

SIXTH AMENDED AND RESTATED BYLAWS OF  
CIBOLA GENERAL HOSPITAL CORPORATION  
A NEW MEXICO NONPROFIT CORPORATION

These Sixth Amended and Restated Bylaws were adopted by the Board of Directors at a regular meeting held on April \_\_, 2021, and supersede and replace in their entirety the Fifth Amended and Restated Bylaws previously adopted by the Board on March 24, 2014.

ARTICLE I. BOARD OF DIRECTORS

Section 1. Management. The affairs and the property of the Cibola General Hospital Corporation ("CGHC" or the "Corporation"), which operates and manages the Cibola General Hospital (the "Hospital") shall be managed by the Board of Directors (hereinafter sometimes referred to as the "Board"), subject to such limitations and conditions as may be placed upon the Board by the Articles of Incorporation and these Bylaws.

Section 2. Appointment and Election of Directors.

A. Size of Board. The Board of Directors of (CGHC) shall be nine (9) members, or such lower number as may exist due to unfilled positions on the Board. One of the members of the Board shall be the current Chief of Staff of the Hospital Medical Staff. The existing Board Members as of the date of adoption of these Sixth Amended and Restated Bylaws will continue until their terms expire unless they earlier resign or are removed.

B. Appointment of Board Members. Vacancies to the Board of Directors of CGHC (other than a vacancy in the Chief of Staff Board position which shall automatically be filled by the then current Chief of Staff) shall be filled by appointment of "qualified" applicants as follows:

- (i) Vacancies in the four (4) members previously appointed by the County, shall be appointed by the County. One of the members appointed by the County may be a currently seated County Commissioner; provided that no County Commissioner who is an employee of the CGHC, is related to an employee of the CGHC, or

provides any type of service to the CGHC shall be eligible to serve on the Board; provided further that no County employees or other elected County officials shall be eligible to serve on the Board; and provided further that no County Commissioners shall be eligible to serve on the Board once CGHC is not characterized as a component unit of the County.

- (ii) Vacancies in the four (4) Board Members appointed by CGHC, shall be appointed by CGHC, one of which shall be the Chief of Staff, provided that no employee of CGHC or immediate family member of a CGHC employee shall be eligible to serve on the Board (other than the CGHC Chief of Staff).
- (iii) The ninth and final member of the Board shall be appointed by a majority vote of the 8 member Board appointed by the County and CGHC.
- (iv) The CEO of CGHC shall serve as an ex-officio member of the CGHC Board and all committees appointed by the CGHC Board, and shall have no voting power. The County Manager will be entitled to attend all CGHC Board meetings other than executive session meetings of the Board. In order to be considered "qualified" for service on the Board an applicant must:
  - a. have a willingness to give as much time for Board matters as is reasonably required including active participation in Board and committee meetings and assignments,
  - b. be willing to accept responsibility for governance, to provide constructive input in the areas of the applicant's experience and expertise and to be an "ambassador" for the Hospital in the community,
  - c. have education, training and/or experience in one or more aspects of the Hospital operations,
  - d. be honest and above political influence and

- e. agree to hospital's Conflict of Interest and Confidentiality Policies.

To the extent reasonably possible the Board should include a broad representation of the community served by the Hospital.

C. Staggered Terms. Membership of the Board shall have staggered terms, so that at least two Board members' terms begin each year. Board members shall not have terms of more than three years, although they may be elected for more than one term up to a maximum of three consecutive three-year terms, or a total of nine consecutive years. However, if a position continues to be available for a County Commissioner, the term limit will not apply and the Chief of Staff position must be served by the current Chief of Staff.

D. Open Meetings. All meetings of a quorum of members of the Board held for the purpose of formulating policy, including the development of personnel policy, rules or regulations or discussing corporate business or for the purpose of taking any action with the authority of the Board, shall be public meetings open to the public at all times, except that the Board shall go into executive session for meetings, or portions of meetings, of the following types:

- (i) Meetings or portions of meetings at which any action involving a physician or other health care professional with privileges at the Hospital is considered, discussed or otherwise dealt with. The physician or other health care professional with privileges at the Hospital may request that the meeting be open to the public but such request shall not be binding on the Board and the Board may remain in executive session in its sole discretion.

