

BY-LAWS
OF
KANSAS AMBULATORY SURGERY CENTER ASSOCIATION

Amended by Board on

ARTICLE I

Membership

SECTION 1. Classification. The classes of membership in the Kansas Ambulatory Surgery Center Association (the "Association") are:

- A. Surgery Center Professional
- B. Industry Specific Entity Professional

The above membership categories shall be distinguished and apply as defined in the Kansas Ambulatory Surgery Center Association By-Laws (the "By-Laws") and the Kansas Ambulatory Surgery Center Association Standing Rules (the "Standing Rules"), as in effect from time to time.

SECTION 2. Qualification for Membership. Active membership shall be restricted to: (1) physicians or staff members of a licensed ambulatory surgery center in Kansas ("Surgery Center Professional"); and (2) professionals who are employed by, or are an officer of, an entity which is directly involved with the management and/or operation of licensed surgery centers in Kansas ("Industry Specific Entity Professional")

SECTION 3. Annual Period of Membership. The annual period of membership shall be July 1 through June 30, which period shall be the "Membership Year". Each member shall receive an annual membership card.

SECTION 4. Continuation of Membership and Non-transferability. Membership shall not be transferable. If a member ceases to qualify as a member because that member ceases to meet those qualifications described in section 2, above, that member shall no longer continue to be an active member.

SECTION 5. Application and Election.

A. Active Membership. Active membership applications are made to the Association, which determines membership election according to the procedures set forth below.

1. A completed application for membership shall be submitted to the Treasurer or a designee.

2. If the Committee on Membership recommends membership for the application, the applicant's name shall be read at the next regular meeting of the Board of Directors and submitted for vote of the Board of Directors at the following meeting. A vote of two-thirds (2/3) of the members present and qualified to vote shall be necessary to elect.

3. Reapplication of a rejected applicant or expelled member may only occur after a period of one year from the date of expulsion or rejection.

4. All applications for membership shall be filed permanently in the files of the Treasurer.

B. Membership Denial. The applicant shall be given written notice of the denial and the reasons for the rejection of the application. If a membership application fails for lack of the necessary vote of the Board of Directors, the applicant shall be informed of the decision, but without reasons.

SECTION 6. Rights and Privileges.

A. Active members in good standing in the Association whose dues are paid current shall have the privilege of holding office, subject to any eligibility rules. However, each licensed Surgery Center represented among the members and each Industry Specific Entity represented among the members shall have only one vote on any matter. As such, no two owners, employees or agents of the same ambulatory Surgery Center or Industry Specific Entity shall be eligible to vote on any single matter.

B. When a member resigns or otherwise terminates or loses his/her/ membership in the Association, he/she/ shall thereby forfeit all rights and privileges in the Association.

C. A member whose license to operate an ambulatory surgical facility in the State of Kansas has been suspended or revoked shall automatically have his/her/ membership in the Association suspended or revoked. The effect of a suspension for less than one year is that membership is suspended. The effect of a suspension for greater than one year is that membership is revoked and forfeited.

SECTION 7. Expulsion of Members. Any member may be expelled for any lawful reason upon a vote of two-thirds (2/3) of the membership who are eligible to vote. Any expelled member shall be notified of his/her/its expulsion by the Board of Directors by certified mail at the member's last known address within a reasonable time after his/her/its expulsion. An expelled member may reapply for membership in accordance with Article 1, Section III of these By-Laws.

ARTICLE II

Nominations and Elections

SECTION 1. Elective Offices and Elections.

A. Elective offices of the Association shall consist of a President, Vice President, Secretary, Treasurer and Past President. No two officers may be owners, employees or agents of the same ambulatory Surgery Center or Industry Specific Entity. Not more than two Board members may be owners, employees, or agents of the same ambulatory Surgery Center or Industry Specific Entity.

B. The Board shall elect the officers of the Association. The election of officers shall take place at the time of the annual meeting of the Association, subsequent to the election (if any) of Board members.. Each election shall be by secret ballot of the Board members, and majority vote shall control. In case of an office for which more than one candidate is to be chosen, those candidates having the largest number of votes shall be declared elected until the required number of full-term offices shall have been filled, and the candidate shall be declared elected to fill a part-term position if required at the time of such election.

