



## **BYLAWS**

### **CALIFORNIA AMBULATORY SURGERY ASSOCIATION**

#### **MISSION STATEMENT**

As a proactive leader in the ambulatory surgery industry, the California Ambulatory Surgery Association will advance communication and education, appropriate legislative and regulatory actions and continue the enhancement of industry excellence to embrace the challenges of the 21<sup>st</sup> Century.

#### **MEMBER CODE OF CONDUCT**

The California Ambulatory Surgery Association (“CASA”) and each of its members agrees to adopt and implement policies to promote ethical management in the ambulatory surgery industry. Members shall promote the advancement of ambulatory surgery technology and methods, encourage educational activities demonstrating the benefits of ambulatory surgery, promote the efficient, safe and effective utilization of medical care resources and operate facilities in a fiscally responsible manner benefitting and protecting the general public.

As part of these ethical obligations, each member agrees to observe, to the extent applicable to a facility, ethical business practices, including but not limited to:

A member facility should not charge or collect an illegal or excessive fee. A fee is considered excessive when after a review of the facts a person knowledgeable as to current charges made by facilities would be left with a definite and firm conviction that the fee is in excess of a reasonable fee. Factors to be considered as guides in determining the reasonableness of a fee include the following:

- (1) The difficulty and/or uniqueness of the services performed and the time, skill, and experience required
- (2) The fee customarily charged in the locality for similar care by facilities that are committed to providing safe and effective care in an efficient and fiscally responsible manner benefitting and protecting the general public.

- (3) The amount of the charges involved.
- (4) The quality of performance.
- (5) The experience, reputation, and ability of the facility in performing the kind of services involved.

The above statement regarding fees is modeled from Opinion 6.05 (as modified in 1994) of the American Medical Association Code of Medical Ethics.

A member facility agrees to be transparent and lawful in its billing and collection practices.

Factors to be considered as guides in determining transparency and lawfulness include the following:

- (1) Timely pre and post-treatment notifications of the patient (or parent or legal conservator if the patient is a minor, or an adult with a legal conservatorship) of anticipated and real charges, and expectations regarding the financial responsibilities of the patient, parent or legal conservator, and of any third party payer to be billed.
- (2) Avoidance of unlawful payments or other improper inducements for referral of patients to the facility. (amended 2013)

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**BYLAWS  
CALIFORNIA AMBULATORY SURGERY ASSOCIATION**

**ARTICLE I**

**PURPOSES**

- 1.1** **Purposes:** The purpose of the California Ambulatory Surgery Association (“CASA” or “Association”) shall be:
- a. To secure, for benevolent and charitable purposes, the improvement of ambulatory surgical methods and techniques by health care providers.
  - b. To exchange knowledge of such methods and techniques among health care providers for the promotion of better quality care for the patients.
  - c. To adopt rules and regulations to promote the ethical management of ambulatory surgery facilities for the protection of the general public through its decisions on membership applications, so to advance the ethical precepts expressed in the CASA Code of Conduct. (amended 2013)
  - d. To advance the knowledge and appreciation of the benefits of ambulatory surgical care among the general public.
  - e. To encourage the effective use of health care resources.
  - f. To conduct and promote health care education for members of the Association, other health care providers, and the general public.
  - g. To establish standards of quality care in the ambulatory surgery setting.
  - h. To establish policy positions on major issues that affect all members of the Association.
  - i. To represent the interests of ambulatory surgery facilities before federal, state, and local governmental bodies and approved accreditation organizations. (As amended 2006)

**ARTICLE II**  
**ORGANIZATION**

- 2.1 Tax Exempt Status.** This Association is organized as a not-for-profit corporation under Section 501 (c) (6) of the Internal Revenue Code to represent member ambulatory surgery facilities in California. The Association's activities shall be conducted for the aforementioned purposes in such a manner that no part of its net earnings shall inure to the benefit of any member, director, officer or individual.

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**ARTICLE III**

**OFFICES**

- 3.1 Principal Office.** The principal office for the transaction of business of the Association shall be located at such place in the State of California, as the Board of Directors shall from time to time designate.
- 3.2 Other Offices.** Branch or subordinate offices may at any time be established by the Board of Directors at any place or places.

**ARTICLE IV**

**MEMBERS**

- 4.1 Classes of Members.** Members of the Association shall be divided into three (3) classes.