- (ii) Meetings or portions of meetings at which the hiring, promotion, adjustment in salary, demotion, dismissal, assignment or resignation of any Hospital employee including an employed physician are addressed. In addition, any discussion regarding the investigation or consideration of complaints or

charges against a Hospital employee or employed physician shall be held in executive session. The Hospital employee or employed Physician may request that the meeting be open to the public but such a request shall not be binding on the Board and the Board may remain in executive session at its sole discretion.

(iii) Meetings or portions of meetings for the discussion of bargaining strategy preliminary to collective bargaining negotiations between the Board and a bargaining unit representing the Hospital's employees, and collective bargaining sessions at which the Board, or its representatives, and the representatives of the collective bargaining unit are present.

(iv) Meetings or portions of meetings for the discussion of purchases in an amount exceeding \$5,000 that can be made only from one source. The actual approval of purchase of the item is to be made in an open meeting.

(v) Meetings or portions of meetings subject to the attorney-client privilege pertaining to threatened or pending litigation in which CGHC, the Board or any Board member is or may become a participant.

(vi) Meetings or portions of meetings where strategic and long-range business plans are discussed.

(vii) Meetings or portions of meetings where matters relating to individual patients are discussed.

(viii) Meetings or portions of meetings where matters which are required to be confidential by federal or state laws, rules and/or regulations are discussed.

(ix) Meetings or portions of meetings where matters relating to quality assurance and/or risk management are discussed.

(x) Meetings or portions of meetings where the credentialing of physicians is discussed. The actual granting of credentials is to be made in a public meeting.

E. Notice of Meetings. Seven (7) days notice of all meetings at which a quorum of the Board is present for the conducting of corporate business, including meetings in executive session, shall be given to the public and to the County. The notices to the public shall be provided by publication in an acceptable social media outlet or the local newspaper. Notices to the County shall be emailed, faxed or hand-delivered to the County Manager, or his/her office, or such other location as the County shall designate. The notices shall include a statement that an agenda containing a list of specific items of business to be discussed or transacted at the meeting is available upon request.

F. Minutes. The Board shall keep written minutes of all its meetings. The minutes shall include at a minimum, the date, time and place of the meeting, the names of the members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken which show how each member voted (but roll call vote tabulation is not required). Except as hereinafter specifically provided, minutes shall be open to County inspection. Minutes are subject to inspection and copying at the Hospital's executive offices for a reasonable charge upon written request. Draft minutes shall be prepared within thirty days after the meeting at which a quorum is present. Minutes shall not apply to the substance of matters, decisions, votes or any other thing done, discussed or taken during any executive session. Minutes of executive sessions, if any, shall be sealed and shall not be available for any inspection except in the event of the termination of the Health Care Facilities Contract between CGCH and the County or any successor agreements for the lease and operation of the Hospital, and then only to the extent that such minutes or portions thereof contain information not otherwise available to the County, which information is

necessary and appropriate to enable the County to facilitate a smooth transition of the operations of the Hospital. Final minutes shall be voted upon and approved at the next meeting wherein a quorum is present.

G. Duties of Board Members. In addition to the duties and responsibilities established by New Mexico law and elsewhere in these bylaws, the Board shall:

- (i) Annually, or more frequently if appropriate, review the performance of the Board, its committees and members.
- (ii) Annually, or more frequently if appropriate, review the performance of the Chief Executive Officer of the Hospital.
- (iii) Oversee the preparation of, and approve with amendments if necessary, the annual management plan and budget in consultation with the Chief Executive Officer and Chief Financial Officer with appropriate input and participation from the management company engaged by the Board
- (iv) Provide and/or arrange for appropriate orientation and continuing education programs for its members.

