

**BY-LAWS
OF
VIRGINIA ASSOCIATION OF DURABLE
MEDICAL EQUIPMENT COMPANIES**

ARTICLE I

Office

SECTION 1. The registered office of the Virginia Association of Durable Medical Equipment Companies (the “corporation”) in the Commonwealth of Virginia shall be located at P.O. Box 4411, Cary, NC 27519.

SECTION 2. The corporation may also have an office or offices at such place or places, within or outside of the Commonwealth of Virginia as the Board of Directors may from time to time designate, or the business of the corporation requires.

ARTICLE II

Purpose

The general objectives of the corporation are to serve publicly or privately held Virginia companies engaged in the rental, sale, and servicing of durable medical equipment and providing related supplies and services to the public (“DME companies”). Recognizing its obligations to society inherent in this field of endeavor, the corporation shall endeavor to:

SECTION 1. Promote and develop friendly relations between DME companies so that a free exchange of ideas and suggestions for the betterment of the industry as a whole results.

SECTION 2. Adopt programs and activities that help DME companies increase their knowledge and efficiency in the sale and distribution of healthcare supplies and equipment to the persons that the industry serves, conduct meetings and programs that develop patient care, management, sales marketing and equipment servicing skills.

SECTION 3. Provide vocational and sales training and education for those persons that are affiliated with or wish to become affiliated with the industry so that there may be wide technical knowledge of the functions of the commodities supplied by this industry for the maintenance of the public health.

SECTION 4. Promote the progress and development of the industry by conducting studies, programs, activities and projects that enhance such progress and development.

SECTION 5. Encourage research and development of new or improved products and services within the industry.

SECTION 6. Collect, assemble, and disseminate statistical and other information as may be lawfully collected and disseminated under terms and conditions to be determined from time to time by the Board of Directors.

SECTION 7. Cooperate with government officials and agencies in furtherance of the objectives of the corporation and the national welfare.

SECTION 8. Undertake such other programs as may be proper to enhance or promote the welfare of the industry.

ARTICLE III

Membership

SECTION 1. CLASS OF MEMBERSHIP – There shall be two (2) classes of membership in the corporation: voting, (hereinafter referred to as “Members”) and non-voting, (hereinafter referred to as “Associate Members”).

SECTION 2. To be eligible as a Member, a DME company shall establish that it meets the following requirements:

1. Actively engaged in the rental, sales and servicing of DME and related medical supplies.
2. Approved for membership by the Board of Directors.
3. Complies with and observes all applicable legal, ethical and professional requirements.

SECTION 3. To be eligible as an Associate Member, an entity shall establish that it meets the following requirements:

1. Actively engaged in the manufacture or distribution of home health care products or services to DME companies OR actively engaged in the rental, sales and servicing of DME and related medical supplies regardless of its ownership.
2. Maintains membership in a professional or trade association with which the Board of Directors has instituted a reciprocal membership arrangement.
3. Complies with and observes all applicable legal, ethical and professional requirements.

ARTICLE IV

Meetings

SECTION 1. The annual meeting of Members and Associate Members shall be held at the registered office or at such other place announced in the notice of the meeting. At such meeting the Members shall elect directors to serve until their successors are elected and qualify, and transact such other business as may properly be brought before the meeting.

SECTION 2. If the annual meeting shall not be held on the day designated in these By-laws, a substitute annual meeting to be held at the principal office of the corporation or at such other place as the Board of Directors may designate, may be called in accordance with the provisions of Section 3 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

SECTION 3. A special meeting of the Members to be held at a place to be fixed by the Board of Directors and announced in the notice of the meeting may be called at any time by the President, or in his/her absence by the president-elect, or by any three members of the Board of Directors. It shall be the duty of the president, president-elect or directors to call such a meeting whenever so requested by fifty percent (50%) of the Members. A request for the calling of a special meeting of the Members shall state the purpose or purposes of the proposed meeting, and the business to be transacted at such meeting shall be confined to the objects stated in said request.