**a. Facility Member:** Facilities and organizations recognized as ambulatory surgery centers, are reimbursed as such, and are either certified by Medicare, licensed by the State of California, or accredited by an appropriate accrediting body as an ambulatory surgery center are eligible to be voting members in the Association. Such facilities must show proof of their recognition when applying for membership. Facility members are voting members of the Association. (Amended 2003 & 2006)

**b. Auxiliary Member:** Auxiliary membership shall be available to organizations or companies, which are in the business of providing supplies, equipment and/or services to

ambulatory surgery centers, including any of their affiliates or related entities, which are not qualified in any way as a Facility member. Applicants representing greater than one ASC may join as an Auxiliary member providing that a majority of the entities (ASCs) they represent are members. Auxiliary members are voting members of the Association. (Amended 2009)

**c. Individual Member:** Individual membership shall be available to persons who have demonstrated an interest in the purposes of the organization and the ambulatory surgery industry. Individual members are voting members of the Association. (Amended 2003)

**4.2 Election to Membership.** Application for Membership and for renewal of membership shall be made in writing to the Association's principal place of business. Such Applications shall be reviewed by the CASA Executive Director for completeness and eligibility according to Section 4.1 of these By-laws . An application that is deemed to be complete shall then be presented to the Executive Committee for consideration in accord with the established standards for membership. The Executive Committee will then forward the application and any recommendation and report to the Board of Directors for its consideration. The Applicant will then be notified, in writing, of the decision of the Board of Directors. If the decision is to reject the Application, the Applicant may request a hearing in general accord with the procedures set forth in Section 9.3 of these Bylaws. (amended 2013)

**4.3 Representatives of Facility Members.** Each voting member may have more than one representative attending meetings and participating in the activities of the Association. However, each voting member shall have only one vote at membership meetings. The voting member shall be the Contact person of record at the Association office unless otherwise notified in writing. The designated representative, alternate, or substitute with voting authority must be actively affiliated with the voting member. Members must attend the Annual Meeting to vote. (Amended 2003)

**4.4 Meetings of Members.** An annual meeting of the members of the Association shall be held at such time and place as determined by the Board of Directors. A notice of each annual meeting shall specify the place, time, day and hour of the meeting.

Special meetings of the members, for any lawful purpose whatsoever, may be held upon call by the President, the President Elect, or any four (4) Directors. In addition, special meetings of members may be called for any lawful purpose by five (5) percent or more of the voting members.

All meetings will be conducted by Robert's Rules of Order, Revised, insofar as they do not conflict with any provisions of these Bylaws.

**4.5 Notice of Meetings.** Written notice of meetings shall be given to each member either personally, electronically or by first class mail, addressed to such member at his/her/its address as shown on the books of the Association or as given by the member for the purpose of notice. All such notices shall be sent to each member entitled thereto, not less than ten (10), nor more than ninety (90), days before each meeting, shall specify the place, the day, and the hour of such meeting, and, in the case of a regular meeting, those



matters which the Board, at the time of the notice, intends to present for action by the voting members. In the case of a special meeting, the notice shall state the general matter of the business or proposal to be considered or acted upon at such meeting and no other business may be transacted. In the case of a meeting at which Directors shall be elected, the notice shall specify the names of all those who are candidates for election of Directors at the time notice is given.

- 4.6 **Quorum.** The presence in person of twenty-five percent (25%) of the members entitled to vote shall constitute a quorum for the transaction of business at all meetings. The members present at a duly called or held meeting at which a quorum is present may continue to do business on the announced agenda until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.
- 4.7 **Voting.** If a quorum is present, the affirmative vote of a majority of the voting members represented at the meeting and voting on the matter presented shall be the act of the members except as otherwise provided by the Articles, Bylaws, or the California Nonprofit Mutual Benefit Corporation Law.
- 4.8 **Voting by Written Ballot.** Any action which may be taken at any regular or special meeting of voting members may be taken without a meeting if the Association distributes a written ballot to every member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association. Directors may be elected by written ballot pursuant to this Section.

Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of affirmative votes equals or exceeds the quorum required to be present at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations of ballots shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of votes necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted. A written ballot may not be revoked.

- 4.9 **Rights and Interests.** The rights and interests of all members, other than voting rights, shall be equal and no member shall have or acquire a greater interest therein than any other member.
- 4.10 **Liability.** Members of the Association shall not be held personally liable for the debts, liabilities or obligations of the Association, and all creditors of the Association shall look only to the assets of the Association for payment.

