

**BYLAWS**  
**OF**  
**DESTINATION MEDICAL CENTER CORPORATION**

Effective: \_\_\_\_\_

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**BYLAWS**  
**OF**  
**DESTINATION MEDICAL CENTER CORPORATION**

**ARTICLE I**

**Offices**

**Section 1. Registered Office.** The registered office of Destination Medical Center Corporation (the “**Corporation**”) in the State of Minnesota shall be as stated in the Articles of Incorporation of the Corporation (the “**Articles**”), or such other place within the State as the Board of Directors may designate from time to time.

**Section 2. Principal Office.** The principal office of the Corporation shall be at 201 4th Street Southeast, Rochester, Minnesota 55904, or at such other place as the Board of Directors shall designate from time to time. The business of the Corporation shall be transacted from the principal office, and the records of the Corporation shall be kept there.

**Section 3. Other Offices.** The Corporation may have such other offices within and without the State of Minnesota as the Board of Directors may determine.

**ARTICLE II**

**Board of Directors**

**Section 1. General Powers.** The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors. In addition to the powers conferred upon the Board of Directors by these Bylaws, the Board of Directors may exercise all powers of the Corporation and perform all acts which are not inconsistent with the provisions of Minnesota Statutes Sections 469.40 through 469.47 and not otherwise prohibited to it by law, by the Articles or by these Bylaws, all as may be amended.

**Section 2. Number and Composition.** As required by the Articles of the Corporation and Minnesota Statutes Section 469.41, subdivision 2, the Board of Directors of the Corporation shall be composed of eight (8) members (each, a “**Director**”), as follows:

- (a) The Mayor of the City of Rochester (the “**City**”) or the Mayor’s designee, subject to approval by the City Council;
- (b) The City Council President or the President’s designee, subject to approval by the City Council;

(c) The Chair or another member of the County Board of Olmsted County (the “**County**”) appointed by the County Board;

(d) A representative of Mayo Clinic appointed by Mayo Clinic; and

(e) Four (4) members appointed by the Governor of Minnesota, subject to confirmation by the Minnesota Senate.

**Section 3. Qualifications.** Directors may only be natural persons and a majority of Directors must be adults. Each Director shall demonstrate his or her willingness to accept responsibility for governance and his or her availability to participate actively in governance activities. Except for the Director appointed by Mayo Clinic, a Director must not be a director, officer, or employee of Mayo Clinic, or any Mayo Clinic subsidiary or affiliated entity. No Director may serve as a lobbyist, as defined under Minnesota Statutes Section 10A.01, subdivision 21. No vacancy in the number of or classifications of Directors (including appointees or designees of the mayor of the City, the City Council, the Olmsted County Board, Mayo Clinic, or the governor of Minnesota) on the Board of Directors shall, by itself, render any Board action void or voidable.

**Section 4. Appointment and Term of Office.** Directors appointed pursuant to Section 2, paragraphs (a) through (c) of this Article III shall each serve for a term coterminous with the term of office of the elected official who either serves as the Director or designates the Director, as applicable. Such Directors may be reappointed. The Director appointed by Mayo Clinic pursuant to Section 2, paragraph (d) of this Article III shall serve for a one-year term, which shall be automatically renewed unless otherwise designated at the pleasure of Mayo Clinic. Two (2) of the Directors first appointed by the governor pursuant to Section 2, paragraph (e) of this Article III shall serve until the first Tuesday after the first Monday in January 2017; and two (2) of the Directors first appointed by the governor shall serve until the first Tuesday after the first Monday in January 2020. Thereafter, the Directors appointed by the governor shall serve six-year terms.

**Section 5. Vacancy.** The office of a Director shall become vacant upon a Director’s removal pursuant to Section 6 of this Article III or upon the occurrence of any of the following events prior to the expiration of the term of the Director’s office:

(a) the death of the Director or, as applicable, the elected official who designated the Director;

(b) the resignation of the Director or, with respect to an elected official who designated the Director or who is serving as Director, the resignation of the elected official from the office held;

(c) the removal of the Director or, with respect to an elected official who designated the Director or who is serving as Director, the removal of the elected official from the office held;

(d) with respect to an elected official who designated the Director or who is serving as Director, the elected official's ceasing to be an inhabitant of the state, or, if the office is local, of the district, county or city for which the incumbent was elected or appointed, or within which the duties of the office are required to be discharged;

(e) the conviction of the Director or the elected official who designated the Director of any infamous crime or, as applicable, of any offense involving a violation of the official oath;

(f) with respect to an elected official who designated the Director or who is serving as Director, the elected official's refusal or neglect to take the oath of office, or to give or renew the official bond, or to deposit or file such oath or bond within the time prescribed;

(g) with respect to an elected official who designated the Director or who is serving as Director, the decision of a competent tribunal declaring the elected official's election or appointment void.