Section 3. Annual Meeting. An annual meeting of the Board of Directors, for the election of officers and the transaction of such other business as may properly come before it, shall be held in the months of July or August on a date and hour to be determined each year by resolution of the Board of Directors or at such other time as the Board of Directors may determine. At the annual meeting of the Board, or at a special meeting during the year, among other business, the Board will elect officers, appoint committee members, establish investment authority for the Corporation's accounts for the next fiscal year, establish the regular meeting schedule for the Board for the coming fiscal year (which shall be held on a designated day of each month at a regular starting time) and adopt meeting notices in conformance with paragraph 2.E. above.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board or upon written request of any two other Directors, which request shall specify the object of the meeting. Notice of the object of any special meeting must be given with reasonable particularity.

Section 5. Place of Meetings. All meetings of the Board of Directors shall be held in Cibola County, New Mexico, at the Hospital or at such other place as may be designated in the notice of meeting.

Section 6. Notice. The Executive Assistant to the CEO, or designee, shall at least three (3) days prior to the date set for any Board meeting, give notice thereof to each member, by e-mail, mail or personal delivery stating the time and place of such meeting and, if a special meeting, the object of the meeting. If e-mailed, such notice shall be deemed given when sent through the internet provider for the Hospital sent to the director at the e-mail address as it appears on the records of the Corporation. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, addressed to the director at the director's address as it appears on the records of the Corporation. If the day fixed for any meeting falls on a legal holiday an alternative date shall be selected and appropriate notice shall be given.

Section 7. Meeting Without Notice. Notice of any meeting of the Board of Directors, as provided in Section 6 of Article I of these Bylaws, may be dispensed with and any business transacted thereat which might have been transacted if the meeting had been duly called, provided all of the members of the Board entitled to vote shall be present at the meeting or sign a written waiver of notice either before or after the meeting.

Section 8. Teleconference or Videoconference Meetings. The Board may conduct meetings by teleconference or videoconference and any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone, videoconference or similar communications equipment, which allows all persons

participating in the meeting to hear each other. Participation by telephone or videoconference shall be equivalent to presence in person at the meeting for purposes of determining if a quorum is present. Arrangements for public participation in public Board meetings to be conducted by teleconference or videoconference will be made and notice of such arrangements will be communicated to the public in the notice given of such meetings.

Section 9. Quorum. A majority of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors who are present at a meeting at which a quorum is present, except as otherwise provided by law or by the Articles of Incorporation or these Bylaws, shall be the act of the Board of Directors. In the absence of a quorum, those present may adjourn the meeting without further notice until a quorum is secured.

Section 10. Chairperson of Board. There shall be a Chairperson of the Board of Directors, as further described in Article II, Section 2.

Section 11. Vice-Chairperson of Board. There shall be a Vice-Chairperson of the Board of Directors, as further described in Article II, Section 3.

Section 12. Consent. Any action which is required or permitted to be taken at a meeting of the Board of Directors in an executive session may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors entitled to vote on such action. The consent shall have the same force and effect as a unanimous vote. Such action shall be effective as of the date specified in the consent.

Section 13. Compensation. The Directors shall not receive compensation for their services as such but the Board may authorize reimbursement for expenses incurred by Directors in connection with the performance of their duties. Nothing herein contained

shall preclude any director from serving CGHC in any other capacity or receiving compensation for any such services.

Section 14. Contracts with Interested Directors. Subject to the guidelines on conflicts of interest set forth in Section 15 below, the Corporation may enter into contracts or transact business with one or more of its Directors, or with any person, corporation, company or other concern in which one or more of the Corporation's Directors has or may have any pecuniary or other personal interest whatsoever. No contract or transaction shall be void, voidable or otherwise in any way affected for any purpose, nor shall any director be liable to account to the corporation for any profit realized by him from or through any such contract or transaction, by the fact that one or more Directors are personally interested in it, if at or prior to a meeting of the Board of Directors (or action by the Board without a meeting) making, authorizing or ratifying such contract or transaction the general nature of such personal interest has been or is disclosed to, or is otherwise known by, the Directors present at such meeting or the Directors taking such action without a meeting, as the case may be. Any such interested director shall not be counted in determining the existence of a quorum, and he shall abstain from the vote at any meeting of the Board (or in any action by the Board without a meeting) which makes, authorizes or ratifies any such contract or transaction. The number of Directors necessary to make, authorize or ratify any such contract or transaction shall not include the votes of one or more interested Directors.