## ARTICLE V

### DIRECTORS

**5.1 Powers.** Subject to the limitations of the Article of Incorporation, the Bylaws, and the laws of the State of California as to actions to be authorized and approved by the members, and subject to the duties of the Directors as prescribed by the Bylaws, all corporate powers for the Association shall be vested in and exercised by its Board of Directors. The Directors shall have power:

- a. To exercise final authority over and manage the business and financial affairs of the Association, including, but not limited to, the acquisition, management, control and disposition of its property and the authorization of all contracts.
- b. To make and use a corporate seal, and to alter the form of such seal as deemed best in its judgment.
- c. To borrow money and incur indebtedness for business purposes of the Association; and to cause to be executed and delivered therefore, and in the Association's name, notes, bills, bonds, deeds of trust, mortgages, pledges, and other evidence of indebtedness.
- d. To establish policies which conduct and control the affairs of the Association.
- e. To recommend changes in the Bylaws not inconsistent with the Articles of Incorporation and the laws of the State of California, nor in conflict with the rights and interests reserved to the members of the Association.
- f. To select and remove officers and agents of the Association as provided herein, to fix compensation and prescribe such duties as may not be inconsistent with these Bylaws.
- g. To accept, on a selective basis, on behalf of the Association, grants, endowments or gifts to the Association.
- h. To establish rules for the organization and procedures governing relationships with all other health care associations and agencies.
- i. To generally perform every act whatsoever that may pertain to the office and powers of the Directors and which may be required for carrying on the affairs of the Association.
- j. To review and set the annual membership fee schedule.

**5.2 Duties.** The Board of Directors shall have the overall responsibility for the Association's policymaking, performance and accountability to the members. In the performance of its responsibilities, the Board of Directors shall:

- a. Have responsibility for the property and control of the affairs and funds of the Association.
- b. Except as otherwise provided in these Bylaws, appoint, discharge and prescribe

the duties of and fix the compensation, if any, of all committees, officers, agents, and employees of the Association.

- c. Serve as a referral committee to which resolutions and Bylaws changes are to be submitted before being placed before the Association membership for approval.
- d. Formulate long and short range plans for the Association, develop programs, adopt an annual work plan, and establish position statements.
- e. Approve the annual budget and membership dues structure, and authorize the expenditures of funds.
- f. Annually evaluate the Association through mechanisms designed to systematically review the performance of the Association measured against its stated objectives.
- g. At its discretion, consult and communicate with the membership on issues concerning the Association.
- h. Perform any other duty necessitated or required by the Bylaws and not inconsistent therewith.

**5.3 Composition and Qualifications.** The Board of Directors shall consist of fourteen (14) elected members. Two of the board seats shall be designated exclusively for physicians (DDS, DO, DPM, MD). Any person or physicians who represents a voting member or group of voting members of this organization may serve as a member of the Board of Directors provided that such person has a continuing, active affiliation with the voting member he/she represents. If after election, a Director ceases to represent or be affiliated with a voting member, the Board may waive such requirements and allow the Director to serve as a non-voting member of the Board of Directors, subject to any additional limitations imposed by the Board. Any Director who misses two (2) consecutive meetings without prior approval from the President (or the approval of the President-elect with respect to an absence of the President) may be removed for cause by a vote of the Board. If the two designated physician seats have no candidates at the time of election the seats will remain vacant. The Board may fill these vacant seats by a qualified physician candidate at any time. These candidates will be confirmed by the membership at the next annual meeting. (As amended 2006)

**5.4 Election and Terms of Office.** All Directors shall be elected by a majority vote of the voting members. The Directors shall serve for a term of four (4) years; provided, however that of those Directors initially elected after the incorporation of the Association three (3) shall serve terms of one (1) year, three (3) shall serve terms of two (2) years, three (3) shall serve terms of three (3) years and, three (3) shall serve terms of four (4) years. The allocation of these initial one (1), two (2), and three (3) year terms shall be apportioned among the initial Directors at the first meeting of the Board by mutual agreement. Each Director shall hold office until the expiration of the term for which elected or until a successor has been qualified and elected. If a Director is appointed as President-elect his/her term shall be extended by such additional time as the Director is serving as President elect, President and Immediate Past President of the Association.

(As amended 2006)

- 5.5 Nominations.** Nominations for elected members of the Board of Directors shall be submitted by the Nominating Committee in conformity with the procedure set forth in Section 7.4 of these Bylaws. In addition, members may make nominations for Directors from the floor of the meeting at which Directors are to be elected.

