

ARIZONA HEALTH INFORMATION NETWORK, INC.
BYLAWS
Adopted by the membership, October 22, 2004
And amended on January 13, 2006

ARTICLE I
NAME AND LOCATION

- 1.1 Name. The name of this organization is the Arizona Health Information Network, Inc. ("AZHIN" or the "Corporation"), an Arizona nonprofit corporation.
1. 1.2 Location. AZHIN's principal office shall be located in Arizona as the Board may designate.

ARTICLE II
PURPOSE

- 2.1 Purpose. The purpose of AZHIN is to:
- 1) Build a statewide computer-based system for information, communication and education, available to all hospitals, clinics, health sciences libraries, health sciences educational institutions, health sciences administrators, and health care institutions that have a business presence in Arizona; and
 - 2) Introduce, encourage and support widespread use of electronic tools to improve health sciences education, practice and research by means of the Internet or similar system, the products and services AZHIN purchases, and those it develops. AZHIN seeks to develop resource-sharing plans; provide cooperative services; develop education products; apply new means of technology to organize, access and disseminate health sciences information; and engage in other related activities.
- 2.2 Restrictions.. All policies and activities of the Corporation shall be consistent with:
- 1) Applicable federal, state, and local regulations and legal requirements, and
 - 2) Applicable tax exemption requirements, including the requirements that the Corporation not be organized for profit and that no part of its net earnings inure to the benefit of any private individual.

ARTICLE III
MEMBERS

- 3.1 Qualifications. Membership is open to any health care institution or organization that meets the following membership criteria, and whose application for membership has been approved by the Board:

- 1) Is one of the following types of entities:
 - a) An institution of higher education
 - b) A government instrumentality or agency
 - c) A hospital or non-hospital clinical provider
 - d) A nonprofit organization whose mission is to provide health education and/or care
- 2) Meets the basic technical standards and designated capabilities set by the Board of Directors.
- 3) Has a single point of approval (e.g., the Chief Executive Officer) and a single point of implementation (e.g., librarian, information specialist or director of medical education) within the organization
- 4) Satisfies such other membership requirements that might be established by the Board from time to time.

3.2 Classifications. Three membership classifications exist.

- 1) Regular Members are further delineated into Types. Types may be further divided into subgroups as determined by the Board. Type definitions may be amended as necessary by majority vote of the Board.
 - a) Type 1 members are institutions, organizations or units thereof with 2500 or more students and/or employees, and academic institutions that support a medical school of any size.
 - b) Type 2 members are institutions, organizations or units thereof with 1000 to 2499 students and/or employees.
 - c) Type 3 members are institutions or organizations with 999 or fewer students and/or employees.
- 2) Affiliates are organizations that join to use AZHIN resources but whose primary purpose is not health related. Affiliate representatives cannot be elected to the Board of Directors or serve on committees. Affiliates do not have voting rights.
- 3) Friends are organizations that wish to demonstrate support for AZHIN through formal affiliation. Friend representatives cannot be elected to the Board of Directors or serve on committees, do not have access to AZHIN resources, and have no voting rights.

3.3 Responsibilities and Rights

- 1) Member Representative: Each Regular Member shall designate one person to serve as the member representative, and one person to serve as the alternate representative when the member representative is unavailable. The member representative shall actively participate in the activities of the Corporation, and shall exercise the member's voting rights.
- 2) Voting. Each Regular Member has full voting privileges within the Corporation. Voting rights are exercised through the designated member representatives or their alternates.