SECTION 2. No person shall be elected to the office of President who has not been a member of the Association for the preceding two years, or to the position of Secretary or Treasurer who has not been a member of the Association for one year. Initial terms of President, Past President and Vice President shall be two years. Initial terms of Secretary and Treasurer shall be one year and then two year terms in subsequent years.

SECTION 3. Elective officers shall be installed at the annual meeting of the Association and take office immediately. They shall serve until their successors are elected and installed.

ARTICLE III

Duties of Officers

SECTION 1. President. The President shall preside at all meetings of the Association and of the Executive Committee. He/She shall call special meetings of the Association upon written request of ten members. Special meetings of the Executive Committee may be called when necessary for the transaction of the business of the Association, or upon written request of a majority of the Executive Committee members. The President shall, by and with consent of the Executive Committee, appoint all standing and special committees and fill all vacancies in appointive office. The President shall be an ex officio member of all standing and special committees, except the Committee on Nominations, without power to vote except in the case of a tie. He/She shall perform such other duties as usually pertain to this office and as parliamentary procedure may require.

SECTION 2. Vice President. The Vice President shall attend all meetings of the Association and of the Executive Committee and shall preside at appropriate meetings in the absence of the President. The Vice President shall perform such duties as directed by the President and Board of Directors. The Vice President shall be designated the President-Elect.

SECTION 3. Secretary. The Secretary shall attend all meetings of the Association and of the Executive Committee and shall make and keep records thereof. The Secretary may conduct or supervise the correspondence of the Association notifying members of meetings, officers of their election, committee members of their appointment and annually inform the officers and committee members of their duties and responsibilities as promulgated in the ByLaws. He/She shall compile and maintain a list of Standing Rules of the procedures of the Association. He/She shall perform such other duties as usually pertain to this office. The Secretary may be provided with such secretarial assistance as the Executive Committee may deem necessary.

SECTION 4. Treasurer. The Treasurer shall attend all meetings of the Association and of the Executive Committee. He/She shall be custodian of all monies due the Association and make all remittances on the order and approval of the Association or the Executive Committee. The Treasurer shall annually submit an annual budget to the Board of Directors for approval. The Treasurer shall render a financial report at the annual meeting of the Association and at such other times as the Executive Committee may direct. The Treasurer shall arrange an audit of the books at the request of the Board. The Treasurer shall perform such other duties as usually pertain to this office. The Treasurer may be provided with such accounting assistance as the Executive Committee may deem necessary.

SECTION 5. Past President. The Past President shall be a member of the Executive Committee and will address those responsibilities designated by the President in consultation with the Executive Director.

During the period of dues renewal, the Treasurer shall take reasonable steps to contact members who have not renewed to encourage them to do so. Whenever there is not an active Committee on Membership for the Association, the Treasurer shall assume the duty of encouraging membership recruitment and retention;

ARTICLE IV

Board of Directors

SECTION 1. Election, Number, and Terms. The Board of Directors shall consist of no more than 13 elected Board members. The Board of Directors shall be elected at the annual meeting of the Association by those members who are eligible to vote (as described in Article I, Section 6, Part A of these bylaws). Each election shall be by secret ballot, and majority vote shall control. The Board of Directors should reflect a similar geographic representation as the membership as a whole. All directors shall be members in good standing. Each Board member shall serve a term of two (2) years unless such term is modified by a vote of the Association members at the time of the election of the Board member. The terms shall expire on a staggered

basis so that no more than two terms expire during any year.

SECTION 2. Nominations. The Committee on Nominations, if one is formed, shall present its recommendations to the Association members in writing no later July 2nd. The report of the Committee on Nominations shall not constitute the nomination of candidates. If no Committee on Nominations is formed, nominations shall simply be made from the floor at the meeting of members.