Section 15. Conflicts of Interest. A Director should be sensitive to any personal, civic or business interest he or she may have in a decision to be made by the Board of Directors and, as far as possible, recognize such personal, civic or business interest prior to the discussion or presentation of such a matter before the Board. When a Director has a personal, civic or business interest in a transaction or matter being considered by the Board of Directors, the Director should disclose the conflict in reasonable detail before the Board of Directors takes action on the matter. The Chairperson of the Board may also initiate a review of a director's apparent personal,

civic or business conflict of interest. Upon disclosure by the director or the Chairperson's initiation of a potential personal, civic or business conflict of interest, the Board may determine to provide a review of the potential conflict of interest by assigning an ad hoc committee of at least three (3) Board members to review the potential conflict. Upon report by the committee, if the Board concludes by majority vote that there is a potential conflict of interest and that the interests of the Corporation will be served by placing restrictions on the interested Director with regard to the matter, it shall adopt a resolution to that effect. The restrictions that the Board is permitted to adopt include exclusion of the interested Director from discussion of the matter at regular Board meetings, Board committee meetings and Board meetings conducted in executive session, adoption of confidentiality restrictions with regard to the matter and abstention from voting of the matter. At least once each year each Director shall sign a conflict of interest statement fully disclosing any possible conflicts of interest he or she may have with CGHC.

Section 16. Confidentiality of Information. Directors shall not disclose to third parties information that is of a confidential nature such as information regarding the financial condition of CGHC, business and management plans, employee or physician salary or payments, patient information, information regarding the Medical Staff and other information of a sensitive or proprietary nature. CGHC shall be entitled to pursue appropriate legal process to prevent any Director from improperly disclosing confidential information, including seeking injunctive relief if the Board of Directors deems it necessary or appropriate to protect the interests of CGHC.

Section 17. Compliance. The Board members have an obligation to ensure the Hospital has an effective compliance program in place to detect and deter legal violations.

## ARTICLE II. OFFICERS

Section 1. Number and Election. At the annual meeting of the Board, there shall be elected to serve for the ensuing year and until their respective successors are duly elected and qualified, a Chairperson, Vice-Chairperson, a Secretary, a Treasurer and such other officers or assistant officers as the Board shall deem advisable. The Chairperson, Vice-Chairperson, Secretary and Treasurer must be members of the Board. The Board shall have the power to elect at any meeting such additional officers as it deems advisable. Two or more offices may be held by the same person, except that the office of the Chairperson and the office of Vice-Chairperson shall not be held by the same person. Any vacancies occurring in the offices of the Corporation shall be filled for the unexpired term by the Board.

Section 2. Chairperson. The Chairperson of the Board shall be nominated and elected at the Annual Meeting, by and from the members of the Board according to the procedure outlined in the bylaws, and shall hold the office until the successor is elected and qualified. The Chairperson shall call and preside at all meetings of the Board and countersign with the Secretary all deeds, leases, and conveyances executed by CGHC. The Chairperson shall also perform such additional duties as required by the Board or as may be prescribed from time to time by the Bylaws and/or State and Federal laws.

A. Qualifications

1. Can work to build consensus
2. Is adept at strategic and financial planning
3. Has strong communication skills
4. Has experience in a field or endeavor that contributes to the disciplines that affect the organization, i.e., insurance/managed care, medicine, law, finance/banking, real estate, marketing, information technology, public policy, corporate management, etc.
5. Feels that collaboration is necessary for success
6. Possesses openness and honesty
7. Subscribes to and practices a high moral standard

8. Values personal growth and learning, particularly covering matters confronting the board and the organization
9. Sees self as a servant leader
10. Accepts that the board has the authority and that individual board members have none (unless delegated by the board)
11. Is personally challenged by what is best for the organization and the community