A vacancy in the office of a Director shall be filled by the appointing authority that appointed such Director for the balance of the term in the same manner as the regular appointment.

#### **Section 6. Removal of Directors.**

(a) By the Board of Directors. A Director of the Corporation may be removed by the Board of Directors for inefficiency, neglect of duty, or misconduct in office. A Director may be removed by the Board of Directors only after a hearing of the Board. A copy of the charges must be given to the Director at least ten (10) days before the hearing. The Director must be given an opportunity to be heard in person or through representation of counsel at the hearing. When written charges have been submitted against a Director, the Board may temporarily suspend the Director. If the Board finds that those charges have not been substantiated, the Director must be immediately reinstated. If a Director is removed, a record of the proceedings, together with the charges and findings, must be filed with the office of the appointing authority.

(b) By the Appointing Authority. A Director may be removed with or without cause by the appointing authority that appointed such Director by giving written notice of the removal to the Director being removed and the Secretary of the Corporation. Such removal shall be effective upon delivery, unless a later date is specified in the notice.

**Section 7. Resignation.** Any Director may resign at any time by giving written notice of such resignation to the Secretary of the Corporation. Such resignation shall be effective upon delivery, unless a later date is specified in the notice.

**Section 8. Status as Public Official.** A Director of the Corporation is a public official, as defined in Minnesota Statutes Section 10A.01, subdivision 35.

**Section 9. Compensation.** Directors shall be compensated as provided in Minnesota Statutes Section 15.0575, subdivision 3. For the purposes of this Section 9, the Director appointed by Mayo Clinic shall be treated as if an employee of a political subdivision. All money paid for compensation or reimbursement must be paid out of the Corporation's budget.

**Section 10. Fiduciary Duties of Directors.** A Director shall discharge the duties of the position of Director in good faith, in a manner the Director reasonably believes to be in the best interests of the Corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been a Director of the Corporation.

In discharging his or her duties, a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) one or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) counsel, public accountants, or other persons as to matters that the Director reasonably believes are within the person's professional or expert competence; or
- (c) a committee of the board upon which the Director does not serve, as to matters within its designated authority, if the Director reasonably believes the committee to merit confidence.

A Director may not rely on such information, reports, or statements if the Director has actual knowledge concerning the matter in question that makes the reliance unwarranted.

A Director is not considered to be a trustee with respect to the Corporation or with respect to property held or administered by the Corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of the property.

### **ARTICLE III**

#### **Meetings of the Board of Directors**

**Section 1. Open Meeting Law; Data Practices.** Meetings of the Board of Directors of the Corporation and any committee or subcommittee of the Board of Directors are subject to the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D. The Corporation is a government entity for purposes of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.

**Section 2. Place and Time of Meetings.** Within the limitations set forth in this Article IV, the Board of Directors may hold its annual, regular and special meetings at such times and at such places within the City as determined by the Chair of the Board of the Corporation or his or her designee unless the Board of Directors determines otherwise.

**Section 3. Regular Meetings.** The Board of Directors shall hold regular meetings pursuant to a schedule determined by the Chair of the Board, or his or her designee. At each

regular meeting, the Board of Directors shall conduct such business as may properly come before the meeting. A schedule of the regular meetings of the Corporation shall be kept on file at its primary offices. If the Corporation decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided for a special meeting of the Corporation.

**Section 4. Special Meetings.** Special meetings of the Board of Directors may be called by: (a) the Chair of the Board, or (b) upon written request of any two (2) or more Directors of the Corporation. A person entitled to call a special meeting of the Board of Directors may make a written request to the Secretary to call the meeting. The Secretary shall give or cause to be given notice of the meeting in the manner provided in Section 6, below. If the Secretary fails to give notice of the meeting within three (3) days from the day on which the request was received by the Secretary, the person or persons who requested the special meeting may fix the time and place of meeting, and give notice thereof.