SECTION 3. Authority. The Board of Directors has general supervision of the business of the Association. The Board of Directors shall meet at the call of the President. Based on the recommendations of the Treasurer, the Board of Directors shall appropriate, allocate or reallocate funds for the expenditure of the Association. The Board of Directors shall review annually and, where necessary, recommend changes in the Articles of Incorporation, Standing Rules and By Laws of the Association. In addition, the Board of Directors shall perform such other duties as are prescribed by these By-Laws.

SECTION 4. Meetings. The meetings of the Board of Directors shall be held at the call of the President or the call of the majority of the Board members. A minimum of three meetings shall be held each year. Notice of the meetings shall be made to all Board members at least three days prior to the meeting. A quorum of the Board of Directors shall be a majority vote of the members of the Board, and a majority vote of all Board members represented shall be necessary to conduct business. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of the members of the Board of Directors entitled to vote with respect to the subject matter thereof.

SECTION 5. At no time shall more than two (2) directors be employed or engaged by or otherwise associated with any one ambulatory Surgery Center or any one Industry Specific Entity. For purposes of these Bylaws, "Affiliated Group" shall mean any type of legal entity, regardless of form (e.g., limited liability company, corporation, etc.) in which the member of any parent, affiliate, subsidiary or related entity holds fifty-percent (50%) or more of the overall equity, beneficial interest or voting authority, or otherwise controls, is under common control with, or is controlled by the Member.

SECTION 6. Each member of the Board has the fiduciary responsibility to represent the industry. Actions that are tantamount to advancing a specific organization that can be viewed as harmful to the industry are grounds for expulsion from the Board.

SECTION 7. Members of the Board must sign a Conflict of Interest Disclosure Form.

ARTICLE V

Standing Committees and Their Duties

SECTION 1. The Executive Committee, the Committee on Membership, the Education Committee and the Government Relations Committee are the only standing committees of the

Association. Other committees may be formed as needed in the determination of the Executive Committee or the membership. When formed in relation to subjects identified in this Article, the authority shall be as stated herein.

SECTION 2. A standing committee, other than the Executive Committee, shall consist of a chairman and at least two other members unless otherwise provided in these By-Laws. The President, subject to any contrary determination of the members, shall make appointments.

SECTION 3. Each standing committee may submit a written report at the annual meeting of the Association.

SECTION 4. The following provisions are not intended to strictly limit the duties of the committees, but are intended as a guide to define the province of each committee.

SECTION 5. Committee on Membership.

A. This shall be a committee of at least three members.

B. The areas of activity of this committee shall be:

1. To receive applications for membership and make recommendations thereon to the Association and to hear informal appeals of denial of application or denial of membership as provided above in these By-Laws.

2. To be responsible for the introduction and indoctrination of new members and the introduction of visitors at meetings.

3. To use all reasonable means to stimulate attendance of the members at meetings.

4. To take all appropriate and effective steps to retain and recruit ambulatory surgery centers as members in the Association, including without limitation reviewing membership material and reviewing the Association's dues structure.

SECTION 6. Government Relations Committee.

A. This shall be a committee of at least three members.

B. The areas of activity of this committee shall be:

1. To interpret and enforce the By-Laws of the Association.

2. To report to the Association on legislation and act as liaison with state and national agencies in any activities concerning legislation or enforcement of laws relating to ambulatory surgery centers.

3. To develop legislative and regulatory strategy and make recommendations

to the Board of Directors regarding the same.

4. To engage with lobbyists and legal counsel, as necessary.

SECTION 7. Executive Committee.

A. This shall be a committee of at least three members. The Past President shall serve as a member of the Executive Committee and shall perform such other duties as deemed necessary by the Executive Committee.