B. Responsibilities

1. Chairs board and executive committee meetings: to ensure orderly conduct; fair and appropriate opportunity for all to contribute; suitable time allocation per item; determining order of agenda and discouraging deviations from this during the meeting; directing discussion towards consensus; clarifying and summing up actions and policies; discouraging sidebar conversations
2. Serves on Board subcommittees and acts as Board liaison on committees, including but not limited to the Finance Committee, Professional Committee, Scholarship Committee, Performance Improvement Committee, Project Committee, Nominating Committee, and Physician Recruitment Committee
3. Appoints subcommittee chairs when necessary and with input from the chief executive and other Board members, recommends who will serve on Board subcommittees
4. Calls special meetings of the Board as necessary
5. Works in partnership with the chief executive to ensure board resolutions are carried out, preparing board meetings, the agenda and conducting new board member orientation
6. Oversees searches for a new chief executive and coordinates chief executive's annual performance evaluation
7. Is a partner with the chief executive in achieving the organization's mission and on issues confronting the organization
8. Be the spokesperson for the Board when communicating with hospital employees and the public, including government officials, media, etc.

9. Signs corporate documents and other duties necessary for operations and as required by law
10. Leads efforts to recruit new board members
11. Periodically consults with board members on their roles and helps them assess their performance
12. Provides leadership to the Board of Directors, who sets policy and to whom the chief executive is accountable
13. Encourages Board's role in strategic planning
14. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns
15. Monitors financial planning, financial reports, quality planning and quality reports
16. Reviews Board Bylaws and recommends any necessary changes as outlined in Bylaws

Section 3. Vice-Chairperson. The Vice-Chairperson shall be the vice-chair of the Board of Directors, and shall perform such duties, including those of the Chairperson/President, as may be assigned to the Vice-Chairperson from time to time by the Board. During the Chairperson/ President's absence or disability, his or her powers and duties shall devolve upon the Vice-Chairperson. The Vice-Chairperson shall generally become the next Chairperson of the Board after the resignation or removal of the current Chairperson, in order to provide appropriate training for the Vice-Chairperson to be able to handle the position of Chairperson and smooth succession planning for the governance of the Board. The Board shall elect the Vice-Chairperson from among its members, and the Vice-Chairperson shall be entitled to vote on all matters coming before the Board.

Section 4. Secretary. The Secretary shall act as secretary of, and keep the minutes, or designate them to be kept, of all meetings of the Board, and whenever required by the Chairperson shall perform like duties for any committee. The Board may designate any person to act as secretary of any meeting of the Board from which the

Secretary is absent. The Secretary shall see that all notices are duly given in accordance with these Bylaws and as required by law. He or she shall have the charge of the books, records and papers of the Corporation relating to its organization and shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent that the same are required to be kept or filed by the Treasurer. He or she shall perform all the duties normally incident to the office of Secretary and such other duties as may from time to time be assigned to the Secretary by the Board of Directors or other authorized officer. The Assistant Secretaries shall, if applicable, in the absence of the Secretary, perform all of the duties of that officer and at all times they shall perform such of the Secretary's duties as may be assigned to them respectively by the Board or other authorized officer.

Section 5. Treasurer. The Treasurer shall have the charge, custody and responsibility for the funds of the Corporation and shall cause accurate and adequate records to be kept of the assets, liabilities and transactions of the Corporation, although the Treasurer may delegate the day to day responsibilities for the funds management of the Corporation to an employed CFO. He or she shall cause all moneys of the Corporation to be deposited in the name of the Corporation in such banks, trust companies or other depositories as may be designated by the Board or by an officer or officers so delegated by the Board. He or she shall be the chair of the Finance Committee of the Board and shall perform all the duties normally incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the Board Chairperson.

### ARTICLE III. COMMITTEES

The Chairperson shall establish and designate membership of committees each year, which committees shall exercise such powers as may be delegated to such committees by the Chairperson. Four committees, the Finance Committee, the

Professional Committee, the Hospital Performance Improvement Committee (PIC), and the Joint Conference Committee, shall be mandatory.

Section 1. Finance Committee. The Finance Committee shall consist of the Treasurer as the chairperson and at least two more Board members. The Finance Committee shall be responsible for:

A. The management and investment of all funds of the Corporation (subject to applicable limitations established by the Corporation's contractual agreement with the County of Cibola).

B. Review and approve the annual budget prepared by the Chief Financial Officer prior to presentation of the budget to the Board.