To qualify a candidate for nomination from the floor, a Letter of Consent to Serve and a Resume must be submitted to the Nominating Committee twenty-four (24) hours prior to elections. (Amended 2003)

- 5.6 Vacancies.** If the office of a member of the Board of Directors becomes vacant less than six (6) months after the annual membership meeting, such vacant position shall be filled by recommendation of the President and approval of majority of the remaining Directors in office, though less than a quorum, until a successor is elected at the next annual meeting (or special meeting called for such purpose) of the members. If the office of a member of the Board becomes vacant when no more than six (6) months remains until the next annual membership meeting, the office shall remain vacant until filled by nomination and election of the voting members at the next annual meeting (or special meeting called for such purpose) of the members. In either event, the successor elected at the next annual meeting (or special meeting called for such purpose) of the members shall fulfill the remaining term of that office of the member of the Board of Directors that he or she is replacing. The members may elect a Director at any time to fill any vacancy not filled by the Directors. A vacancy or vacancies shall be deemed to exist in the case of failure to maintain qualifications as set forth in Section 5.3, death, resignation or removal of any Directors, or if the authorized number of Directors be increased without election of the additional Directors so provided for, or if the members fail at any time to elect the full number of authorized Directors. No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his/her term of office. If at any point, greater than 25% of the offices of the members of the Board become empty, either thru resignation or removal as set forth in Section 5.3, those vacancies shall be filled by recommendation of the President and approval by a majority of the remaining Directors in office, even if the vacancy in offices occurs within six months of the next Annual Business Meeting. However, these appointees must be confirmed by a vote of the Membership at the next scheduled Annual Business Meeting. (Amended 2018)

- 5.7 Time, Date, and Place of Meetings.** Regularly scheduled meetings of the Board of Directors shall be held quarterly or more often as designated by the Board of Directors from time to time. Notice of such regularly scheduled meetings shall be to Directors not less than seven (7) calendar days in advance when sent by first class mail or 48 hours in advance whenever delivered personally or by telephone or electronically. A meeting shall be called by the President, or if he is absent or unable or refuses to act, by the President-elect or by any four (4) Directors. Meetings may be held within or outside of the State of California as designated by the Board. (As amended 2006)

- 5.8 Special Meetings.** Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President, or if he is absent or unable or refuses to act, by the President-elect or by any four (4) Directors.

Notice of Time, date and place of the special meeting shall be delivered to each Director not less than 24 hours before the date of the meeting if given personally or by telephone or electronically and not less than seven (7) days before the date of the meeting if given by first class mail addressed to said Director at his address shown on the records of the Association. (As amended 2006)

- 5.9 Telephonic Meetings.** Members of the Board of Directors may participate in a meeting through use of conference telephone or similar communications equipment. Participation in a meeting through use of telephone or similar communications equipment shall constitute presence in person at such meeting. All votes shall be recorded by roll call. (As amended 2006)
- 5.10 Entry of Notice.** Whenever any Director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such Director, as required by law and the Bylaws of the Association.
- 5.11 Waiver of Notice.** The transactions of any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though a meeting had been held after regular call and notice, if a quorum is present, and if , either before or after the meeting, each of the Directors not present signs a written waiver of notice or consent to holding such meeting or an approval shall be filed with the Association's records and made a part of the minutes of the meeting.
- 5.12 Action without Meeting.** Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings. Such action by written consent shall have the same force and effect as a unanimous vote of the Directors. For the purposes of this Section only "all members of the Board" shall not include any "interested Director" as defined in Section 7233 of the California Nonprofit Mutual Benefit Corporation Law.
- 5.13 Quorum.** A majority of the number of voting Directors shall be necessary to constitute a quorum for the transaction of all business except to adjourn, as hereinafter provided. (As amended 2006)
- 5.14 Voting.** Except as otherwise provided in these Bylaws, every act or decision done or made by a majority of the Directors voting at a meeting duly held at which a quorum is present shall be regarded as an act of the Board of Directors.
- 5.14 Conduct of Meetings.** All meetings will be conducted by Robert's Rules of Order, Revised, insofar as they do not conflict with any provisions of these Bylaws.
- 5.16 Adjournment.** A quorum of the Board of Directors may adjourn any Board of Directors' meeting to meet again at a stated day and hour. A meeting held pursuant to such adjournment may transact any business that may have been conducted at the meeting so adjourned.

