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BY-LAWS OF MEMORIAL HOSPITAL

ARTICLE I - MEMBERSHIP

Membership

Any person desiring the services of said hospital is entitled to membership without payment of any fee. All members shall have equal rights, and shall be entitled to all facilities of the hospital.

ARTICLE II - TRUSTEES

Section 1. Board of Trustees

The members of Memorial Hospital have selected the following to constitute the Board of Trustees: E. L. Kurth, Cal C. Chambers, E. P. Trout, E. L. Kurth, Jr., R. W. Wortham, Jr., R. S. Bradshaw, Jr., A. E. Cudlipp, D. W. Thompson, W. W. Trout, R. B. Stroud, W. L. McHale, S. W. Henderson, Jr., W. S. Scott, J. O. Klein, John S. Redditt, Arthur Temple, Jr., Geo. S. Smith, Clyde Thompson, M. L. Wilkinson, C. L. DuPuy, and Roy Spears.

T The trustees shall serve until death, removal, resignation or termination of membership in Memorial Hospital.

Section 2. Powers and Authority of Board of Trustees

(a) Elect new and additional Trustees by a two-thirds (2/3) vote of the membership of the Board of Trustees.

(b) Elect and fill any vacancies in the Board of Trustees and Board of Directors by reason of death, resignation or removal of any Trustee or Director.

(c) By a vote of two-thirds (2/3) of all Trustees, any Trustee or Director may be removed from office.

(d) Elect members of Memorial Hospital.

(e) In the event of the liquidation, dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, or by operation of law, it shall be the duties of the Trustees to dispose of the assets of the Corporation in the interest of some charitable, benevolent and educational object and purpose as is provided in the Charter.

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Section 3 - Regular and Special Meetings of Board of Directors Trustees

The Board of Trustees shall meet annually, at the time and place as may be designated by said Board. Special meetings may be called by the Chairman of the Board upon three (3) days notice in writing to all members of the Board, or a majority of said Board may call a meeting by three (3) days notice in writing by stating the time and place of said meeting.

Section 4 - Officers

A. The Board of Trustees shall have a Chairman and a Secretary elected by a majority vote of the membership of the Board.

B. The term of office of the Chairman of the Board and the Secretary shall be for a term of one (1) year and said officers shall continue to hold said offices until their successors have been legally elected.

ARTICLE III - BOARD OF DIRECTORS

Section 1 - Membership

The Board of Directors of Memorial Hospital shall have not less than seven (7) nor more than eleven (11) members, as may be determined by the Board of Trustees. The members selected in the Charter shall serve for one (1) year. After expiration of the first year, said Directors shall be selected for a term of three (3) years. Any Directors so selected shall serve until his successor is elected. The Board of Trustees shall have the authority to remove any Director by two-thirds (2/3) vote of the members of said Board.

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Memorial Hospital By Laws

Beginning at the annual meeting in 1951, three (3) Directors will be retired from the Board of Directors and three (3) new Directors will be elected by the Board of Trustees each year.

Section 2 - Regular and Special Meetings

The Board of Directors shall meet at such times as may be determined by said Board until Memorial Hospital has been constructed and placed in operation, and after this time the Board of Directors shall have one (1) regular meeting each month at the office of the Hospital and at such times as said Board may be called for a meeting by the President thereof.

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of Directors shall have one (1) regular meeting each month at the office of the Hospital and at such times as said Board may be called for a meeting by the President thereof.

Section 3. - Duties and Responsibilities

The Board of Directors is charged with the duties and responsibilities of the operation and management of said Hospital. The Board of Directors shall also prescribe the duties and powers of the Officers of the Corporation and the Officers and employees of the Hospital and shall fix the terms of employment of all Officers and employees of the Hospital. Complete authority and management of said Hospital is vested in the Board of Directors.

