

**BY-LAWS
OF CENTRAL MONTANA
COMMUNITY HEALTH CENTER, INC.**

Article I - Name, Purpose

The name of the organization shall be Central Montana Community Health Center, Inc. (CMCHC).

The mission of the Central Montana Community Health Center, Inc. is to provide comprehensive primary health care services that may include dental, mental and substance abuse services to the medically under-served population of Lewistown, Montana and the surrounding rural communities.

Article II - General Powers and Duties

Central Montana Community Health Center's Governing Board will be responsible for the fiscal, personnel, statutory and administrative authorities of the CMCHC. Specifically, the Governing Board is responsible for:

- A. Make all program and policy decisions affecting the delivery of services and fiscal and personnel decisions, as set forth by federal code for applicant governance;
- B. Setting and approving the annual budget;
- C. Reviewing, modifying and approving the Continuation Grant Application;
- D. Approve the hiring and dismissal of an Executive Director.

Article III - Membership

Board Formation

The Board will be formed in accord with the federal rules for governance of federally funded community health centers as set forth *in* 42 CFR 51c.304.

Board Membership

The Board shall consist of no less than nine (9) and no more than fifteen (15) persons, a majority (51%) of whom shall be consumers of services of the CMCHC. As a group, the consumer Board Members must reasonably represent the individuals served by the center in terms of factors such as ethnicity, race, sex, age and economic status. No more than half of the non-consumer Board Members may earn more than 10% of their income from the health care industry as prescribed by federal law. No

Board Member shall be an employee or a family member of an employee of CMCHC.

Section 3 Conflicts of Interest

Each member of the Board is required to fully disclose any business or professional activity that could form, or have the appearance of forming, the basis for a conflict of interest to their position on the Board. The Board shall consider such disclosures and take appropriate actions, as required. Failure to fully disclose as required by this Article is cause for removal from office.

Section 4 Terms of Office

Members of the Board shall serve one (1) three-year term, with one-third of the membership up for re-appointment every year. Initial board terms shall be divided by agreement of the nominated board into one, two and three-year terms in order to ensure this rotation. Terms will begin at the conclusion of the annual meeting. Terms shall be limited to two (2) consecutive three-year terms. Past members may return to service after a three-year hiatus.

Section 5 Vacancies and Resignations Resignations shall be made in writing and presented at a regular meeting of the board. Vacancies will be filled by a majority vote of the Board from the slate of nominees prepared by the nominating committee and presented at least one meeting previous to the vote. The Board may choose, by a quorum vote, not to fill a vacancy, as long as minimum membership is maintained. Nominees will be chosen to represent, as closely as possible, the initial make-up of the Board as described in Section 2.

Section 6 Ex-Officio Members

The Board may appoint Ex-Officio members who have all the privileges and responsibility of membership, except for voting privileges.

Section 7 Compensation

Members shall serve without compensation, except that reasonable expenses shall be paid when travel or other activities occur as a result of Board action.

Section 8 Insurance

The CMCHC may provide director insurance for its board members if deemed necessary and appropriate by a majority vote of the Board.

Article IV – Meetings

Section 1 Annual Meetings

The January meeting of the Governing Board shall be the annual meeting of the Corporation.

Section 2 Regular Meetings

Regular meetings of the board shall be held monthly, at a time and place designated by the Board. A regular meeting may be canceled by a majority vote at the previous meeting.

Section 3 Special Meetings

Special meetings may be called by the Board Chairperson or by the majority of the Board, by giving two days' notice, written or oral, or without notice, if notice is waived in writing by all the members. Notice is considered waived by any member in attendance.

Section 4 Quorum

A quorum shall be constituted of 51% of the total current membership of the Board of Directors. A meeting cannot legally conduct business without 51% of said membership being physically or telephonically present.

Section 5 Voting

All questions at the meetings of the Board shall be decided by majority vote of those entitled to vote who are present in person or by telephone at the meeting. Each member is entitled to one vote. Proxy voting shall not be permitted.