- 3) Participation. All Regular Member representatives and alternate representatives are entitled to serve on the board of directors, as an officer or committee chair, or in any other volunteer position created from time to time by the board. All members, regardless of classification, are encouraged to participate in AZHIN's activities.
 - 4) Philosophy: Members shall act in accordance with the reciprocity and mutuality that characterize AZHIN, bearing in mind the needs of Arizona's health care institutions as well as their individual needs.
 - 5) Finances. Members shall pay, in a timely manner, any annual dues, assessments, or fees agreed upon at the annual meeting or established by the Board as a condition of continuing membership.
 - 6) Services and Products: Each member shall assure AZHIN products are widely available within its institution, using the technical means of its choice to do so.
 - 7) Data: Members shall share AZHIN-related information, such as system utilization statistics, user satisfaction information and information used to evaluate the effectiveness of the system, with other AZHIN members.
- 3.4 Resignation. A member may resign by filing a written notice signed by the Chief Executive Officer or other such person empowered to take action on behalf of the member, with the Board. Such notice must be filed on or before six months prior to the end of the fiscal year, and shall be effective at the end of that fiscal year. Such resignation does not relieve a member from liability for dues, assessments or fees accrued and unpaid as of the date of the resignation. A member that resigns shall not be prohibited from applying for reinstatement at a later date, providing all previous financial obligations have been met.
- 3.5 Removal. A member may be removed with or without cause upon two-thirds vote of the Board. Failure to meet financial obligations or to continually meet the criteria for membership is presumed to be cause for removal and does not require advance notice to the member and deliberation by the Board. A member proposed for removal for any other reason must be given advance written notice, including the reason for the proposed removal, at least 15 days before such removal is scheduled to be in effect. The member shall have an additional five days to contest the removal, either in writing or before the Board, before the removal takes effect. The Board's final decision in the matter shall be provided to the member in writing. A member who has been removed shall remain liable for any dues, assessments or fees as a result of obligations incurred or commitments made prior to removal. A member that is removed shall not be prohibited from applying for reinstatement at a later date, providing that the cause for removal has been corrected, and all financial obligations have been met.
- 3.6 Property. Upon resignation or removal, a member shall promptly transfer any equipment, library materials and other tangible property that was purchased with AZHIN funds or permanently contributed to AZHIN by the resigning or removed member to the Corporation.

ARTICLE IV

BOARD OF DIRECTORS

- 4.1 Authority. AZHIN's governing body is the Board of Directors, which has the authority and is responsible for the supervision, control, and direction of the Corporation. It shall hire or otherwise arrange for any staff and support services necessary to manage AZHIN. The Board shall conduct all such lawful activities except as may be expressly limited by law, its articles of incorporation, or these bylaws.
- 4.2 Composition. The board shall be composed of 11 Directors. Six Directors must be representatives of Type 1 members, three Directors must be representatives of Type 2 members, and two Directors must be representatives of Type 3 members.
- 4.3 Election and Term. All Directors will be elected by majority vote of all of the voting members of the Corporation who choose to vote in the election. Regular member representatives and alternate member representatives shall be elected to the Board of Directors. Each Director shall serve a two-year term and is eligible to serve unlimited consecutive terms.
- 4.4 Meetings. The Board shall meet at least quarterly, at a time and place of its choosing.
- 1) Directors may participate in any meeting through the use of any means of communication by which all directors participating may simultaneously hear each other. A director participating in a meeting by this means is deemed to be present in person at the meeting.
 - 2) Any action that might be taken at a Board meeting may be taken without a meeting if the action is taken by all Directors. The action must be evidenced by written consent describing the action taken, signed by each director and included in the minutes reflecting the action taken. Such action is effective when the last director signs the consent. The consent signed under this section has the effect of a meeting vote and may be described as such in any document.
- 4.5 Voting. Each Director is entitled to one vote on the Board. A majority of Directors must be present for a quorum. Proxy voting is not allowed at Board meetings.
- 4.5 Vacancies. A vacancy on the Board is created when a member replaces a member representative or alternate representative who is currently serving as a Director. If the vacancy for any reason occurs during the first year of the two-year term, the members will elect a new Director to complete the remainder of the term. If the vacancy occurs during the second year of the term, the Board of Directors may appoint a member representative or alternate representative to fill the remainder of the term.

- 4.6 Removal. A Director may be removed with or without cause by a two-thirds vote of the Board. If a Director is removed, the vacancy in the position will be filled as provided in section 4.5.
- 4.7 Compensation. Directors do not receive any compensation for their services. They may, however, be reimbursed for actual expenses incurred in the performance of their duties if AZHIN policy so permits.

ARTICLE V

OFFICERS

- 5.1 Officers. The officers of the Corporation are President, Vice President, Secretary, Treasurer, and Immediate Past President.
- 5.2 Qualifications. Officers must be representatives or alternate representatives of Regular Members.
- 5.3 Election and Term of Office. The Board, at its first meeting after the annual meeting, shall elect by majority of votes cast by Directors present a Vice President, a Secretary, and a Treasurer. The President shall serve for one year, and then automatically serve one year as immediate past president. The Vice President shall serve for one year, then automatically serve one year as President and one year as Immediate Past President. The Secretary and Treasurer shall each serve two-year terms with the Secretary elected in odd-numbered years and the Treasurer elected in even numbered years. The Immediate Past President may not immediately be re-elected as Vice President. The Treasurer and Secretary are each limited to two successive terms in their respective offices.
- 5.4 Duties. Officers shall perform those duties that are usual to their positions and that are assigned to them by the Board of Directors. In addition, the President acts as Chair of the Board, the Vice President acts in place of the President when the President is not available, and the Treasurer is the financial officer of the Corporation.
- 5.5 Vacancies. A vacancy in an office is created when a member replaces a member representative or alternate representative who is currently serving as an officer. Should a vacancy in any office occur for any reason, a new officer shall be appointed for the unexpired portion of the term by the Board.
- 5.6 Removal. An officer may be removed with or without cause by a two-thirds vote of the Board.
- 5.7 Compensation. Officers do not receive any compensation for their services. They may, however, be reimbursed for actual expenses incurred in the performance of their duties if AZHIN policy so permits.