SECTION 4. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting (except as a different time is specified in these By-laws or by the law of Virginia) either personally, by verifiable electronic media, or by mail, by or at the direction of the president, the secretary, or the officers or persons calling the meeting, to each Member. If mailed, such

notice shall be deemed to be given when deposited in the United States mail addressed to the Member at this address. Notice of a membership meeting to act on an amendment of the articles of incorporation or change in the membership requirements, a plan of merger or consolidation shall be given, in the manner provided above, not less than twenty-five nor more than sixty days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment or plan of reduction or merger or consolidation.

SECTION 5. The president, or in his/her absence, the president-elect shall preside at all such meetings.

SECTION 6. A majority of the Members, represented in person or by proxy, shall constitute a quorum at a meeting of the membership. Each Member shall have one vote regardless of the number of branch offices operated by the DME company. If a quorum is present, the affirmative vote of a majority of the Members represented at the meeting shall be the act of the Members, except when the purpose of the meeting is to act on an amendment of the Articles of Incorporation, or a plan of merger or consolidation, a plan to sell all or substantially all of the assets of the corporation other than in the regular course of business, a plan to dissolve the corporation or other plan pursuant to which the vote of a greater number is required by law or by the charter or By-laws of this corporation in which event the affirmative vote of the holders of a majority of the Members shall be required and except that in election of directors, those receiving the greatest number of votes shall be deemed elected even though not receiving a majority. Less than a quorum may adjourn.

SECTION 7. Each Member shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of the Members. A Member may vote either in person or by proxy executed by the Member or by his duly authorized agent in fact. A proxy shall be void eleven months after its date of execution, unless otherwise provided in the proxy.

SECTION 8. Notwithstanding any other provisions of these By-laws, whenever notice of any meeting for any purpose is required to be given to any Member, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time states therein, shall be the equivalent to the giving of such notice. A Member who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 9. Notwithstanding any provision of the By-laws or Incorporation, any action required by the Commonwealth of Virginia to be taken at a meeting of the Members of a corporation, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Members.

SECTION 10. At any meeting of the Members duly called as provided in these By-laws, any director may be removed from office by a majority vote of all the Members entitled to vote for the election of directors, either with or without cause, and his successor may be elected at such meeting.

ARTICLE V

Board of Directors

SECTION 1. The management of the affairs, property and business of the corporation shall be vested in a Board of Directors consisting of up to fifteen (15) members, four (4) elected officers from different companies, who shall be elected every two years by the Members for a term of two years, and shall hold office until successors are elected and qualify, with up to eleven (11) chairpersons appointed by the Executive Committee. **Two (2) chairpersons may be Associate Members** who may be granted voting privileges by the Board. The immediate past president may serve as an ex-officio member of the Board for a two (2) year term if requested by his successor. In addition to the powers expressly conferred upon it by these By-laws and the Articles of Incorporation, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, or by the Articles of Incorporation, or by these By-laws directed or required to be exercised or done by the Members. Voting for directors shall be simple majority, plurality if there are more than one candidate for each unfilled director position. Those persons who receive the highest number of votes shall be deemed to have been elected.

SECTION 2. No member of the Board of Directors may be compensated for his services to the corporation. For purposes of this Article, reimbursement for expenses incurred by a Board member in carrying out his duties, and complimentary membership for the president's employer during the president's term of office, shall not be deemed compensation.

SECTION 3. The regular annual meeting of the Board of Directors, without other notice than this By-law, shall be held concurrent with each annual Members meeting, and at the same place.

SECTION 4. Special Meetings of the Board of Directors – Special meetings of the Board of Directors may be called at any time by the President or upon written request of four Directors directed to the President.