- 5.17 **Notice of Adjournment.** In the event a meeting of the Board of Directors is adjourned and reconvened at a time more than 24 hours after the adjournment, notice of the time, date and place of holding the reconvened meeting shall be given, prior to the reconvened meeting, to absent members of the Board of Directors.
- 5.18 **Compensation of Directors.** Directors shall not receive compensation for acting as Directors; provided however, that nothing herein shall preclude a Director from serving as a paid employee or agent of the Board or from receiving reimbursement for reasonable expenses incurred in the performance of the Director's duties hereunder.
- 5.19 **Indemnification.** Except to the extent prohibited by applicable law, this Association shall have, and hereby agrees to exercise, the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Director, Officer, employee or other agent of the Association to the fullest extent allowed under the provisions of Section 7237 of the California Nonprofit Mutual Benefit Corporation Law relating to the power of a corporation to indemnify corporate "agent." The amount of such indemnity shall be so much as the Board of Directors determines and finds to be reasonable, or, if required by said Section 7237, the amount of such indemnity shall be so much as the court determines and finds to be reasonable.
- 5.20 **Liability.** Members of the Board of Directors shall not be personally liable for the debts, liabilities, or obligations of the Association.

## ARTICLE VI

### OFFICERS

- 6.1 **Designation of Officers.** The Officers of the Association shall be the President, President-elect, Immediate Past President, Secretary, and Treasurer. The Association may also have, at the discretion of the Board of Directors, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as the Board of Directors may from time to time appoint. Nothing contained herein shall prohibit the Board of Directors from combining one or more of the various offices. All officers except for any Assistant Secretaries or Assistant Treasurers shall be members of the Board of Directors.
- 6.2 **Appointment and Terms of Office.** All officers shall be appointed by the Board and shall serve for a term of two (2) year. The President-elect, Secretary and Treasurer shall be appointed by the Board of Directors from among those Directors having an unexpired term of two (2) years or more. The President shall automatically succeed to the office of Immediate Past President after serving as President for two (2) years. The President-elect shall automatically succeed to the office of President after serving as President-elect for two (2) years at the discretion of the board. The terms of President-elect, President or Immediate Past President shall be automatically extended to complete the obligation of said position.
- 6.3 **Duties.**

- a. **President:** The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors and these Bylaws, and consistent with the policies of the Association, supervise and direct the affairs of the Association and the activities of the officers. The President shall perform all duties as may be required by these Bylaws or prescribed by the Board of Directors and shall preside over and report at the business session of the annual meeting of the members. The President shall appoint all members and chairmen of standing committees subject to approval by the Board of Directors. The President shall be an ex-officio member of all standing committees approved by the Board of Directors.
- b. **President-elect:** In the absence or disability of the President, the President-elect shall perform the duties of the office of President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The President-elect shall perform such other duties as may be required by these Bylaws or prescribed by the Board of Directors.
- c. **Secretary:** The Secretary shall certify and keep at the principal office of the Association the original or a copy of these Bylaws. The Secretary shall act as secretary of all meetings of the Board (provided that in his/her absence, the presiding officer shall appoint another person to act as secretary for such meeting) and he/she shall keep, or cause to be kept, a book of minutes of all meetings of the Directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, and the names of those present at such meeting. The Secretary shall keep a membership record containing the name and address of each member and the dates when they became members. The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors required by the Bylaws or as required by law to be given; he/she shall keep the seal of the Association, and affix said seal to all documents requiring such seal; he/she shall keep all other books, records and papers of the Association and shall have such other powers and perform such other duties as may be required by the Board of Directors or prescribed by the Bylaws. In case of absence, inability, refusal or neglect of the Secretary to make service or publication of any notices, then such notices may be served and published by the President, President-elect, or by any person thereto generally or specially authorized by the Board of Directors, or if the notice be of a meeting, by the persons ordering such meeting. The Board may also secure an entity to provide Administrative support for any of the listed duties.
- d. **Treasurer:** The Treasurer shall have charge and control and be responsible for all funds of the Association and shall deposit all such funds in the name of the Association in such banks, trust companies or other depositories as may be authorized by the Board of Directors. The Treasurer shall receive and give receipt for, monies due and payable to the Association from any source whatsoever; disburse the funds of the Association as may be directed by the Board of Directors, taking proper vouchers for such disbursements; develop an annual budget for consideration by the Board of Directors; keep and maintain adequate and correct accounts of the Association's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses; and file timely and appropriate federal and state tax returns and reports. Upon reasonable request, the Treasurer shall exhibit, or