ARTICLE VI

COMMITTEES

- 6.1 Committees. The standing committees of the Board are the Executive Committee, the Nominating Committee, and the Finance Committee. The Board may form and dissolve other committees as needed to perform the work of the Corporation. Committee chairs and members of such committees are appointed by the President. Committees shall keep minutes of all meetings and regularly report on their activities to the Board.
- 6.2 Executive Committee. The Executive Committee shall consist of the officers of the Corporation and shall be chaired by the President. It meets as necessary and acts in place of the Board, except to the extent prohibited by law, when authority is so designated by the Board or in emergency matters where Executive Committee action is temporary and subject to subsequent approval by the Board at its next meeting. The actions of the Executive Committee shall be presented to the Board at its next regular meeting for ratification.
- 6.3 Nominating Committee. The Nominating Committee shall be chaired by the Immediate Past President and have as its members at least one member representative from each Type member. It is responsible for developing the slate of candidates for election to the Board of Directors.
- 6.4 Finance Committee. The Finance Committee shall be chaired by the Treasurer and shall include the AZHIN accountant. It is responsible for monitoring the financial aspects of the Corporation, assuring that accurate financial reports are filed in accordance with legal requirements, and oversight of any independent review of AZHIN's financial records.
- 6.5 Compensation. No committee member shall receive compensation from AZHIN for his or her services.

ARTICLE VII

MEETINGS

- 7.1 Annual Meeting. The Corporation's annual meeting shall be held in January, or at such other date and time, as shall be designated by the Board and stated in the meeting notice.
- 7.2 Special Meetings. Special meetings may be called by the Board, or at the written request of at least ten percent of the Regular Member representatives.
- 7.3 Notice. The Corporation shall notify all members, regardless of membership classification, of the date, time and place of each annual, regular and special member meeting at least ten days but not more than sixty days before the meeting date. Notice

shall be delivered to the member representative. Notice of a special meeting shall include a description of the purpose for which the meeting is being called.

- 7.4 Voting. The Members present shall constitute a quorum for the transaction of business at any membership meeting. For purpose of establishing a quorum, the presence of either the member representative or the alternate member representative shall mean the member is present. When a quorum exists, a simple majority of those present is required to pass any resolution unless a greater percentage is required by these Bylaws or by Arizona state law. Any organization whose application for regular membership has been accepted as of the date of the meeting shall be eligible to vote.

ARTICLE VIII

GENERAL PROVISIONS

- 8.1 Rules. The Board may establish rules that are consistent with these Bylaws for the policies, procedures, and programs of the Corporation.
- 8.2 Conflict of Interest. To avoid conflict of interest or the appearance of such conflict, each volunteer leader and AZHIN employee shall disclose in writing to the President any existing or potential conflict of interest that might harm the Corporation. If a matter should arise before the Board, within a committee on which the member representative serves, or in a membership meeting, in which the affected volunteer or staff is involved, the member representative or alternate representative shall disclose the potential conflict and refrain from participating in the discussion of the issue, except to respond to any questions. An affected director shall not vote on any matters involving a conflict of interest.
- 8.3 Dissolution. The Board of Directors may propose dissolution of the Corporation to the membership by delivering a meeting notice to each member, stating the purpose of the meeting is to consider dissolution. Such notice shall be accompanied by a plan for meeting all liabilities owed by the Corporation, and to whom the Corporation's assets will be distributed as required by the Articles of Incorporation. The dissolution proposal and plan must be approved by a majority of the members via a written ballot. In the event liabilities remain after liquidation of assets, a share of total payment of liabilities shall be assessed and paid by each member according to the formula used to calculate membership fees.
- 8.4 Amendment. The bylaws may be amended without prior notice at an annual meeting by a majority vote of those present who are eligible to vote. Emergency amendments may be made at any time by a two-thirds vote of the Board of Directors, but such emergency amendments are temporary and subject to subsequent approval by a majority vote of those present at the next meeting of the Corporation's membership.