ARTICLE IV - OFFICERS

Section 1. - Officers

The corporation shall have the following officers: President, First Vice-President, Second-Vice-President, Secretary, Treasurer and Administrator of the Hospital; and except as herein provided said Officers shall derive their authority and powers from the Board of Directors. Se

Section 2. - Authority of the Officers

A. President

The President of the corporation shall preside at all meetings of the Board of Directors. He shall execute in the name of the Corporation all legal instruments required by the Board of Directors. He shall perform all other duties as may be prescribed by the Board of Directors.

B. First Vice-President

In the absence of the President and in the event of vacancy of the office of President, the First Vice-President shall perform all duties prescribed of the President and such other duties as may be

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prescribed by the Board of Directors:

C. Second Vice-President

In the event of a vacancy of either the office of President or First Vice-President, the Second Vice-President shall perform all duties prescribed by the President or First Vice-President and such other duties as may be prescribed by the Board of Directors.

D. Treasurer

The Treasurer shall have the custody of all moneys and securities of the corporation. A proper and regular set of books shall be kept by him or under his direction. All money of the corporation shall be deposited in such depositaries as shall be selected by the Directors. In addition, the Treasurer shall perform all duties usually pertaining to his office and which may be prescribed by the Board of Directors.

E. Secretary

The Secretary shall keep the records of the corporation and books of account. He shall keep correct minutes of all meetings of the Board of Directors and shall perform such other duties and powers as may be directed by the Board of Directors.

F. The Administrator of the Hospital

The Directors of the corporation shall have the authority to employ an Administrator of the Hospital who shall be the chief executive officer in the operation and management of same. Said Administrator is to be employed under such terms and conditions as may be determined by the Board of Directors and shall perform such duties as may be prescribed by the Board of Directors.

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ARTICLE V - AUDITS

It shall be the duty of the Board of Directors annually to have complete audit made of all records and accounts of the corporation showing complete itemization of all receipts and expenditures. A copy of this audit shall be furnished to each member of the Board of Directors and Board of Trustees. All books, records, and files shall be kept in the offices of said hospital and shall not be removed therefrom without authority of the Board of Directors; and no person other than a trustee, director, officer, or duly authorized employee of said hospital shall have the right to examine said books, records, and files without written authority of the Board of Directors.

ARTICLE VI - SUPPORT OF HOSPITAL

Section 1 - Fees and Charges

The Board of Directors shall be authorized to prescribe fees and service charges for the use of the Hospital facilities by the members and shall have the authority to enter into contract with employers for furnishing hospital services to its employees. Said Board of Directors shall also have the power to contract with members for furnishing hospital facilities in the event of sickness from natural causes or from any cause requiring hospital facilities. It shall be the duty of the Board of Directors to keep in mind at all times that this is a non-profit, charitable and benevolent association and that only charges should be made, supplemented by contributions, which will be necessary for the proper operation of said Hospital.

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Section 2 - Contributions

The corporation is authorized to receive from any person, firm, corporation, association or organization, church or society, contributions for charitable and benevolent purposes of the corporation.

ARTICLE VII - NON-PROFIT ORGANIZATION

No Officer, or Director, nor any Trustee shall ever receive any remuneration, dividends, salary or bonus for services rendered in the operation and management of said Hospital, except the Administrator, who shall devote full time to said work; and except for actual expenses incurred by any officer or any member of the Board of Directors. No member shall be entitled to any dividends or remuneration of any kind or character except and unless regularly employed at the Hospital. It being the purpose and intention that members of said corporation will receive the benefits in efficient and economical Hospital services. Persons employed in said Hospital shall receive such compensation as may be determined by the Board of Directors. Except as to the Administrator of the Hospital, all other employees are to be employed on a weekly or monthly basis unless their employement is completed by written contract authorized by the Board of Directors.