**Section 5. Emergency Meetings.** An “emergency” meeting is a special meeting called because of circumstances that, in the judgment of the Board of Directors, require immediate consideration by the Board. The Board of Directors may hold emergency meetings under the circumstances and in accordance with the procedures described in Minnesota Statutes Section 13D.04, subdivision 3.

**Section 6. Notice of Meeting.**

(a) To Directors. Not less than five (5) days’ written notice of a regular meeting and three (3) days’ written notice of a special meeting of the Board of Directors, excluding the day of the meeting, shall be given to all Directors. Notice of an emergency meeting shall be given as soon as possible. No notice of any meeting need state the purpose of the meeting except as may be specifically required by these Bylaws or otherwise required by law, including without limitation the Minnesota Open Meeting Law. Notice of a meeting at which an amendment to the Articles of the Corporation will be proposed must contain the substance of the proposed amendment.

Notice shall be delivered personally, sent by facsimile communication, sent by electronic mail, posted on an electronic network together with a separate notice to the Director of the specific posting, mailed, first class, postage prepaid, or such other methods as are fair and reasonable as determined in the sole discretion of the Secretary of the Corporation. Whenever written notice to Directors provides less than five (5) days’ prior written notice of the meeting, excluding the date of the meeting, reasonable effort shall be made to notify Directors by telephone of the meeting at the time of giving written notice, but the failure to contact any Director(s) by telephone shall not affect the validity of the meeting or any action taken at such meeting.

Notwithstanding the foregoing, and except as otherwise provided by the Minnesota Open Meeting Law, no written notice of any meeting of the Board of Directors is required if the date, time and place of the meeting was announced at a



previous meeting of the Board. Any Director may waive notice of any meeting of the Board of Directors in writing before, at or after a meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, unless he or she objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting. The waiver shall be filed with the person who has been designated to act as secretary of the meeting, who shall enter the waiver upon the records of the meeting. If a Director receives actual notice of a meeting of the Board of Directors at least 24 hours before the meeting, all notice requirements of this Section 6(a) are satisfied with respect to that Director, regardless of the method of receipt of notice.

(b) To the Public. A regular meeting of the Board of Directors of the Corporation held pursuant to the schedule of regular meetings kept at the primary offices of the Corporation does not require additional notice to the public; however, the Corporation shall post an agenda for all such meetings on its principal bulletin board, or if the Corporation has no principal bulletin board, on the door of its usual meeting room, prior to the regularly scheduled meeting. The failure to include an agenda item in the posted agenda shall not prevent action from being taken with respect to such item.

For a special meeting, except an emergency meeting or a special meeting for which a notice requirement is otherwise expressly established by statute, the Corporation shall post written notice of the date, time, place, and purpose of the meeting, as well as an agenda for the meeting, on the principal bulletin board of the Corporation, or if the Corporation has no principal bulletin board, on the door of its usual meeting room. The failure to include an agenda item in the posted agenda shall not prevent action from being taken with respect to such item. The notice shall also be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings with the public body. This notice shall be posted and mailed or delivered at least three days before the date of the meeting. As an alternative to mailing or otherwise delivering notice to persons who have filed a written request for notice of special meetings, the Corporation may publish the notice once, at least three (3) days before the meeting, in a qualified newspaper of general circulation within the area of the Corporation's authority.

For an emergency meeting, the Corporation shall make good faith efforts to provide notice of the meeting to each news medium that has filed a written request for notice if the request includes the news medium's telephone number. Notice of the emergency meeting shall be given by telephone or by any other method used to notify the Directors of the Corporation. Notice shall include the subject of the meeting. Posted or published notice of an emergency meeting is not required.

If a person receives actual notice of a meeting of the Corporation at least 24 hours before the meeting, all notice requirements of this Section 6(b) are satisfied with respect to that person, regardless of the method of receipt of notice.

(c) Closed Meetings. The notice requirements of this Section 6 apply to closed meetings.