C. Review of the monthly financial reports prepared by the Chief Financial Officer.

Section 2. Professional Committee. The Professional Committee shall consist of the Chief of Medical Staff as the chairperson, at least two other members from the Board, and the CEO, CMO; a Medical Staff Office representative(s) will attend as non-voting member(s). The Professional Committee shall have the following duties:

A. Review and transmit to the Board recommendations from the Medical Executive Committee (MEC) with regard to credentialing issues, appointment and privileging, and any actions concerning all members of the Medical Staff and Allied Health Professional Staff of the Hospital.

B. Recommend to the Board any limitations on the practice areas for the Medical Staff within the Hospital.

The Board shall have the option to act as the Professional Committee rather than appoint a separate committee.

Section 3. Performance Improvement Committee (PIC). The PIC shall consist of the CEO, CCO, CMO, CFO, HR Director, Risk Manager, Medical Staff members and Board members. The Chair will be elected by committee members. The PIC shall have the following responsibilities:

A. Oversee the quality activities of the hospital, including patient care, treatment, services and patient safety.

B. Directs the organizational performance improvement activities by means of the functions of the MEC/Medical Staff in conjunction with hospital staff, Board members and executive staff.

Section 4. Joint Conference Committee (A Board Committee) is composed of three board members (the Board Chair, Vice Chair and Secretary) and three medical staff members (the chief of staff, vice-chief of staff, and immediate past chief of staff, or designees of these positions) and is designed to manage conflicts and issues between the Board and the medical staff, and to provide an open door forum for communication between the two entities when needed.

Section 5: Human Resources/Recruitment Committee (HR Committee) is composed of the HR Director, the CEO and at least two Board members. This committee will participate in the recruitment of providers and leadership positions within the Hospital.

Section 6: Technology and Facility Committee (Technology Committee) is composed of the CEO, CFO and at least two Board members. This committee will oversee and advise the Board on improvements and reconfiguration of the Emergency Department and major building improvements.

Section 7: Board Authority to Act as Committee. The full Board may determine from time to time, to act as and in lieu of any of the above committees.

Section 8: Notices. The meeting notice adopted by the Board at the annual meeting shall also address regular committee meetings for the fiscal year. The designation of such committees and the delegation of authority thereto shall not operate to relieve the Board of Directors of any responsibility imposed on it by law.

#### ARTICLE IV. REMOVAL

Any director or officer may resign at any time. A Director may be removed for good reason upon a vote of not less than five members of the Board of Directors. Good reason shall mean (i) failure of a director to attend the majority of annual and special board meetings, (ii) continued disruptive behavior of the director, (iii) conviction of a felony or a crime of moral turpitude by the director, or (iv) continued failure to be a good “ambassador” for the Corporation in the community. Any officer may be removed with or without cause by the affirmative vote of a majority of the Directors entitled to vote who are present at any regular meeting or any special meeting of the Board called for that purpose at which a quorum is present. Such removals shall be without prejudice to the contract rights, if any, of the person removed.

#### ARTICLE V. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the statutes or of the Articles of Incorporation, or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### ARTICLE VI. INDEMNIFICATION

To the extent permitted by law and in accordance with the applicable provisions of the New Mexico Nonprofit Corporation Act:

A. The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that he or she is or was a director, officer/director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer/director, officer, employee or agent of another corporation, partnership,

joint venture, trust or other enterprise against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with the defense or settlement of such action or suit, or any appeal therein; PROVIDED, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable on the basis that he or she has breached or failed to perform the duties of his or her office and the breach or failure to perform constitutes willful misconduct or recklessness.

B. The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than one by or in the right of the Corporation to procure a judgment in its favor) by reason of the fact that he or she is or was a director, officer/director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer/director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against judgments, fines, taxes, excise taxes, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with such action, suit or proceeding, or any appeal therein; PROVIDED, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable on the basis that he or she has breached or failed to perform the duties of his or her office and the breach or failure to perform constitutes willful misconduct or recklessness.