Section 6 Termination

Membership on the Board may be terminated by a member's resignation or by resolution of the Board after any member has missed three(3) meetings without good reason or by two-thirds vote of the Board, whenever, in its judgment, the best interest of the CMCHC will be served. The Chairperson(s) will contact any member who has missed three (3) meetings.

Article V - Officers

Section 1 Officers

The officers of the Board shall consist of the Chairperson, Vice Chairperson, Secretary and Treasurer and such other officers as may be determined by the Board. Two persons may, by decision of the Board, serve as Co-Chairs. The same Board member may hold the positions of Secretary and Treasurer simultaneously.

Section 2 Chairperson

The Chairperson shall be selected from the Board and shall preside over all meetings of the Board. The Chairperson shall be kept advised of the general affairs of the CMCHC and ensure that all orders, resolutions and policies of the Board are implemented. The Chairperson(s) shall perform the usual duties customarily vested

in the office of the Chair of the Board, and shall perform other duties as may be assigned to the Chairperson(s), by the Board.

Section 3 Vice Chairperson

The Vice Chairperson shall perform the duties of the Chairperson when the Chair is absent, and when so acting shall have all the powers and be subject to all restrictions upon the Chair. The Vice Chairperson shall also perform such other duties as may be assigned by the Board or Chairperson.

Section 4 Secretary

The Secretary shall attend all meetings of the Board and shall be responsible for maintaining the minutes of the proceedings of such meetings. The Secretary shall perform other duties delegated by the Board.

Section 5 Treasurer

The Treasurer shall monitor and report on the Program's accounts and funds and may act as the Secretary in the Secretary's absence and perform other duties as assigned by the Board.

Section 6 Elections

Officers shall be elected from a slate prepared by the Nominating Committee and presented at least one meeting prior to the election. Elections will be held no later than January each year at a location to be named by the Board.

Section 7 Term of Office

Officer's terms of office shall be one (1) year, and no member may hold the same office more than three (3) full terms. The officers shall begin filling their term of office at the conclusion of each year's annual meeting.

Article VI - Committees

Section 1 General

The Chairperson shall appoint committee members and designate a Chair of said committee, with Board approval. That Chair and all members of each committee shall hold office for one (1) year or until their successors are appointed and approved. The Chair of each committee shall have the power to fill any vacancies that occur on the committee for the remainder of the year, with approval of the Board. All committees of the Board shall meet at such time and place as designated by the Chair of the committee and as often as necessary to accomplish their duties. All meetings will be documented with minutes.

Section 2 Executive Committee

The Executive Committee shall consist of all Officers of the Board. During the

intervals between meetings of the Board of Directors, the Executive Committee shall possess and may exercise, when necessary to ensure the function of the CMCHC, all the powers of the Board, except the power to add to, amend, or appeal these By-Laws.

Section 3 Committees

From time to time, the Board of Directors may designate from among its members one or more standing committees (such as the Finance Committee, Services Committee, etc.) or special committees (such as the Nominating Committee), each of which shall make recommendations to the rest of the Board of Directors. Committees shall report briefly on their activities or projects at each Board meeting. If requested by the Chair of the Board, the committees shall submit a written report at the annual meeting.

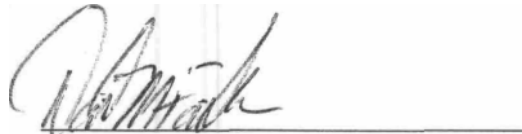
Article VII - Amendments

The Board may amend the By-Laws by a majority vote at a regular or special meeting, provided written notice of such an amendment has been given ten (10) days in advance. Any such proposed amendments should be offered at the regular meeting immediately preceding the meeting at which a vote is to be taken. No By-Laws may be adopted that are in conflict with state or federal laws, specifically those that govern federally funded Community Health Centers.

IN WITNESS WHEREOF, we, the undersigned, are of lawful age, citizens of the United States of America, and residents of the State of Montana, have read and agree to these By-Laws on behalf of the Board of Directors of Central Montana Community Health Center, this 18th day of October, 2004.



KATHIE BAILEY
Chairperson of the Board of Directors



DAVID M. FAULKNER Vice-
Chairperson of the Board of Directors