SECTION 5. Notice of the time and place of all regular and special meetings of the Board of Directors shall be communicated by verifiable electronic media or mailed to each director by the secretary or assistant secretary at least five (5) days before the time fixed for the meeting, unless the giving of such notice is waived by prior resolution of the Board of Directors or pursuant to Section 10 of this Article. All notices of special meetings shall state the purposes thereof, except as this requirement may be waived as hereinafter provided.

SECTION 6. A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of one-third of the members of said board, but the directors present at any directors' meeting, though less than a quorum, may adjourn the meeting from time to time, without notice other than at the time of adjournment. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 7. Notwithstanding any provision of these By-laws or of the Articles of Incorporation, any action which must or may be taken without a meeting of the Board of Directors or any action which may be taken at a meeting, that has been set down in writing and signed in advance by all the directors or all of the members of the committee, as the case may be, shall have the same force and effect as a unanimous vote.

SECTION 8. At a meeting called expressly for that purpose, any director may be removed from office with or without cause by a vote of the Members representing a majority of the Members at an election of the directors. If any directors are so removed, new directors may be elected at the same meeting. Any vacancy occurring in the Board of Directors, including a vacancy resulting from an increase by not more than two in the number of directors, except where caused by the removal of a director, may be filled by an affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall serve for the unexpired portion of the term of the director whose place is being filled and until his successor shall be duly elected and qualify unless sooner displaced.

SECTION 9. At each annual Members meeting, upon written request, the Board of Directors shall submit a statement of the business done during the preceding year, together with a report on the general financial condition of the corporation.

SECTION 10. Notwithstanding any other provisions of these By-laws, whenever notice of any meeting for any purpose is required to be given to any director, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be the equivalent to the giving of such notice. A director who attends a meeting shall be deemed to have had timely and proper notice of the meeting unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 11. The Board of Directors may, by resolution or resolutions, passed by one-third of the board, designate one or more committees, each committee to consist of one (1) or more of the directors of the corporation, which, to the extent provided in such resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business affairs of the corporation, including the following:

1. Regulatory Committee: To communicate and handle regular reimbursement issues on the Association's behalf with Government agencies and other third-party payers.
2. Program Committee: To plan, guide and direct the corporation meetings and convention activities.
3. Membership Committee To oversee the recruitment and retention of members.
4. Legislative Committee
 - A. To handle all matters pertaining to the welfare of the membership in dealing with governmental officials and agencies.
 - B. To report on all matters on new legislation at any level, pertaining to the welfare of the durable medical equipment and supplies industry.
5. By-laws and Ethics Committee
 - A. To make a continuous study of, and correct, or modernize these By-laws.
 - B. To set policy and review the Code of Ethics.
 - C. To appoint, if it wishes, an ethics ombudsman, who shall not be a Member or Associate Member, to review potential un-ethical conduct referred to it by the Committee and consult with Members and Associate Members when appropriate to do so.
6. Elections Committee:
 - A. Shall be appointed yearly to provide for a list of nominations for President, President-elect, Secretary, Treasurer, and Directors to fill vacancies on the Corporate Board of Directors.
 - B. Said committee shall submit the list of nominations to all Members of the Corporation for election at least thirty (30) days prior to the annual meeting.

RECOMMEND TO REMOVE

These committees shall make reports of progress to the Board of Directors at its regular meeting, and shall prepare recommendations to be voted on by the Directors, at least ten (10) days, but not more than thirty (30) days before regular meetings.

SECTION 12. In any case where the corporation enters into any contract, or transacts any business with any director or directors, or with any corporation or association of which one or more of its directors is a Member, Director, officer, trustee or partner, such contract or transaction shall not be invalidated or in any way effected by the fact that such director or directors have or may have had any interest therein which is or might be adverse to the interests of this corporation, so long as full disclosure of the adverse interest is made to the Board, and it unanimously authorizes, affirms, ratifies, or approves such contract or transaction.

