Bylaws
Of
Bay Clinic, Inc.

Article I

Name and Principal Office

Section 1: Name – The name of this Corporation shall be Bay Clinic, Inc.

Section 2: Principal Office – The principal office for the transaction of business of the Corporation shall be in the State of Hawaii, County of Hawaii, currently located at 450 Kilauea Avenue, Suite 105 Hilo, HI 96720, until the Board of Directors by resolution entered in the minutes shall otherwise direct.

Article II

Form of Organization

Section 1: Not-For-Profit – This Corporation shall be a not-for-profit Corporation.

Article III

Purpose

Section 1: Charitable and Educational – Bay Clinic, Inc. has incorporated to obtain all of the powers, benefits and privileges secured by law to incorporated bodies in order to hold property and do and perform such acts as may be necessary to operate exclusively for charitable and educational purposes.

Section 2: Purpose – The purpose of the Corporation is to be community-directed and committed to improving the health and well-being of all people.

The purpose shall be accomplished by:

a. Providing high-quality accessible healthcare in a patient-centered environment, regardless of an individual’s ability to pay.

b. Working with the community in preventive healthcare and education.

c. Ensuring our services are sensitive to the cultural diversity of our community.

d. Taking a holistic approach to the treatment of our patients.

e. Advocating for healthy communities.

f. Cooperating and collaborating whenever possible with other medical providers and organizations to improve the delivery of healthcare in our community.

g. Forming a partnership with our patients in planning a healthy future for themselves and their families.

Section 3: Not-For-Profit Laws – Nothing herein shall authorize this Corporation to go beyond the limits of the law(s) governing not-for-profit corporations.

Section 4: Political Activity – No substantial part of the activities of this Corporation shall be for the purpose of carrying on propaganda or otherwise attempting to influence legislation. None of the activities of this Corporation shall consist of participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office. The Corporation is apolitical and non-partisan and is committed to taking a neutral position among all candidates for political
office. Board Members (Board of Directors) may freely express their personal convictions on any political or social issue but must make it clear that they speak as private citizens and not as representatives of Bay Clinic, Inc.

Section 5: **Assets Dedicated to Charitable Purposes** – No part of the net earnings of this Corporation shall inure to the benefit of any private shareholder or any individual. The property of this Corporation is irrevocably dedicated to charitable purposes, and upon liquidation, dissolution or abandonment and after providing for the debts and obligations thereof, the remaining assets will not inure to the benefit of any private person but will be distributed to a nonprofit fund/foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under the Internal Revenue Code.

**Article IV**

**Board of Directors**

**A. Board Membership:**

Section 1: **Number of Board Members** – The Board (Board of Directors) shall consist of no less than nine (9) nor more than fifteen (15) elected members.

Section 2: **Terms of Office** – Board Members shall take office at the beginning of the fiscal year. Terms of office shall be three years. However, if a Board Member is elected after the annual meeting their three year term shall be construed to have begun at the next annual meeting. Members may be re-elected for subsequent three year terms.

Section 3: **Vacant Seats** – Vacant seats shall be filled by a vote of the majority of the Board Members present, provided that proper notice of the meeting has been given and the item is specified on the published agenda.

Section 4: **Nepotism** – The health center verifies periodically (for example, annually or during the selection or renewal of board member terms) that the governing board does not include members who are current employees of the health center, or immediate family members of current health center employees (i.e., spouses, children, parents, or siblings through blood, adoption, or marriage).”

Section 5: **Consumer Majority** – At least 51% of Board Members shall be current users of Bay Clinic, Inc. programs or services. No more that 50% of non-user Board Members shall derive more that 10% of their income from the healthcare industry. Board membership should reflect the demographic characteristics of the user population with regard to gender, age, race, economic status and area of residence. The remaining members of the Board shall be representative of the community in which the center’s catchment area is located and shall be selected for their expertise in community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community.

Section 6: **Board Compensation** – Board Members shall not receive any monetary payment or services in exchange for membership on the Board. Reimbursement or stipends for reasonable expenses incurred while conducting official Corporation business or while traveling to and from Board meetings shall be permissible.