**Section 7. Closing a Meeting.** The Board may close a meeting to evaluate the performance of an individual who is subject to its authority, including but not limited to employees of the Corporation, or as otherwise permitted by Minnesota Statutes Section 13D.05, subdivision 3. If a meeting is closed to evaluate the performance of an individual, prior to closing the meeting, the Chair shall identify the individual to be evaluated and at the next open meeting, the Chair shall summarize the Board's conclusions regarding the evaluation; provided, however, that the meeting must be open at the request of the individual who is the subject of the meeting. The Board shall close a meeting if expressly required by law or to discuss information that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults, active investigation data as defined in Minnesota Statutes Section 13.82, or any other data classified as not public if required by Minnesota Statutes Section 13D.05, subdivision 2(a). The Board shall also close a meeting for preliminary consideration of allegations or charges against an individual subject to its authority; provided, however, that if the Board determines discipline may be warranted as a result of such allegations or charges, further meetings related to such allegations or charges shall be open, and all meetings related to such allegations or charges shall be open at the request of the person who is the subject of such allegations or charges. Before closing a meeting, the Board shall state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.

**Section 8. Quorum and Voting.** The presence of six (6) Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but the Directors present at any meeting, although less than a quorum, may adjourn the meeting from time to time. Participation in a meeting by remote communication pursuant to Section 12 below, if permitted by the Minnesota Open Meeting Law, constitutes presence at a meeting. At any meeting of the Board of Directors, except as otherwise provided in the Articles or these Bylaws, each Director present at the meeting shall be entitled to cast one (1) vote on any question coming before the meeting. Except as otherwise provided in these Bylaws, a majority vote of the Directors present at any meeting at which a quorum is established, shall be sufficient to transact any business. Proxy voting is not permitted.

**Section 9. Minutes.** The minutes of meetings of the Board shall record all votes taken at the meeting. The minutes shall record the vote of each Director on appropriations of money, except for payment of judgments and amounts fixed by statute. Minutes of Board meetings shall be open to the public during all normal business hours where records of the Corporation are kept.

**Section 10. Public Copies of Directors' Materials.** Unless a meeting is closed pursuant to Section 7, at least one copy of any printed materials relating to the agenda items of the meeting prepared or distributed by or at the direction of the Corporation or its employees and distributed at, before or available during the meeting to all Directors shall be available in the meeting room for inspection by the public while the Board considers their subject matter. This Section 10 does not apply to materials classified by law as other than public, or to materials relating to the agenda items of a closed meeting.

**Section 11. Rules of Procedure.** The Board of Directors may adopt or establish rules of procedure for conducting meetings provided such rules are not inconsistent with the Articles, these Bylaws or Minnesota law. In the absence of Board action the Chair of the Board may establish rules of procedure for conducting meetings provided such rules are not inconsistent with the Articles, these Bylaws or Minnesota law.

**Section 12. Remote Communications for Board Meetings.** If permitted by the relevant provisions of the Minnesota Open Meeting Law (Minnesota Statutes Sections 13D.015, 13D.02, 13D.021, as amended or replaced), one or more Directors may participate in a meeting of the Board of Directors by means of a conference telephone or other electronic means, in each case through which that Director, other Directors so participating, and all Directors present at the meeting can hear one another, and can hear all discussion and testimony.

## **ARTICLE IV**

### **Officers**

**Section 1. Number and Election.** The Corporation shall have the following officers: (a) a Chair of the Board; (b) a Secretary; (c) a Treasurer; and (d) an Assistant Treasurer. Subject to these Bylaws, the Board of Directors may also elect or appoint an Executive Director and one or more additional officers or assistant officers as it may deem convenient or necessary. Except as provided in these Bylaws and consistent with Minnesota Statutes Section 469.42, the Board of Directors shall fix the powers and duties of all officers. An officer shall hold office until his or her successor shall have been elected or until his or her prior death, resignation or removal from office as hereinafter provided.  

**Section 2. Removal and Vacancies.** Any officer appointed by the Board of Directors shall hold office at the discretion of the Board of Directors and may be removed at any time, with or without cause, by a resolution approved by the affirmative vote of a majority of the Directors present. Any vacancy in an office of the Corporation appointed by the Board of Directors shall be filled by action of the Board of Directors. Any officer appointed by the Chair of the Board shall hold office at the discretion of the Chair of the Board and may be removed at any time, with or without cause, by the Chair of the Board. Any vacancy in an office of the Corporation appointed by the Chair of the Board shall be filled by the Chair of the Board.

