board of Directors shall perform the duties of and be subject to all the restrictions of the Chair of the Board of Directors. The Vice Chair of the Board of Directors shall perform such other duties as from time to time may be assigned to him or her by the Chair of the Board of Directors or by the Board of Directors.

(d) 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 the 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 him or her by the Chair of the Board of Directors or by the Board of Directors.

(e) Assistant Secretary: In the absence of the Secretary, the Assistant Secretary shall perform the duties of and be subject to all the restrictions of the Secretary of the Board of Directors.

(f) Treasurer: If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in the sum and with the 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 such moneys in the name of the Corporation in the banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws. The Treasurer, in the absence of the Secretary and Assistant Secretary, may affix the seal of the Corporation on all documents. The Treasurer shall in general perform all the duties incident to the Office of the Treasurer and such other duties as from time to time may be assigned to him or her by the Chair of the Board of Directors or by the Board of Directors.

(g) Assistant Treasurer: In the absence of the Treasurer, the Assistant Treasurer shall perform the duties of and be subject to all the restrictions of the Treasurer of the Board of Directors.

(h) President/CEO: The President/CEO shall, subject to the direction and control of the Board of Directors, direct and supervise the administration of the business affairs of the Corporation. The Administrative Directors, if any, shall be responsible to the President/CEO. The President/CEO shall assure that appropriate physician input will occur in the corporation.

## 2. Election and Term of Office

(a) The Elected Officers of the Corporation shall be elected by the Board of Directors at the first meeting of the newly elected Board of Directors following the Annual Meeting. If the election is not held at that meeting, the election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor has been duly elected and qualified.

(b) Nominations for the Officers to be elected shall be made by the Nominating Committee, as described in Article III, Section 4 (a) of these Bylaws. Additional nominations may be made by members of the Board of Directors by petition as described in Article III, Section 4 (b) of these Bylaws.

(c) The President/CEO shall be a full-time employee of the Corporation and shall be hired by the Board of Directors upon the terms and conditions as the Board of Directors shall establish for the full-time position of President/CEO.

## 3. Removal

Any officer, elected or appointed by the Board of Directors, may be removed at any time, with or without cause, by a majority vote of the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served by the removal, but the removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

4. Vacancies

Any vacancy in any office because of death, resignation, removal, disqualification, or otherwise, other than by expiration of the term of office for which elected, may be filled by the Board of Directors for the unexpired portion of the term.

5. Compensation

The Chair of the Board of Directors and Vice Chair/Chair-Elect of the Board of Directors upon action by the Board of Directors may be compensated in a reasonable manner for provision of the corporate duties of these offices.

## ARTICLE V

### Committees

1. Committees of Board of Directors

There shall be an Executive Committee, which shall include the Chair of the Board of Directors, and any other officers or members of the Board of Directors as may be designated by the Board of Directors. The Board of Directors may delegate to the Executive Committee any of the powers of the Board of Directors when the Board of Directors is not in session; provided, however, that the delegation of authority to the Executive Committee shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law. The Board of Directors may from time to time establish any other committees of the Board as it may deem desirable.

2. Other Committees

Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be appointed in any manner as may be designated by a resolution adopted by a majority of Directors present at a meeting at which a quorum is present. Unless otherwise provided in the resolution, members of the committees may be persons who are not members of the Board of Directors.

3. Term of Office

The tenure of members of the committees shall be as provided by the Board of Directors in the resolution creating the committee.

4. Quorum

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee 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.

5. Rules

Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

## **ARTICLE VI**

### Execution of Instruments

#### 1. Execution of Instruments

The Chair of the Board of Directors, the Vice Chair of the Board of Directors, and the President/CEO shall have power to execute on behalf and in the name of the Corporation any deed, contract, bond, debenture, note or other obligations or evidences of indebtedness, or proxy, or other instrument requiring the signature of an officer of the Corporation, except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation in any way, to the pledge of its credit, or to render it liable pecuniary for any purpose or in any amount.

#### 2. Checks and Endorsements

All checks and drafts upon the funds to the credit of the Corporation in any of its depositories shall be signed by the officers or agents as shall from time to time be determined by resolution of the Board of Directors which may provide for the use of facsimile signatures under specified conditions, and all notes, bills receivable, trade acceptances, drafts, and other evidences of indebtedness payable to the Corporation shall, for the purpose of deposit, discount or collection, be endorsed by the officers or agents of the Corporation or in the manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of a determination by the Board of Directors, the instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the Chair of the Board of Directors or Vice Chair of the Board of Directors of the Corporation.

#### 3. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in the banks; trust companies or other depositories as the Board of Directors may select.

#### 4. Gifts

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or device for the general purposes or for any special purpose of the Corporation.

## **ARTICLE VII**

### Books and Records

The Corporation shall keep correct and complete books and records of account and shall 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 its 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 for any purpose at any reasonable time.

## **ARTICLE VIII**

### Fiscal Year

The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June in each year.

## **ARTICLE IX**

### Corporate Seal

The corporate seal shall be in the form approved by resolution of the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The impression of the seal may be made and attested by the Secretary, the Assistant Secretary, or the Treasurer for the authentication of contracts or other papers requiring the seal.

## **ARTICLE X**

### Waiver of Notice

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

## **ARTICLE XI**

### Amendments to Bylaws

These Bylaws may be amended at any Annual Meeting of the Corporate Members, or at any special meeting of the Corporate Members called for that purpose. These Bylaws may also be amended by the Board of Directors, by a vote of two-thirds of the total number of the Directors; provided, however, that the Directors shall not have the right to change or repeal any amendment hereto adopted by the Corporate Members. The Corporate Members shall have the right to amend or repeal any Bylaw change made by the Board of Directors. Any Bylaw amendment adopted by the Board of Directors shall be submitted to the next meeting of the Corporate Members at which the Corporate Members shall approve or disapprove the Bylaw amendments adopted by the Board of Directors.

## **ARTICLE XII**

### **Indemnification of Officers and Directors'**

The Corporation shall indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reasons of the fact that the person is or was a director or officer of the corporation against expenses (including attorney fees), liability, judgments, fines, and amount paid in settlement actually and reasonably incurred by the person in connection with the proceeding if the person: (i) acted in good faith, (ii) reasonably believed the conduct was in the best interests of the Corporation or that the conduct was at least not opposed to the best interests of the Corporation, and (iii) with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful. However, no person shall be entitled to indemnification under this Article either (i) in connection with a proceeding brought by or in the right of the Corporation in which the director or officer was adjudged liable to the Corporation; or (ii) in connection with any other proceeding charging improper personal benefit to the director or officer in which the officer or director is ultimately adjudged liable on the basis that the director or officer improperly received personal benefit. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the standard of conduct set forth in this Article