Section 7: **Attendance** – Absence from three consecutive meetings of the Board without satisfactory cause is grounds for removal of office.

Section 8: **Removal of Board Member** – Any Officer or Board Member may be removed from office or from membership on the Board of Directors by a vote of two-thirds of the remaining members with or without cause. There shall be no right of appeal by a Board Member who has been removed by such two-thirds vote.
B. Duties and Powers:

Subject to the limitations of the Articles of Incorporation, the Bylaws, Hawaii corporation law, and the specific duties as prescribed in the Bylaws, all corporate powers on behalf of Corporation shall be exercised by or under the authority of the Board. The duties and powers of the Board include, without limitation, the following:

1. Management of the Corporation shall be vested in the Board with full power and authority to carry out the affairs of the organization.

2. The Board shall be responsible for the election, appointment and/or removal of the officers and Chief Executive Officer of the Corporation.

3. Individual Board member shall not act for the governing Board except as may be specifically authorized by the Board. Board members shall refrain from giving advice or directives to any staff personnel of the corporation.

4. Board Members should refrain from use of organizational resources or equipment without the authorization of the CEO or board approval.

5. The Board shall review and approve all applications and approve an annual budget for the Corporation. A budget proposed by the Finance Committee shall be submitted to each Board Member at least five (5) working days prior to the meeting during which the budget is to be considered and adopted.

6. The Board shall have the exclusive power to incur indebtedness or undertake any other liability on behalf of the Corporation and to execute and deliver all documents required with respect to such indebtedness or liability.

7. The Board shall be responsible for establishing and maintaining personnel policies and practices for the employment and retention of staff.

8. The Board shall require periodic reports on operations from various committees.

9. The Board shall have the authority to determine and change the location of the principal office of the Corporation, establish subsidiary offices, adopt and use a corporate seal, and prescribe certificate of membership forms, as provided for by law.

10. The Board shall adopt policy for financial management practices, including a system to assure accountability for center resources, approval of the annual budget, financial priorities, eligibility for services including criteria for partial payment schedules, and long-range financial planning.

11. The Board shall approve healthcare policies including scope and availability of services, location and hours of services, and quality of care audit procedures.

12. The Board shall evaluate health center activities including service utilization patterns, productivity of center sites, patient satisfaction, achievement of project objectives, and development of a process for hearing and resolving patient grievances.

13. The Board shall assure that health centers are operated in compliance with applicable federal, state, and local laws and regulations.

14. The Board may perform any or all other acts necessary to carry out the business of the Corporation and adopt such policies as may be necessary to effectuate these Bylaws.
C. Conflict of Interest:

Section 1: Disclosure – No Board Member shall vote at any Board meeting on any issue in which the member has a conflict of interest. “Conflict of interest” shall mean situations where an individual’s judgment or loyalty is or may be affected by his/her own financial, business, property or personal interest. A Board Member who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that the disclosure was made. In the event of a conflict of interest, a majority of disinterested Board Members shall constitute a quorum.

Section 2: Uncertainty – If a Board Member is uncertain as to whether he/she has a duality or conflict of interest which requires abstention, or if a Board Member asserts that another Board Member has such a conflict of interest, the Board by majority vote of those present other than the Board Member having the possible conflict, shall decide whether abstention is required. If so, the Board Member will be deemed to have abstained.

Section 3: Purchases From Board Member(s) – No purchase involving $100.00 or more from any Board Member or any entity of which the Board Member is an Officer, Board Member, partner or owner shall be made without prior approval of the Board of Directors.

Section 4: Previous Staff or Board Member – No Board Members shall be allowed to become an employee of the Corporation until at least 90 days after the Board Member’s membership on the Board has ended. Similarly, no employee of the Corporation shall be eligible to serve as a Board Member until at least 90 days after his or her last day of employment.

Section 5: Chief Executive Officer – The Chief Executive Officer may only serve as an ex-officio member of the Board.

Article V

Board Meetings

Section 1: Annual Meeting – An Annual Meeting of the Board shall be held in July, at the time and place of the regular board meeting. Notice of the meeting shall be mailed or given to the Board at least 15 days prior to the meeting, according to Section 4 below. Attendance at the meeting will automatically waive this notice requirement.