- cause to be exhibited the books of account and records of the Association to any Director, or his/her agent, at the Association's principal place of business. The Treasurer shall render a statement of condition of the Association at all regular meetings of the Board of Directors and at any other time requested by the President or Board of Directors and shall provide an annual financial audit to the membership. The Treasurer may delegate those functions described above to a designee approved by the Board of Directors. The Treasurer shall perform all duties incidental to the office of Treasurer and such other duties as may be required by these Bylaws or prescribed by the Board of Directors.
- e. **Immediate Past President:** The Immediate Past President shall perform the duties of the President when both the President and President-elect are unable to fulfill their duties due to absence or disability. When so acting the Immediate Past President shall have all the powers of, and be subject to all the restrictions upon, the President. The Immediate Past President shall perform such other duties as are required by these Bylaws or prescribed by the Board of Directors. (As amended 2006)

- 6.4 Removal.** Any officer or agent may be removed, either with or without cause, by the Board of Directors at any regular or special meeting thereof, or by any superior officer upon whom such power of removal has been conferred by the Board of Directors. Removal of an officer by the Board shall require a two-thirds vote of the Directors present and voting at a meeting duly held at which a quorum is present. The vote shall be taken in closed session. If the vote concerns removal of the President, the responsibility shall fall to the President-elect, or in his/her absence, the Immediate Past President to preside over the meeting.
- 6.5 Resignation.** Any officer may resign at any time by giving written notice to the Board or to the President or Secretary. Any such resignation shall take effect upon receipt of such notice or at any later date specified therein.
- 6.6 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the Board of Directors. In the event of vacancy in any office other than that of President or President-elect, the President may fill the office temporarily by appointment, until such time as the Board can fill the vacancy.
- 6.7 Compensation.** Officers shall not receive any salaries, bonuses, dividends, or any other compensation for their service to the Association, unless specifically disclosed to and approved by the Board of Directors. Nothing herein shall preclude an officer from receiving reimbursement for reasonable expenses incurred in the performance of the officer's duties hereunder.

## ARTICLE VII

### COMMITTEES

- 7.1 Committees of Directors.** The Board of Directors may, by resolution adopted by a majority of the number of directors then in office, provided that a quorum is present,



designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except with respect to:

- a. approving any action for which the California Nonprofit Mutual Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- b. filling vacancies on the Board or in any committee which has the authority of the Board;
- c. fixing the compensation of Directors for serving on the Board or on any Committee;
- d. amending or repealing the Bylaws or adopting new bylaws;
- e. amending or repealing any resolution of the Board which by its express terms is not so amendable or repealable;
- f. appointing committees of the Board or the members thereof;
- g. expending corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected;
- h. with respect to any assets held in charitable trust, approving any self-dealing transaction except as provided in Section 5233 (d) (3) of the California Nonprofit Mutual Benefit Corporation Law.

**7.2 Executive Committee.** The Executive Committee shall consist of the President, President elect, Past President, Secretary, and Treasurer of the Association. The Executive Committee shall have the authority to act between regular or special meetings of the Board, subject to review and approval, by the Board of Directors at its next regular meeting and subject to the limitations on powers of Executive Committees as set forth in Section 7212 of the California Nonprofit Mutual Benefit Corporation Law. The Executive Committee shall also serve as a liaison with similar committees of other professional organizations in the health care field. The Executive Committee shall respond to legislative, regulatory or administrative initiatives of government entities by determining, adopting, publishing, or implementing positions or statements on behalf of the Association, consistent with these Bylaws and the policies of the Board, when the best interests of the Association require action before the Board could reasonably be expected to act on behalf of the Association. (As amended 2006)

**7.3 Standing Committee.** In addition to Committees of the Board, the Association shall have standing committees designated by resolution of the Board or these Bylaws. The members of such committees shall not be required to be Directors. Standing committees shall act in an advisory capacity only and shall not exercise the authority of the Board.

- 7.4 Nominating Committee.** The Nominating Committee shall be a standing committee composed of the President, the Immediate Past President, and President-elect. The nominating committee shall nominate candidates for the Board of Directors. In making such nominations, the Nominating Committee will consider the need for geographic and corporate affiliation diversity as well as prior service on behalf of the Association and or the California ambulatory surgery industry. The Nominating Committee recommendation shall be submitted to the general membership at least ten (10) days prior to the election to be held at the annual meeting of members. (Amended 2009)
- 7.5 Quorum.** A majority of the members of a committee shall constitute a quorum of that committee for purposes of conducting official business.
- 7.6 Reports.** The chairman of each committee shall make reports to the Board of Directors on the activities of that committee with sufficient frequency to ensure that the Board of Directors is at all times adequately informed as to the scope and conduct of activities of the committees.
- 7.7 Minutes.** Minutes shall be kept of each committee meeting. These minutes are to be submitted to the Board for permanent recording.
- 7.8 Ethics Committee.** The Ethics Committee shall be a standing committee composed of at least six members, each of whom is recommended by the President of the Association and then appointed by the Board of Directors.