## ARTICLE VII. MEDICAL STAFF

### Section 1. Organization, Appointments, and Hearings.

A. The Board of Directors shall establish a medical staff to govern the physicians, dentists, podiatrists, and Licensed Independent Practitioners ("LIP") and

other practitioners granted privileges to practice at the Hospital. The Medical Staff shall elect officers and an Executive Committee pursuant to the Medical Staff Bylaws. The Medical Staff shall adopt and amend, as appropriate, Bylaws governing its operation, however, such Bylaws and any amendments shall not become effective until approved by the Board. The Medical Staff Bylaws shall be reviewed at least biennially by the Board of Directors.

B. The Medical Staff shall (a) operate as a component part of the Hospital, through its clinical services, committees, and officers and will be responsible and accountable to the Board for the discharge of those duties and responsibilities delegated to it by the Board from time-to-time. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his patients, subject to such limitations as are contained in these Bylaws, the Medical Staff Bylaws, any published Rules and Regulations for Medical Staff, and subject further to any express limitations attached to each Member's appointment.

C. All applications for appointment to the Medical Staff shall be in writing on a form prepared by the Medical Staff and approved as to form by the Board for such purpose and shall be submitted to the Chief Executive Officer of the Hospital. The applications shall contain full information concerning the applicant's education, licensures and certifications, practice history, previous hospital experience and any unfavorable history with regard to licensure and hospital privileges; and full and complete information concerning any previous or present claims against the applicant for any alleged or actual medical malpractice or negligence.

D. The Board of Directors shall consider the recommendations of the current Medical Staff when making additional appointments to the Medical Staff. The Members of the Medical Staff must be graduates of accredited medical, dental, or podiatry schools meeting the minimum personal and professional qualifications prescribed in the Medical Staff Bylaws. Appointments shall be for terms up to two (2) years only,

renewable in accordance with the reappointment and promotion procedures set forth in the Medical Staff Bylaws. When any appointment is not renewed or when privileges have been, or are proposed to be, reduced, suspended, or terminated, appropriate procedures will be followed as outlined in the Medical Staff Bylaws.

E. After submittal of a recommendation by the Medical Staff Executive Committee for a new applicant to the Medical Staff, the Board, at its next regular meeting, shall consider the recommendation.

F. Whenever an application to the Medical Staff, or an existing member of the Medical Staff, requests a hearing due to a specific adverse action of the Board (denial, suspension, revocation, reduction, or limitations of any aspects of staff membership or clinical privileges) a hearing shall be conducted in accordance with the procedures set forth in the Medical Staff Bylaws.

G. When the Board makes any final decisions regarding Medical Staff matters, it shall send notice of such decisions to the Medical Staff through the Hospital's Chief Executive Officer to the applicant or Medical Staff member involved, with a copy to the Chief of Medical Staff, the active Medical Staff and any affected service. If the final decision is adverse to the applicant or Medical Staff member involved, in addition to regular mail, the final decision shall also be sent by certified mail, return receipt requested.

H. If the Board makes a final decision denying an appointment to the Medical Staff, the applicant may reapply for appointment to the Medical Staff after the expiration of three (3) years from the date of such denial unless the Board provides otherwise in its formal written denial.

I. At the time of application to the Medical Staff by an applicant, the Chief Executive Officer shall make available to the applicant a copy of all such hospital

policies and directives applicable to the Medical Staff, the Medical Staff Bylaws and any current Rules and Regulations for the Medical Staff in force at that time. The applicant shall sign a statement furnished him or her by the Chief Executive Officer acknowledging that he or she has read and understood the Medical Staff Bylaws and that he or she specifically agrees:

- i. To provide continuous care and supervision as needed to all hospital patients for whom he or she has responsibility;
- ii. To abide by all such Bylaws, policies, and directives of the Corporation, including all such Bylaws, Rules and Regulations of the Medical Staff as shall be in force during the time he or she is appointed to the Medical Staff of the Hospital;
- iii. To accept committee assignments, to perform quality assessment activities as outlined in the Hospital's performance improvement plan and such other duties and responsibilities as shall be assigned to him or her by the Board and/or the Medical Staff. No appointment or reappointment to the Medical Staff shall take effect until such a statement has been signed by the individual concerned.