The Annual Meeting shall include:

a. Introduction of the officers and the Board Members for the new year,

b. Hearing the annual report of the Corporation

In the event of postponement or failure to call an Annual Meeting, as part of the July monthly meeting, a meeting may be called later to perform the duties required of the Annual Meeting. All acts of the Corporation or its officers performed in the interim shall be of full force and effect.

Section 2: Board Meetings – The Board shall hold a regular business meeting at least once per month.

Section 3: Special Meetings – Special meetings of the Board may be called at any time by the Board Chair or by petition of three Board Members.

Section 4: Notice of Meetings – Notices of both regular and special meetings, including the Annual Meeting, shall be given by mail, email, telephone or fax to each Board Member. The notice requirement will automatically be waived by attendance at the meeting.
Section 5: **Quorum** – A quorum at a Board meeting shall consist of the presence or proxy of one more than half the number of Board Members. Once established, a quorum shall continue until the meeting is adjourned for any Board act or business to be conducted. Any act or business conducted at the meeting must receive the approval of a majority of the quorum.

Section 6: **Proxy Voting** – Proxy voting by the Board will be allowed. Absent Board Members may vote at a meeting by written proxy (including email) presented at the meeting in accordance with procedures approved by the Board.

Section 7: **Method(s) of Communication** – Any Board meeting, regular or special may be conducted by telephone conference as long as all Board Members participating in the meeting can hear one another. Meetings may also be held by videoconference as long as all Board Members participating in the meeting are able to see one another whenever a need or request is made to view another location participating in the meeting.

Section 8: **Executive Sessions** – Executive sessions of the Board may be called by the Board Chair. Executive sessions may be attended only by Board Officers, Board Members, and other individuals whose attendance is approved by two-thirds of the Board Members present. Only Board Members shall be present at the time of voting.

Section 9: **Action Without a Meeting** – Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if all Board Members (i) execute consent in writing setting forth the action to be taken, or (ii) transmit an electronic transmission consenting to the action to be taken.

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**Article VI**

**Executive Committee**

Section 1: **Committee Members** – The Executive Committee of the Board shall consist of the Board Chair, the Chair-Elect (1st Vice Chair), 2nd Vice Chair, the Secretary and the Treasurer.

Section 2: **Immediate Past Board Chair** – The immediate Past Board Chair shall serve as an ex-officio member of the Executive Committee in an advisory capacity.

Section 3: **Function** – The Executive Committee shall perform the functions of the Board in its routine management of the affairs of the Corporation as the Board shall delegate to it during intervals between meetings of the Board. All actions taken by the Executive Committee shall be presented at the next meeting of the Board. The Executive Committee shall not have the power to do any of the following:

a. Authorize payment of a dividend or the distribution of any part of the income or profit of the Corporation to the Board or Officers;

b. Approve the dissolution or merger of the Corporation or the sale or pledge, or transfer of all or substantially all of the Corporation’s assets;

c. Elect, appoint, or remove Board Members or fill vacancies on the Board or any of its committees, or

d. Adopt, amend or repeal the Articles of Incorporation or Bylaws.

Section 4: **Meeting Call** – The Executive Committee shall meet on call of the Board Chair.

Section 5: **Actions** – All actions and decisions of the Executive Committee shall require a majority approval by the members of the Committee.
Article VII

Officers

Section 1: Positions – The Officers of the Board shall be the Board Chair, one or more Vice Chairs, Secretary and Treasurer, whose duties shall be those usually performed by such officers in similar organizations and those specified in these Bylaws. Additional duties may be prescribed by the Board.

Section 2: Chair-Elect – The Vice Chair (or 1st Vice Chair) shall be the next Board Chair.

Section 3: Terms of Office – Officers shall serve for one (1) year and shall be elected according to Article IX of these Bylaws. Any Officer having served two consecutive terms in the same office shall be ineligible for re-election to that office for at least one year, unless there is no other Board Member willing to serve in that office.