**Section 3. Chair of the Board.** The Chair of the Board shall be elected annually by the Board of Directors from among the Directors appointed by the governor and shall hold office at the discretion of the Board. The Chair of the Board shall preside or appoint a designee to preside at meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors from time to time. In the event of vacancy in the office of Executive Director, the Chair of the Board shall exercise the duties of the Executive Director.

**Section 4. Secretary.** The Secretary shall be appointed by the Chair of the Board, and shall hold office at the discretion of the Chair of the Board. The Secretary may, but need not, be a Director of the Corporation. The Secretary shall be responsible for ensuring that all actions and the minutes of all proceedings of the Board of

Directors are recorded in a book to be kept for that purpose, and shall be responsible for all documents and records of the Corporation, except those connected with the office of the Treasurer. He or she shall give or cause to be given any required notice of meetings of the Board of Directors, and shall mail to all Directors within thirty (30) days after each meeting copies of all said actions and minutes of said proceedings, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

**Section 5. Treasurer.** The Treasurer shall be elected annually by the Board of Directors from among the Directors and shall hold office at the discretion of the Board. Unless provided otherwise by a resolution adopted by the Board of Directors, the Treasurer shall ensure accurate financial records for the Corporation are kept; shall ensure that all moneys, drafts, and checks in the name of and to the credit of the Corporation are deposited in such banks and depositories as the Board of Directors shall designate from time to time; shall ensure that all notes, checks, and drafts received by the Corporation as ordered by the Board of Directors, are endorsed for deposit, making proper vouchers therefore; shall oversee the disbursement of corporate funds and checks and drafts in the name of the Corporation as ordered by the Board of Directors; shall render to the Chair of the Board and the Board of Directors, whenever requested, an account of all such officer's transactions as Treasurer and of the financial condition of the Corporation; shall file the Corporation's detailed financial statement with its Secretary at least once a year; shall be responsible for the acts of the Assistant Treasurer, and shall perform such other duties as may be prescribed by the Board of Directors from time to time. The Board of Directors may delegate the responsibilities of the Treasurer to the Assistant Treasurer of the Corporation, provided, however, that such individual(s) shall be subject to the oversight and control of the Treasurer. The Treasurer shall at all times retain the ultimate responsibility for the financial affairs of the Corporation.

**Section 6. Assistant Treasurer.** The Assistant Treasurer shall be appointed by the Chair of the Board, and shall hold office at the discretion of the Chair of the Board. The Assistant Treasurer may, but need not, be a Director of the Corporation. The Assistant Treasurer has the powers and duties of the Treasurer if the Treasurer is absent or incapacitated.

**Section 7. Executive Director.** The Executive Director, if any, shall be appointed by the Board of Directors and shall hold office at the discretion of the Board. The Executive Director shall not be a Director of the Corporation. Unless provided otherwise by a resolution adopted by the Board of Directors, the Executive Director shall have general active management of the business of the Corporation, shall see that all orders and resolutions of the Board of Directors are carried into effect, shall sign and deliver in the name of the Corporation any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the Corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles, these Bylaws, or the Board of Directors to some other officer or agent of the Corporation, may maintain records of and certify proceedings of the Board of Directors, and shall perform such other duties as may from time to time be prescribed by the Board of Directors. The Executive Director shall have the general powers and duties generally vested in the office of a president of a nonprofit corporation and

shall have such other powers and perform such other duties as the Board of Directors may prescribe from time to time.

## **ARTICLE V**

### **Committees**

**Section 1. Committees.** The Board of Directors may establish one or more committees of the Board or advisory committees, as may be specified in resolutions approved by the affirmative vote of a majority of all Directors. Committees of the Board shall have the authority of the Board of Directors in the management of the business of the Corporation to the extent provided in resolutions approved by a majority of all Directors. All committees, however, shall at all times be subject to the direction and control of the Board of Directors. Committee members must be natural persons.

**Section 2. Ex Officio Member.** The Chair of the Board shall be an *ex officio* member, without voting rights, of each committee of the Corporation.