## Section 2. Quality of Patient Care and its Evaluation.

A. Quality of Care. The Board of Directors shall delegate to the Medical Staff the responsibility of providing appropriate professional care to the Hospital's patients and shall hold them responsible for conducting a continuing review and appraisal of the quality of professional care rendered in the Hospital, and the Medical Staff shall periodically report such activities and its results to the Board. All patients shall be the responsibility of a physician member of the Medical Staff.

B. Support. The Board, through the Chief Executive Officer, shall ensure that the Medical Staff is provided with the administrative assistance necessary to conduct quality assurance activities in accordance with the Hospital's quality assurance plan. This includes the services of the HIM Department, as well as any other administrative or technical assistance reasonably necessary and appropriate to facilitate the Medical Staff's conduct of quality assurance activities. The nature and the frequency of submission of required reports shall be in accordance with the Hospital's Performance Improvement Plan, the Medical Staff Bylaws and Rules and Regulations for the Medical Staff.

C. Recommendations. The Medical Staff shall make recommendations to the Professional Committee of the Board of Directors, or, if appropriate, directly to the Board, concerning:

- i. Appointments, reappointments, and alterations of staff status;
- ii. The granting of clinical privileges;
- iii. Disciplinary actions;
- iv. All matters relating to professional care reviews and individual competencies; and
- v. Such other specific matters as may be referred to it by the Board of Directors.

Section 3. Medical Staff Bylaws. There shall be Bylaws, Rules and Regulations for the Medical Staff, setting forth its organization and government. Proposed Bylaws, Rules and Regulations shall be proposed by the Medical Staff, but shall only become effective if approved by the Board of Directors. The Board retains the right to rescind any authority or procedures delegated to the Medical Staff by these Bylaws or

otherwise, and to request that the Medical Staff amend the Medical Staff Bylaws as necessary for the proper operation of the Hospital.

Section 4. Administrative Physicians. Physicians and dentists employed by the Hospital in a purely administrative capacity and/or who are not, as a condition of employment, required to be members of the Medical Staff, shall be subject to the regular personnel policies of the Hospital, their employment contracts (if any) and other general terms of employment promulgated by the Corporation from time to time.

Section 5. Malpractice Insurance. In order to ensure sound management of the assets of the Hospital, sound professional practice and legitimate protection of the patients, the Hospital requires that all members of the Medical Staff and all applicants for membership have and maintain malpractice insurance in an amount equal to or greater than that available under the New Mexico Medical Malpractice Act, NMSA 1978 Section 41-5-1. In the alternative, a Medical Staff member may obtain an occurrence or claims made policy in amounts per occurrence and/or per aggregate as may be agreed to by the Board. Any such policy must be approved by the Chief Executive Officer. In the event that the Medical Staff member has obtained a claims made policy, he/she must prove that he/she has obtained tail coverage in the event that he/she is no longer on staff. Compliance with this malpractice policy shall be evidence by filing with the Chief Executive Officer a Certificate of Insurance from each member's carrier.

## ARTICLE VIII. OFFICES

The principal office of the Corporation in the State of New Mexico shall be at 1016 East Roosevelt Avenue, Grants, New Mexico, 87020. The Corporation may also have offices at such other places within the State of New Mexico as the Board may from time to time designate or the business of the Corporation may require.

## ARTICLE IX. SEAL

The Corporation may have a corporate seal.

#### ARTICLE X. FISCAL YEAR

The fiscal year of the Corporation shall be from July 1 of a year to June 30 of the following year.

#### ARTICLE XI. AMENDMENTS

These Bylaws may be altered, amended or repealed, or new bylaws adopted, by the Board at any regular meeting of the Board or at any special meeting of the Board if notice of the proposed alteration, amendment or repeal, or adoption of new bylaws is contained in the notice of such special meeting.

#### ADOPTION OF BYLAWS

The foregoing Sixth Amended and Restated Bylaws have been duly adopted by the Board of Directors of Cibola General Hospital Corporation, a Non-Profit Corporation, on April \_\_, 2021.

Attest: \_\_\_\_\_  
\_\_\_\_\_, Secretary

By: \_\_\_\_\_  
\_\_\_\_\_, Chairman