ARTICLE VIII - THE MEDICAL STAFF

Section 1 - Membership

PARAGRAPH 1 BASIC QUALIFICATIONS: The applicant for membership on the medical staff shall be a graduate from an approved college of medicine or dentistry, a citizen of the United States, legally licensed to practice in the State of Texas, and a member of the State and County Medical Societies, practicing within

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a reasonable distance of the Hospital, and shall possess such further qualifications as may be required by the Credentials Committee.

PARAGRAPH 2 APPLICATION FOR MEMBERSHIP: Application for membership on the medical staff shall be presented in writing on a prescribed form upon which all qualifications shall be fully set forth, together with reference, and the applicant shall signify his agreement to abide by the by-laws and the rules and regulations in force in this institution.

PARAGRAPH 3 TERMS OF APPOINTMENTS: a. Appointments to the medical staff shall be made by the Board of Directors and shall be for the period of one year or until the end of the fiscal year of the hospital. At the end of the fiscal year the Board of Directors may reappoint all members of the medical staff for a further period of one year, provided the medical staff has not recommended that any specific appointment shall not be renewed. In such case all other appointments may be made.

B. Should the Board of Directors wish to take the initiative in refusing to make reappointment of any member , it shall advise the medical staff, stating reasons and asking for recommendations as to further actions.

C. Appointment to the medical staff shall confer on the appointee only such privileges as may be hereinafter provided.

PARAGRAPH 4 PROCEDURE FOR APPOINTMENT: A. The application for membership on the medical staff shall be presented to the Administrator of the hospital and by him referred to the Credentials Committee.

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B. The Credentials Committee shall investigate the character, qualifications, and standing of the applicant and shall submit a report of findings at the regular meeting of the medical staff, or as soon thereafter as possible, recommending that the applicant be accepted, deferred, or rejected. In no case shall this report be delayed for more than three months.

C. On receipt of the report of the Credentials Committee, the medical staff shall recommend to the Board of Directors that the application be accepted, deferred, or rejected.

D. The recommendations of the medical staff shall be transmitted to the Board of Directors through the Administrator of the hospital.

E. The Board of Directors shall either accept or reject the recommendation of the medical staff.

F. When final action has been taken by the Board of Directors, the Administrator of the hospital shall be authorized to transmit the decision to the candidate for membership and, if he is accepted, to secure his signature to these by-laws, rules and regulations. Such signature shall constitute his agreement to be governed by the said by-laws, rules and regulations.

PARAGRAPH 5 TEMPORARY PRIVILEGES: The administrator of the hospital shall have the authority to grant temporary privileges to a physician who desires to attend an occasional patient in the hospital, but who is not a member of the medical staff. Such temporary privileges shall be granted after conference with the chief of staff to determine an authoritative opinion as to the competence and ethical standing of the physician who desires such temporary privileges, and in the exercise of such privileges he shall be under direct super-

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vision of the chief of staff. Temporary privileges may not be granted to attend more than four (4) patients in any one year, after which the physician to whom temporary privileges have been granted shall be required to become a member of the medical staff before being allowed to attend additional patients.

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PARAGRAPH 6 ETHICS AND ETHICAL RELATIONSHIPS: The professional conduct of the staff shall be governed by the Code of Ethics adopted by the American Medical Association and the American College of Surgeons. Specifically, all members of the medical staff shall pledge themselves to scrupulously abstain from receiving from or paying to another physician, either directly or indirectly, any part of a fee received for professional services. On the contrary, it shall be agreed that all fees shall be collected and retained by each individual physician in accordance with the value of the services rendered by him.

Section 2. - Staff classifications

PARAGRAPH 1 THE MEDICAL STAFF: The medical staff shall be divided into honorary, active, courtesy, and resident groups.

PARAGRAPH 2 THE HONORARY MEDICAL STAFF: The honorary medical staff shall consist of physicians who are not active in the hospital and who are honored by emeritus positions. These may be physicians who have retired from active hospital service or physicians of outstanding reputation. The honorary medical staff shall be appointed by the Board of Directors on recommendation of the active medical staff and shall have no assigned duties or responsibilities.