Section 4: Eligibility – To be eligible for election to any Officer position, a Board Member shall have served one year on the Board. This stipulation may be waived with Board approval in the event there are not sufficient eligible members willing to serve as Officers.

Section 5: Duties of Officers –

a. The Board Chair shall preside at all meetings of the Executive Committee and the Board. The Board Chair shall be a member, ex-officio with a vote, of all committees except the Nominations and Elections Committee. The Board Chair shall have the general powers and duties usually vested in the office of President or a corporation, and shall have other powers and duties as may be prescribed by the Board of Directors or the Bylaws. The chairman doesn’t hesitate to act when the standards of governance and fiduciary responsibility requires intervention. The chairman maintains and demonstrates a deep commitment to the performance of the organization and brings a spirit of energetic teamwork to all interactions with the CEO.

b. The Vice Chair(s), in succession if more than one, shall perform all the duties of the Board Chair if the Board Chair is absent or unable to act. The 1st Vice Chair is the Chair-Elect. If the presidency becomes vacant, the 1st Vice Chair shall succeed to the office for the unexpired portion of the term. If a Vice Chair is unable or unavailable to act, the duties shall be performed in succession by the Secretary and Treasurer. The Vice Chair shall have such other powers and duties as from time to time may be prescribed by the Board of Directors or the Bylaws.

c. The Secretary shall be responsible for the records of the Corporation, supervising elections at the Annual Meeting, recording votes of the Board and keeping all minutes of the Executive Committee and Board meetings. Such records shall be located at the principal office of the Corporation. The Secretary shall be responsible for all correspondence of the Executive Committee and the Board, and for the issuance of the required notice of all meetings of the Executive Committee and Board. The Secretary shall ensure that the seal of the Corporation is in safe custody. The Secretary shall have such other powers and duties as may be prescribed the Board or the Bylaws. The Board may name an Assistant Secretary to assist the Secretary in fulfilling the duties of the office. Corporation staff may record and transcribe minutes and correspondence for approval of the Secretary.

d. The Treasurer shall chair the Finance Committee and maintain supervision of the books and records of account of the Corporation. Such books and records shall be located at the principal office of the Corporation. Subject to the direction of the Finance Committee, the Treasurer shall have charge of and be responsible for all funds and securities of the Corporation. The details of bookkeeping, accounting and financial statement preparation shall be performed by the staff of the Corporation under supervision and direction of the Finance Committee. The Treasurer shall present monthly financial statements to the Board. The Treasurer may have other duties and powers as prescribed by the Board or these Bylaws.
Section 6: **Vacancies** – Vacancies in the offices of Vice Chair, Secretary or Treasurer shall be filled for the remainder of the term by majority vote of the Board.

**Article VIII**

**Committees**

Section 1: **Standing Committees** – Standing Committees shall be Finance, Governance, Community Development, and Quality Management. Ad hoc committees shall be created as the Board and Board Chair deem necessary from time to time.

Section 2: **Committee Chairs** – The Chairperson of all such committees shall be Board Members appointed by the Board Chair with the approval of the Board. The Chairperson may also select the committee members.

Section 3: **Terms and Vacancies** – The Chairperson and members of the Committee shall serve until the expiration of the fiscal year or until their successors are appointed. Vacancies on a committee shall be filled in the same way committee members are regularly appointed.

Section 4: **Requirements for Board Members** – All Board Members are required to join and serve on at least one (1) standing committee.

Section 5: **Responsibilities of Committees** – Responsibilities of standing and ad hoc committees shall include, but not be limited to, the following:

a. Finance – The Finance Committee shall have the responsibility for establishing policies for financial management of the Corporation, including but not limited to budgeting, investing, financial reporting, and long-range financial planning. The Finance Committee shall review monthly financial statements of the financial position of the Corporation, and shall report on such to the Board. The Finance Committee shall ensure that an annual financial audit is performed.

b. Governance – The Governance Committee shall have the responsibility for establishing policies and practices for the employment and retention of staff and volunteers, and the CEO evaluation process. The Governance Committee shall have the responsibility for reviewing the Bylaws at least once every two years and as needed for compliance with federal, state and local requirements, and recommending amendments to the Bylaws. The Governance Committee shall have the responsibility for recruitment, orientation and development of individual Board Members and development of the Board as a whole.