B. The areas of activity of this committee shall be:

1. To report to the Board of Directors.
2. To have general supervision of the business of the Association between regular or special meetings of the membership.
3. To supervise and monitor the financial status of the Association.
4. To establish the dues of the Association.
5. To pass on all expenditures, submitting unusual expenditures to the approval of the Association. No obligations, except current expenses, shall be incurred in the name of the Association without previous authorization by the Association or the Executive Committee.
6. To hire such secretarial assistance as may be necessary and determine the salaries and the terms and conditions of their employment.
7. Receive and pass upon the appointment of all appointive officers and committees otherwise provided in these By-Laws or ordered by the membership.
8. To create such special committees as may be necessary to expedite the functions of the Association.
9. To receive and pass upon all resignations of officers, delegates, or committee members.
10. To supervise and coordinate the activities of all standing and special committees and review the written reports of such committees, and make recommendations concerning the same to the membership.
11. To fill all mid-term vacancies in elective offices.
12. To report its activities at the meetings of the Association.

13. To perform such other duties as are prescribed by these By-Laws or the mandates of the membership.

C. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business.

D. Any action of the Executive Committee may be approved or rejected by the membership at a regular meeting of the Association.

E. Any member of the Association shall have the privilege of meetings of the Executive Committee and may take part in its deliberations upon majority use of the committee.

SECTION 8. Education Committee.

A. This shall be a committee of at least three members.

B. The areas of activity of this committee shall be:

1. To develop educational programs for members,
2. To recruit speakers and sponsors for educational programs.
3. To identify educational models for members.

ARTICLE VI

Meetings

SECTION 1. Regular meetings of the Association shall be held at least annually. The President shall determine specific dates and locations of the meetings. The budget year shall be January 1 through December 31, inclusive. The budget shall be presented to the Board of Directors in August for approval and to the general membership for approval in the fall.

SECTION 2. The order of business of the Association at regular and special meetings shall be as follows:

- A. Minutes of previous meeting;
- B. Correspondence;
- C. Committee Reports;
- D. Treasurer's Report;

- E. Unfinished Business;
- F. New Business;
- G. Adjournment.

SECTION 3. Quorum. One-fifth (1/5) of the members who are eligible to vote (as described in Article I, Section 6, Part A of these bylaws) shall constitute a quorum.

ARTICLE VII

Dues

SECTION 1. The fiscal year for the Association shall be from January 1, to December 31, inclusive.

SECTION 2. The Executive Committee shall determine the annual dues of the Association. The Executive Committee shall review and evaluate the annual dues on a biennial basis, and shall make any adjustments to the annual dues at that time.

SECTION 3. The annual dues shall be payable to the Treasurer of the Association or may be collected and forwarded to the Treasurer of the Association.

SECTION 4. The annual dues shall be payable by upon submittal of membership application. Thereafter, each member shall be responsible for the payment of the full amount of that member's annual membership dues on or before the 15th day of July of each Membership Year.

SECTION 5. A member whose dues have not been paid by 30 days after application submittal shall thereby forfeit his/her/its membership and be dropped from the rolls of the Association. Additionally, a member immediately forfeits his/her/ membership and shall be dropped from the rolls of the Association if that member fails to pay the full amount of that member's annual membership dues on or before the 15th day of July of any Membership Year. Notice of such forfeiture of membership shall be sent to the member at his/her/its last known address by certified mail.

SECTION 6. An individual member who has forfeited its membership by nonpayment of dues may, if otherwise eligible, be reinstated by regular election procedure in the Association upon payment of the current years due.

ARTICLE VIII

Rules of Order

Robert's Rules of Order Newly Revised shall govern the conduct of the deliberations of the Association except as otherwise provided in the Articles of Incorporation or By-Laws of the

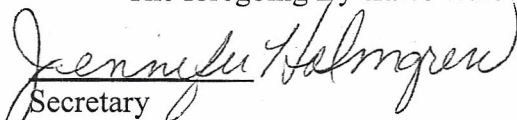
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ARTICLE IX

Amendments

These By-Laws may be amended at any regular meeting by the Board of Directors, provided that the proposed amendment has been read at the last regular meeting. Any members who wish to propose an amendment to the By-Laws shall submit same to the Executive Committee for their consideration. The Committee shall present the proposed amendment to the membership in writing at least one month prior to the vote of the membership.

The foregoing By-Laws were adopted on 10-5-11.


Secretary