PARAGRAPH 3 THE ACTIVE MEDICAL STAFF: (a) The active medical staff shall consist of physicians resident in Angelina County, who are actively engaged in the medical practice and especially interested in the hospital, its welfare and its progress. Members of the active medical staff shall not be required to be exclusive specialists, but it is to be expected that they will be well-skilled in the particular branch of medicine to which they are assigned, and that a large proportion of their private practice will fall within that specialty.

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(b) Appointments shall be made annually by the Board of Directors.

(c) In so far as free cases are concerned, the members of the active medical staff have unrestricted privileges and shall treat patients assigned to their services to conclusions In so far as private cases are concerned, they shall have unrestricted privileges in the treatment of patients falling within the specialty to which they are appointed.

PARAGRAPH 4 THE COURTESY MEDICAL STAFF: The Courtesy medical staff shall consist of those members of the medical profession, eligible as herein provided for medical staff membership, who wish to attend private patients in the hospital, but by reason of residence, are not eligible for such appointment. They shall be appointed in the same manner as other members of the medical staff and they shall have such privileges as may be determined by the credentials committee in conformity with ARTICLE VI, Section 5 of these by-laws but shall not be eligible to hold office or vote.

PARAGRAPH 5 A RESIDENT PHYSICIAN: Resident physicians, if and when appointed, shall have completed at least the equivalent to a twelve month's rotating internship, and shall be carefully investigated and recommended by the credentials committee prior to appointment. In the absence of the active medical staff, the Resident or Residents shall be in complete charge and have the full responsibility for the care and medical and surgical welfare of all patients of the service or services to which officially assigned, subject only to the executive authority of the administrator. A Resident may be appointed for a term of one, two or three years. A Resident may be appointed to general house service, or to a major division or service only. Residents shall be obliged to attend all regular meetings, but shall not be members of the organized staff.

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Section 3. - Clini[illegible] Departments

PARAGRAPH 1 SERVICES: The active medical staff shall be divided into medical, surgical, and such other services as the size and degree of specialization of the active medical staff may warrant.

PARAGRAPH 2 ASSIGNMENT TO SERVICES: Assignment to the different services shall be made by the active medical staff at its first meeting after its membership has been appointed by the Board of Dkrectors and members shall remain on service for one year or until a successor has been appointed.

PARAGRAPH 3 ORGANIZATION OF SERVICES: Immediately after assignment has been made the members of each service shall meet and shall organize in such a manner as to insure proper care of patients of their services.

Section 4. - Requirements for Major Surgical Practice

PARAGRAPH 1 DEFINITION OF MAJOR SURGERY: For the purpose of establishing minimum standards "Major Surgery" shall be defined as:

a) Operations within or upon the contents of the following cavities:1) Cranium, 2) thorax, and 3) the abdomen, including the pelvis.

b) Any surgical procedures which, because of locality, condition of patients, difficulty or length of time required to operate, constitutes a distinct hazard of life.

c) In case of differences of opinion as to the classification of a proposed operation procedure, the decision of the Chief of Surgical Service shall be final.

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PARAGRAPH 2 QUALIFICATIONS FOR THE PERFORMANCE OF MAJOR SURGERY:

(a) At least one year's experience exclusively in surgery in a hospital approved by the American Medical Association for interns and accredited by the American College of Surgeons,

or

(b) Has filed with the trustees of the hospital the names and addresses of hospitals in which he has performed not less than one hundred (100) consecutive major surgical operations with a fatality rate not exceeding six percent (6%) within the last two years. The hundred (100) operations will also be listed with the patients' names and the operation performed. At least fifty (50) of these cases must be performed in a hospital fully approved by the American College of Surgeons. These one hundred (100) operations will not be acceptable if they are limited to only two (2) or three (3) surgical procedures,

or

(c) Has served as principal assistant to a surgeon with the aforesaid qualifications in not less than two hundred (200) major surgical operations. At least one hundred (100) of these major surgical operations must be in a hospital fully approved by the American College of Surgeons. These two hundred (200) operations will not be acceptable if they are limited to only two (2) or three (3) surgical procedures,

or

(d) After a doctor has been on the Medical Staff of this hospital for a period of two and one half ($2\frac{1}{2}$) years, he can qualify for major surgical privileges by persenting half of the aforesiad cases in (b) or half of the aforesaid cases in (c)

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with a letter signed by the majority of the Medical Staff recommending him for major surgical privileges.