c. Community Development – The Community Development Committee shall have the responsibility for establishing a Resource Development Plan, and short and long range development objectives to assist the Corporation in meeting its financial goals. The Community Development Committee shall have the responsibility for approving and evaluating the Public Relations and Marketing Plan of the Corporation and for establishing objectives for strengthening the Corporation’s identity within the community. The Community Development Committee shall have the responsibility for establishing and monitoring health center and patient advocacy, and the development of community partnerships and events.

d. Quality Management – The Quality Management Committee, which can be a joint Board/Staff committee, shall have the responsibility for evaluating health center activities and services and ensuring the quality and safety of our operations, including patient satisfaction and achievement of annual and long-term objectives.

Section 6: **Board Approval** – A majority vote of the Board is required to approve any policy recommendations established in Committees. At no time will a policy established in a Committee take full effect without a majority vote of the Board of Directors.
Article IX

Nominations and Elections

Section 1: **Slate of Officers** – The Nominations and Elections Committee, an ad hoc committee, shall prepare a slate of nominations for Board Member and Board Officer Positions. Nominations of more than one person for each office is encouraged, except that there is no election for Board Chair unless the sitting Vice Chair resigns. In arriving at the slate of nominees, the Committee shall canvas the Board for member input regarding opinions of leadership potential and personal willingness to serve. The slate shall be presented at a Board meeting prior to the next fiscal year. The nominees shall be given a copy of the duties of the office(s) for which they have been nominated at the time of nomination or solicitation. At no time shall an individual be nominated for an Officer position without his/her previous consent.

Section 2: **Election Process** – When additional nominations, if any, cease, the election of Board Members and Officers shall be by secret ballot.

Article X

Chief Executive Officer

Section 1: **Appointment** — The Chief Executive Officer (CEO) of the Bay Clinic Corporation shall be appointed by and be responsible to the Board for overall administration of the Corporation. The CEO shall be a paid staff member of the Corporation. Appointment and removal of the CEO shall require a two-thirds vote of the Board. The CEO subject to the control of the Board, shall have responsibility for the general care, supervision, and direction of its affairs in furtherance of the policies and programs established by the Board. The CEO shall have the authority to employ, supervise, and discharge all staff personnel in accordance with the policies established by the Board. The CEO may negotiate and execute contracts for the corporation, and shall report such action promptly to the Board, except that the Board may designate specific proposed contracts, or a threshold contract price above which the contract is, to be signed by one or more officers, or to be submitted to the Board for approval prior to execution. The CEO shall be an ex officio, non-voting member of the Board and an officer of the corporation. The CEO or his/her designee shall attend all meetings of the Board, unless the Board requests the CEO’s absence during evaluation of the CEO’s performance.

Section 2: **Evaluation** – The Board shall review the work performance of the Chief Executive Officer at least annually.

Article XI

Finances

Section 1: **Accounting Procedures** – Accounting procedures for the Corporation shall conform to generally accepted accounting practices.

Section 2: **Fiscal Year** – The Corporation shall maintain as its fiscal year the period July 1 to June 30.

Section 3: **Audit** – The financial records and books of the Corporation shall be audited after the end of each fiscal year by a certified public accountant appointed by the Board. The auditor’s report shall be filed with the records of the Corporation.

Section 4: **Insurance** – Appropriate insurance in reasonable amounts and to the extent available shall cover all aspects of the Corporation’s activities and agents of the Corporation.

Section 5: **Bonding** – All persons having access to the funds of the Corporation in excess of $5000.00 shall be bonded.
Section 6: **Contracts** – All contracts, obligations and liabilities entered into or incurred on behalf of the Corporation must be authorized by the Board and signed by the Board Chair, provided however, that the Board of Directors may annually by resolution or authorize checks, agreements, certificates and documents to be signed by the Chief Executive Officer.

Section 7: **Deposits** – All funds received by the Corporation shall be deposited to the credit of the Corporation in depositories approved by the Board. No funds of any Board Member, employee or agent of the Corporation may be co-mingled with the Corporation funds.