In making those recommendations and appointments, the President and the Board of Directors shall endeavor to recommend and appoint, respectively, an equal number of current members of the Board of Directors and current members at large. However, current members of the Executive Committee shall not be eligible for membership on the Ethics Committee.

The President and the Board of Directors shall also endeavor to recommend and appoint, respectively, as members of the Ethics Committee, two members of the Association who possess a business background, two members of the Association who possess a clinical background, and two members of the Association who are licensed physicians and surgeons by the Medical Board of California or by the Osteopathic Medical Board of California.

Each appointment to the Ethics Committee shall be for a period of one calendar year, and Committee members shall be eligible for reappointment.

The President and the Board of Directors may designate an attorney at law to serve as an adjunct member of the Ethics Committee.

The duties of the Ethics Committee are as follows:

- At the request of the Executive Committee or the Board of Directors, to evaluate applications for membership, or renewal of membership, in the Association, specifically with regard to whether the applicant has conducted itself in accord

with the Association's "Member Code Of Conduct" and, if granted membership, whether the applicant will continue to adhere to that Code of Conduct.

- To provide guidance to current members of the Association concerning the elements of the Member Code of Conduct, and to assist in the interpretation of the Code of Conduct and its application to current practices within the ambulatory care industry.
- At the request of the Executive Committee or the Board of Directors, to consider concerns expressed about the practice and conduct of any member of the Association vis-a-vis the Member Code of Conduct, and then to engage in a prompt and probing review and investigation of any such concerns, and then to submit a report and any appropriate recommendations regarding those concerns, and potential corrective action, to the Executive Committee and the Board of Directors. (Amended 2014)

## ARTICLE VIII

### FISCAL AND OTHER MATTERS

- 8.1 Annual Report.** The Annual Report will be submitted to the Board for approval no later than 120 days after the close of the corporation's fiscal year. The published report will be presented to members at the annual meeting. (As amended 2006)
- 8.2 Annual Statement of Certain Transactions.** Pursuant to Section 8322 of the California Nonprofit Mutual Benefit Corporation Law, the Board of Directors shall cause an annual statement to be sent to its members whenever required under the provisions of Section 8322 regarding indemnification and self-dealing transactions. If the Association issues an annual report to all members pursuant to Section 8.1, the information required by Section 8322 may be included in said annual report.
- 8.3 Membership Fees.** Any member failing to pay membership fees shall be notified in writing. An automatic termination of membership will be in effect 60 days after notification.
- 8.4 Bonding.** Each employee, officer and agent of the Association responsible for the receipt, custody and disbursement of funds or securities shall be bonded or insured as reasonably possible for the faithful discharge of that person's duties in such sums and with such sureties as the Board of Directors shall determine from time to time. (As amended 2006)
- 8.5 Corporate Seal.** The Corporate Seal shall be circular in form and shall have inscribed thereon the name of the Association and the date of its incorporation.
- 8.6 Fiscal Year.** The fiscal year of this Association shall commence on January 1 of each year and-end on December 31 of the same year.

## ARTICLE IX

### DISCIPLINE

- 9.1 Recall of Officers and Directors.** Any Director or Officer of the Association may be recalled and his office declared vacant upon the vote of two-thirds (2/3) of the members voting at a duly called meeting of the members at which a quorum is present, but in no event shall an Officer or Director be recalled by a vote in favor of recall of less than a majority eligible to vote. Such right of members to recall Officers or Directors does not eliminate the right of the Board of Directors to remove Directors, Officers, or agents as provided in the Bylaws.
- 9.2 Members ability to report unethical behavior to the Board of Directors.** Any member facility who has evidence and or belief to demonstrate another member facility has acted in an unethical manner or has violated the Bylaws or Code of Conduct may report in writing the violation to the Board of Directors. The Board of Directors shall review and investigate such reports and act on its findings in accordance with these bylaws. The Board of Directors may refer any such report to the Executive Committee and/or the Ethics Committee for review and investigation, following which a report and any recommendation will be presented to the Board for its consideration. (Amended 2014)
- 9.3 Authority to Reprimand, Suspend, Non-renew or Expel Members.** The Board of Directors may reprimand, suspend or expel any member guilty of violation of the provisions of these Bylaws, of the Articles of Incorporation or of any act that is in the opinion of the Board, detrimental to the Association or the purpose for which the Association has been established. Notice of such reprimand, suspension, non-renewal or expulsion and the reasons therefore shall be immediately given in writing to said member by registered mail, return receipt request, no later than 15 days prior to the proposed effective date of the reprimand, suspension or expulsion. (amended 2013)