Section 5. - Determination of Qualifications and Privileges

PARAGRAPH 1 CLASSIFICATIONS OF PRIVILEGES: Privileges extended to physicians who have been appointed to the medical staff shall be divided into major, intermediate, and minor, and shall be determined by the Credentials Committee. The following shall serve as a guide in differentiating the three types of privileges:

a) Major privileges in any service will allow the physician to treat patients when for any cause, such treatment involves a serious hazard to the life of the patient.

b) Intermediate privileges in any service will allow the physician to treat patients when, for any cause, such treatment does not involve a serious hazard to the life of the patient but does involve a danger of disability.

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c) Minor privileges in any service will allow the physician to treat patients when, for any reason, the treatment does not involve either a serious hazard to the life of the patient or a danager of disability.

PARAGRAPH 2 NEWLY APPOINTED MEDICAL STAFF MEMBERS: All members of the medical staff when newly appointed shall be granted only minor privileges until such time as the credentials committee shall determine what further privileges may be granted with safety to the patient.

Section 6. - Officers and Committees

PARAGRAPH 1 OFFICERS: The officers of the medical staff shall be the chief of staff, vice-chief of staff, and the secretary. The chief of staff shall be appointed yearly by the Board of Directors. The vice-chief of staff and secretary shall be elected at the annual meeting of the medical staff and shall hold office until the next annual meeting or until a successor is elected.

The Chief of Staff shall call and preside at all meetings, shall be a member ex officio of all committees, and shall have general supervision over all of the professional work of the hospital.

The Vice-Chief of Staff in the absence of the Chief of Staff shall assume all his duties and have all his authority. He shall also be expected to perform such duties of supervision as may be assigned to him by the Chief of Staff.

The Secretary shall keep accurate and complete minutes of all meetings, call meetings on order of the Chief of Staff, attend to all correspondence, and perform such other duties as

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ordinarily pertain to his office. If there are funds to be accounted for, he will also act as treasurer.

PARAGRAPH 2 COMMITTEES: Committees of the medical staff shall be standing and special. All committees other than the executive shall be appointed by the chief of staff. The administrator shall be a member of all committees.

The Executive Committee shall consist of the chief of staff and secretary of the medical staff and of three other members of the active medical staff to be elected at the time of the annual meeting. The duties of the executive committee shall be to consider carefully and act on all matters which are not of a clinical nature and it is to be expected that all such business of the medical staff shall be transacted by the executive committee in order that the time of the regular meetings of the medical staff may be devoted to matters pertaining to the professional care of patients. The executive committee shall present, at each meeting of the medical staff, a report of any action that it may have taken since the last meeting. The executive committee shall act as a liaison group between the medical staff and the Administrator of the hospital.

The Medical Records Committee shall consist of three members of the medical staff and shall meet weekly for the purpose of reviewing the records of all patients discharged during the week. The committee shall report to the medical staff the name of any members who are persistently delinquent in the completion of their records. It shall also act as a program committee and shall be responsible for the preparation and presentation of all programs.

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The Credentials Committee shall consist of three members. Its duties shall be to investigate the credentials of all applicants for membership and to make recommendations in conformity with ARTICLE VI, Section 1, Paragraph 4b, of these by-laws; to investigate any breach of ethics that may be reported; to review any records that may be reffrred by the Chief of Staff, and to arrive at a decision regarding the performance of the medical staff member, or to refer the case to the full medical staff if this is considered desirable; to review all information and as a result of such reviews to make recommendations for granting of privileges and the appointment of members to the various services and departments as provided in ARTICLE VI, Section 5 of these by-laws.