Section 8: **Signatories** – The Board shall approve a list of people authorized to sign checks on behalf of the Corporation. The board shall also approve a procedure that specifies the single or double signature requirements based on the amount of the check.

**Article XII**

**Books and Records**

Section 1: **Corporate Records** – The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board. The Corporation shall keep a copy of the following records at its principal office:

(a) Articles of Incorporation and all amendments currently in effect;
(b) Bylaws and all amendments currently in effect;
(c) Annual financial statements for the last three years;
(d) A list of the names and addresses of its current Directors and officers;
(e) The most recent annual report filed with the State Director of the Department of Commerce and Consumer Affairs; and
(f) The Minutes of the Board complete with all attachments.

Section 2: **Inspection of Corporate Records** - The records required to be kept at the Corporation’s principal office as set forth in Section 1 of Article XII, and any other records that are legally required, shall be open to inspection by Board Members and Officers of the Corporation at all reasonable time during regular business hours.

**Article XIII**

**Parliamentary Authority**

Section 1: **Robert’s Rules of Order** – Robert’s Rules of Order (Newly revised) shall constitute ruling authority in all cases in which they are not inconsistent with these Bylaws or with Hawaii law.

**Article XIV**

**Amendments**

Section 1: **Approval Required** – Amendment of these Bylaws shall require a two-thirds vote of the Board. Notice of any proposed amendment shall be provided to all Board Members at least fifteen (15) days before the amendment is considered by the Board. Attendance at a meeting to consider any amendment to the Bylaws will automatically waive this notice requirement.

Section 2: **Original Purpose** – No amendment shall change substantially the original purpose of the Corporation.
Article XV

Indemnification

Section 1: **Pertaining to Directors** – The Corporation shall, to the fullest extent permitted or required by Hawaii Revised Statutes, indemnify its Board Members and Officers against any and all liabilities, and advance any and all reasonable expenses incurred thereby to any proceeding to which any Board Member or Officer is party because he/she is a Board Member or Officer of the Corporation. The Corporation may indemnify its employees and authorized agents, acting within the scope of their duties as such, to the same extent as Board members or Officers hereunder.

Section 2: **D&O Insurance** – The Corporation shall keep in full force and effect a Directors and Officers (D&O) Insurance policy for the protection of its Directors (Board Members) and Officers of the Board.

Article XVI

Nondiscrimination

Policy Consideration for and selection of candidates for services, membership on the Board of Directors, vendors, employee recruitment and relations, and all other business transactions shall be without discrimination based on race, color, religion, national origin, gender, age, sexual preference, marital status, veteran/military status, arrest/court record, disability or any other discriminatory practice prohibited by law.

Article XVII

Dissolution

If the Corporation shall cease to exist, be abandoned, liquidated or dissolved, all property and assets of the Corporation of every kind, after all liabilities and obligations of the Corporation have been paid, satisfied, discharged, or adequate provision made therefor, shall be distributed only for the purposes set forth in Article III hereof and in a manner consistent with the Corporation’s tax-exempt status under the Internal Revenue Code. In no event shall any of such assets or property inure to the benefit of any member, director, officer or any private person. All such assets and property shall be distributed to one or more nonprofit funds, foundations or corporations which are organized and operated exclusively for charitable purposes and which have established tax-exempt status under the Internal Revenue Code or be distributed to the federal government, or to a state and local government, for a public purpose. The process of dissolving the Corporation shall be in accordance with Chapter 414D of the Hawaii Revised Statutes or any corresponding provisions of any subsequently enacted state law.

Past Revisions:

Revised: September 1993
Revised: July 1994
Revised: May 1995
Revised: September 1995
Revised: March 1997
Revised: April 2000
Revised: May 2000
Revised: September 2000
Revised: July 2002
Revised: March 2006
Revised: May 2007
Revised: June 2008
Revised: October 2009
Bylaws Signature Page

I certify that these bylaws are the most current ones and was approved by the Board of Directors on

11-20-18
Date Approved by Board

[Signature]
Board Chair Signature

[Signature] 12-18-2018
Date Signed.