Said notice shall state that the member has the right to demand a hearing before the Board of Directors by filing a written request for such hearing with the secretary of the Association within five (5) days after the receipt of said notice. All such requests must be personally delivered or mailed to the Secretary by postage prepaid certified mail, return receipt requested, within the time limits set forth herein. If a member does not request such a hearing within five (5) days in the manner herein prescribed, the action of the Board of Directors shall be final and conclusive, effective as of the date of the proposed reprimand, suspension or expulsion.

If said request is filed in the manner herein prescribed, the President shall, no fewer than five (5) days before the effective date of the proposed reprimand, suspension or expulsion, call a hearing at which time the member shall be given a full and fair opportunity to meet and answer said charges and grounds. At the conclusion of said hearing which may be continued from time to time by the Board of Directors, the Board of Directors shall affirm, modify or cancel its actions. Notice of the Board's final

determination shall be given in writing and in the manner herein above prescribed to the member.

## ARTICLE X

### BYLAWS

- 10.1 Certification and Inspection of Bylaws.** The Association shall keep in its principal office, the original copy of the Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members of the Association or members of the Board of Directors at reasonable times during business hours.
- 10.2.1 Changes in the Bylaws.** These Bylaws may be amended or repealed by a majority vote of the Board of Directors and by a two-thirds vote of the members present and voting at any annual or special meeting of the Association duly called and held, notice of and content of such proposed changes having been sent to the members ten (10) days before such meeting. (Amended 2003)

## ARTICLE XI

### CONFLICT OF INTEREST

- 11.1 Conflict of Interest.** Any member, Officer, or Director who shall engage with the Association in a business activity of any nature as a result of which the aforementioned party shall profit pecuniarily either directly or indirectly shall fully disclose any such expected financial benefit to the Board of Directors for approval by a disinterested majority prior to contracting with the Association and shall further refrain, if a member of the Board of Directors, from any vote in which such issue is involved, and shall comply in all respects with Section 7233 of the California Nonprofit Mutual Benefit Corporate Law relating to self-dealing contracts.

## ARTICLE XII

### AGREEMENT OF THE MEMBERS

- 12.1 Agreement of the Members.** All of the members of this Association agree with and between each other and the Association that all of the activities of the Association shall be directed toward the fulfillment and furtherance of the purposes of the Association set forth in the Articles of Incorporation, and any amendments thereto, and that all of the contributions, assets and earnings of the Association, if any, shall be expended for, dedicated and devoted to the advancement of said purposes, and no member of the Association, as such, shall ever be entitled to receive any part thereof, either before or after dissolution of the Association. It is further understood and agreed by and between all of the members of the Association, and each other and the Association, that no member as such will withdraw, claim or use any right or interest the member might have to the advancement of its purposes as aforesaid. The understanding and agreement herein

set forth shall bind each and every future member of the Association to the same extent and in the same manner as present members are and shall be bound thereby. These Bylaws, and any amendments or additions thereto, and the Articles of Incorporation of the Association, and any amendments thereof, and any provisions, terms, covenants, or agreements therein contained, shall be and shall constitute a valid and binding contract by and between each of the members of the Association and by and between such members and the Association, which contract shall become effective as to each member upon admission to membership. The agreements of each member under this Section shall be considered as having been made in consideration of, and for the purpose of inducing, the agreement by each of the other members to the same.

### ARTICLE XIII

#### CONSTRUCTION AND DEFINITIONS

- 13.1 Construction and Definitions.** Unless the context otherwise requires, the general provisions, rules of construction, and definition contained in the general provisions of the California Nonprofit Corporation Law and the California Nonprofit Mutual Benefit Corporate Law shall govern the construction of these Bylaws. Words in these Bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context requires. The captions and headings in these Bylaws are intended for convenience only and are not intended to limit or define the scope of effect of any provision.

Certificate of Secretary

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of the California Ambulatory Surgery Association and that the foregoing Bylaws constitute the original Bylaws of said Corporation adopted on September 17, 1992, and amended as of September, 2014.

**IN WITNESS WHEREOF**, I have hereunto subscribed my name and affixed the seal of said Corporation this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