Special Committees shall be appointed from time to time as may be required to carry out properly the duties of the medical staff. Such committees shall confine their work to the purpose for which they have been appointed and shall report to the full medical staff. They shall not have power of action unless such is specifically granted by the motion which created the committee.

Section 7. - Meetings.

PARAGRAPH 1 THE ANNUAL MEETINGS:- The annual meeting of the medical staff shall be the last meeting before the end of the fiscal year of the hospital. At this meeting the retiring officers and committees shall make such reports as may be desirable, officers for the ensuring year shall be elected, and recommendations for appointments to the active medical staff shall be made.

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PARAGRAPH 2 REGULAR MEETINGS: Regular meetings of the medical staff shall be held monthly at a time and place to be provided in the rules and regulations for the government of the medical staff.

PARAGRAPH 3 SPECIAL MEETINGS: Special meetings of the medical staff may be called at any time by the president and shall be called at the request of any five members of the active medical staff.

PARAGRAPH 4 ATTENDANCE AT MEETINGS: a) All members of the active medical staff shall be required to attend all meetings. Absence from three (3) consecutive meetings or from one-third of the regular meetings for the year, without acceptable excuse, shall be considered as resignation from the medical staff.

b) Reinstatement of members of the active medical staff to positions rendered vacant because of absence from meetings may be made on application, the procedure being the same as in the case of original appointment.

c) Members of the honorary, and courtesy divisions of the medical staff shall not be required to attend meetings, but it is expected that they will attend and participate in these meetings unless they are unavoidably prevented from doing so.

d) A member of any division of the medical staff who has attended a case that is to be presented for discussion at any meeting shall be notified and shall be required to be present. Failure to attend on receipt of such notice shall involve the penalty, of a member, of forfeiting his staff membership.

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e) Should a member of the medical staff be absent from any meeting at which a case that he has attended is to be presented, it shall nevertheless be discussed unless the member is unavoidably absent and has requested postponement of the discussion. In no case shall such postponement be granted for a period longer than that which will elapse until the next regular staff meeting.

PARAGRAPH 5 QUORUM: Fifty per cent of the total membership of the active medical staff shall constitute a quorum.

PARAGRAPH 6 AGENDA: The agenda at any regular meeting shall be:

A. Business

1. Call to order
2. Reading of the minutes of the last regular and of all special meetings.
3. Unfinished Business.
4. Communications.
5. Reports of standing and of special business committees.
6. New Business

B. Medical

7. Review of patients in the hospital with special reference to diagnoses, treatment, and delayed recovery; selected cases discharged since the last conference with special consideration of selected deaths, unimproved cases, infections, complications, errors in diagnoses, and results of treat-

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Paragraph 6. - B. (Continued)

ment; and analysis of clinical reports from the various departments.

8. Reports of standing and special medical staff committees.

9. Discussions and recommendations for improvement of the professional work of the hospital.

10. Adjournment.

The agenda at special meetings shall be:

1. Reading of the notice calling the meeting.

2. Discussion of the business for which the meeting was called.

3. Adjournment.

ARTICLE IX - ADOPTION OF RULES AND REGULATIONS

The Board of Directors shall have the authority to adopt such rules and regulations as may be deemed desirable or necessary to prescribe the duties, privileges, and functioning of the Medical Staff.

ARTICLE X - AMENDMENT TO BY-LAWS

The Board of Trustees shall have the authority to amend, modify, repeal or add new provisions to these By-Laws either by a regular meeting or a special meeting called for said purpose. Provided, however, no change shall be made in the By-Laws which will change or modify the duties and powers of the Trustees as is provided in the Charter of the Corporation.