**Section 3. Technical Coordination and Advisory Committee.** The Technical Coordination and Advisory Committee shall be an advisory committee of the Corporation and shall be composed of no more than fifteen (15) members. The Corporation, working with the City and the economic development agency (as defined in Minnesota Statutes Section 469.40, subdivision 9, hereinafter referred to as the “**Agency**”), is required by Minnesota Statutes Section 469.43 to prepare and adopt a development plan for the development of the City as a destination medical center. The Technical Coordination and Advisory Committee shall ensure effective communication and coordination among the Board, the City, and the Agency in the preparation of the development plan described in Minnesota Statutes Section 469.43; shall facilitate the implementation of the goals, objectives, strategies, and projects included in the development plan as described in Minnesota Statutes Section 469.43, subdivision 6; and shall provide guidance and input to the Board of Directors on any such other matters as requested by the Board or Chair of the Board from time to time. The members of the Technical Coordination and Advisory Committee shall be appointed by the Board and shall be composed of: (1) the Chair of the Board or his or her designee from among the Board or the Executive Director; (2) designated staff from and recommended by each of the following departments: City Administration, City Finance, City Public Works, City of Rochester/Olmsted County Planning, and other representatives of City Departments as determined by the City Administrator; (3) the County Administrator or his designee; and (4) representatives from the Agency staff as recommended by the Agency. The Technical Coordination and Advisory Committee shall meet at least once every 60 days, or more often as determined by the Chair of the Board or his or her designee serving on the Committee. The Technical Coordination and Advisory Committee, comprised primarily of city staff persons acting in an advisory capacity only and without any delegation of decision-making authority, is not subject to the Open Meeting Law.

**Section 4. Executive Committee.** The Executive Committee shall be a committee of the Board. The Chair, the Secretary and the Treasurer, and such other persons, if any, elected by

the Board of Directors by resolution shall constitute the Executive Committee of the Board of Directors of the Corporation. A majority of members of the Executive Committee shall be Directors. The Executive Committee shall act only during intervals between meetings of the Board of Directors and shall at all times be subject to the control and direction of the Board of Directors. During such intervals and subject to such control and direction, the Executive Committee shall have and may exercise all of the authority and powers of the Board of Directors in the management of the affairs of the Corporation, subject to such limitations as the Board of Directors may impose. Notwithstanding the foregoing sentence, the Executive Committee may not approve: (a) amendments to the Articles or Bylaws; (b) the development plan described in Minnesota Statutes Section 469.43; (c) project proposals as provided in Minnesota Statutes Section 469.41, subdivision 13; (d) annual reports required by Minnesota Statutes Section 469.43, subdivision 8; or (e) requests for bond financing of projects pursuant to Minnesota Statutes Section 469.44, subdivision 8.

**Section 5. Committee Procedures.** Committees of the Board are subject to and shall comply with the Minnesota Open Meeting Law to the same extent as the Board of Directors of the Corporation, and the provisions of these Bylaws shall apply to such committees and members thereof to the same extent they apply to the Board of Directors and Directors, including, without limitation, the provisions with respect to meetings and notice thereof, and voting, except that a quorum of a committee of the Board shall be established by the presence, in person or by remote communication, of a majority of the members of the committee. Advisory committees shall adopt such procedures as deemed appropriate by each such advisory committee, except as otherwise specifically provided in these Bylaws or resolutions of the Board of Directors. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors.

## **ARTICLE VI**

### **Beneficiary Organization**

**Section 1. Member.** The sole member of the Corporation shall be its beneficiary organization, the City. To ensure the Corporation continues to operate for the sole benefit of its beneficiary organization, the following actions of the Corporation are valid only upon receiving City approval:

- (a) Amendment of the Articles or Bylaws of the Corporation.
- (b) Incurrence of long-term debt;
- (c) Mortgage or encumbrance of any assets of the Corporation;
- (d) Sale, lease or other disposition of all or substantially all of its property and assets;
- (e) Voluntary dissolution;
- (f) Purchase or acquisition of substantially all of the assets of another entity;
- (g) Loan of money or other assets or guarantee the obligations of any person or entity.

- (h) Approval of annual operating budgets, annual or long-range capital budgets, and non-budgeted contracts entered into over \$100,000;
- (i) Approval of the development plan, as defined in Minnesota Statutes Section 469.40, subdivision 6; and
- (j) Approval of public infrastructure projects proposed to it by the Corporation.

**Section 2. Member Powers.** In addition to the powers set forth above in Section 1, the City shall exercise all other powers reserved to members pursuant to the Corporation's Articles, these Bylaws, or Minnesota Statutes Chapter 317A, to the extent such powers are not inconsistent with Minnesota Statutes Sections 469.40 through 469.47.

**Section 3. Actions by City as Member.** The City shall evidence actions taken by it in its capacity as the member of the Corporation by executing and delivering to the Chair or Secretary of the Corporation a written instrument or instruments, signed by an authorized person of the City, setting forth the action taken and the applicable authorizations or directions from the City. The written action of the City is effective when the written instrument or instruments have been signed by an authorized person of the City, unless a different effective time is provided in the written instrument or instruments.

## **ARTICLE VII**

### **Fiscal Matters**

**Section 1. Accounting Year.** The accounting year of the Corporation shall be the calendar year.

**Section 2. Contracts.** The Corporation may contract for the services of the Agency, financial advisors, other consultants, agents, public accountants, legal counsel, and other persons needed to perform its duties and exercise its powers. The Corporation may contract with the City or County to provide administrative, clerical, and accounting services to the Corporation. Financial support of the Corporation by the City as provided in Section 469.44, subdivision 2, shall be pursuant to a contract with the City.

The Corporation must contract with the Agency for the services enumerated in Minnesota Statutes Section 469.43, subdivision 6, paragraph (a). The requirement to contract with the Agency does not limit the Corporation's authority to contract with other providers for the services.

The Board of Directors may authorize such officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be either general or confined to specific instances. Contracts and other instruments entered into in the ordinary course of business and within an approved budget may be executed by the Executive Director, if any, or, in the absence of the Executive Director or pursuant to a delegation by the Executive Director, by such officer designated to act in the place of or in the absence of the Executive Director, without specific Board of Directors authorization.

**Section 3. Loans.** No loans shall be contracted on behalf of the Corporation, and no evidence of indebtedness other than checks, drafts or other orders for payment of money issued in the ordinary course of business shall be issued in its name unless authorized by the Board of Directors of the Corporation. Such authorization and approval may be general or confined to specific instances.

**Section 4. Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be determined by resolution of the Board of Directors or by the Executive Director, if any, or Treasurer upon delegation by the Board of Directors.

**Section 5. Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors or the Executive Director, if any, or Treasurer upon delegation by the Board of Directors may select.

**Section 6. Maintenance of Records; Audit.** The Corporation shall keep at its registered office correct and complete copies of its Articles and Bylaws, accounting records, voting agreements, and minutes of meetings of the Board of Directors, and committees having any of the authority of the Board of Directors for the last six (6) years. All such other records shall be open to inspection upon the demand of any member of the Board of Directors of the Corporation, or as otherwise required by the Minnesota Government Data Practices Act. The City, in its capacity as the member of the Corporation, shall cause the books and records of account of the Corporation to be audited by the City's auditors at such times as it may deem necessary or appropriate.

**Section 7. Corporate Seal.** The Corporation shall have no corporate seal.

**Section 8. Indemnification.** Directors and officers of the Corporation shall be indemnified as provided by law.

## **ARTICLE VIII**

### **Director Conflict of Interest**

Members of the Board of Directors of the Corporation shall comply with Minnesota Statutes Sections 10A.07, 317A.255 and 469.41, subdivision 9, or any successor statutes with regard to Director conflicts of interest; and shall follow such procedures with respect to conflicts of interest as are consistent with the Corporation's status as an organization described in Code Section 501(c)(3). The Corporation may adopt a policy or policies that comply with the foregoing requirements.



## **ARTICLE IX**

### **Amendments**

These Bylaws may be altered, amended or restated as set forth in the Articles.

## **CERTIFICATION**

The undersigned, as Secretary of Destination Medical Center Corporation, a Minnesota nonprofit corporation, hereby certifies that the foregoing Bylaws of the Corporation were adopted by the City as the beneficiary organization of the corporation on the \_\_\_\_\_ day of \_\_\_\_\_, 2013 and by resolution of the Board of Directors at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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Secretary

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