ARTICLE VI

Officers

SECTION 1. The officers of this corporation shall be a president, president-elect, a secretary, and a treasurer, but any two officers except those of a president and secretary may be held by the same individual unless there is only one Member, in which event all offices may be held by same individual. The officers shall be elected for a term of two years and shall hold office until their successors are duly elected and qualify. Officers elected to fill vacancies shall be chosen for the unexpired portion of the terms of their predecessors and shall also hold office until their successors are duly elected and qualify.

SECTION 2. An officer may be removed at any time by a majority vote of the Board of Directors at any regular or special meeting of the directors, but any officer whose removal is contemplated shall be granted a reasonable time in which to answer, at a hearing before the Board of Directors, such charges as may be brought against **him/her**. The Board of Directors shall have the power at any regular or special meeting to remove any Officer or Director, and such action shall be conclusive on the Officer or Director so removed.

SECTION 3. Duties of the President

- A. The president shall be the chief executive officer of the association and shall preside at all meetings of the Members and of the Board of Directors.
- B. He/she shall appoint such standing and special committees as are provided for or authorized by the By-laws, and shall be a member ex-officio of all committees. Upon expiration of term he may become a member of the Board of Directors for a term of two (2) years if requested by **his/her** successor.

SECTION 4. Duties of the President-elect

- A. It shall be the duty of the President-elect to preside at the annual meeting and at such other special meetings and shall arrange the agenda for such meeting.
- B. In **addition to other duties**, the President-elect, in the event of the absence or disability of the President, shall act as President, performing all the duties of that office.

SECTION 5. Duties of the Secretary

- A. The Secretary shall keep the records, and conduct the written correspondence of the Association. **He/She** shall keep the roster of Members. **He/She** shall keep a record of the proceedings of each meeting of the association.
- B. **He/She** shall notify each member of the time and place of each meeting in accordance with the provisions of the By-laws. **He/She** shall keep on file a record of all correspondence and business transactions of the corporation. **He/She** shall issue notices of meetings and prepare and maintain the Association's minutes.
- C. **He/She** shall perform other duties as assigned by the Board of Directors.

SECTION 6. Duties of the Treasurer

- A. The Treasurer shall have the custody of, and be responsible for, all funds of the corporation. Those funds shall be kept in accounts in the name of the Association in one or more banks to be designated by the Board of Directors by resolution duly spread upon the records of this Association, and subject to the control thereof by the Board of Directors.
- B. All expenditures of the Association shall be paid on checks prepared by the Treasurer and disbursed by **him/her**.
- C. **He/She** shall collect all funds due the Association from all Sources, issue official receipts thereof, remit promptly to the Treasury the proceeds of such collections, and keep and account for all monies received by his office or transferred to the Treasury. **He/She** shall maintain a bank account of Association funds from which he shall be authorized to withdraw funds on his signature. The president shall be notified in advance of any disbursement in excess of \$100.

- D. At the meeting of the Board of Directors preceding each Annual meeting of the Members of the Association, the Treasurer shall present an audited account of the receipts and disbursements and balance sheet to the close of the last preceding fiscal year.
- E. **He/She** shall present to the Board of Directors such financial reports and other information of the affairs of the Association as the Board may from time to time require
- F. To file tax information with accountant on a yearly basis.

ARTICLE VII

Meetings

SECTION 1. The order of business at all regular meetings of the Board of Directors and of the Members shall follow as nearly as practicable the following outline:

- (a) Calling meeting to order and determination of a quorum.
- (b) Reading and adoption of the minutes of the previous meeting(s).
- (c) Reports of the officers.
- (d) Reports of special committees.
- (e) Election of directors (or officers).
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

ARTICLE VIII

Seal

RECOMMEND REMOVAL

SECTION 1. The corporate seal of the corporation shall be two concentric circles in between which shall be written Virginia Association of Durable Medical Equipment Companies and the words "Corporate SEAL" inscribed in the center portion thereof.

ARTICLE IX

Finances

SECTION 1. The funds of the corporation shall be deposited in such banks, trust companies, or other depositories that the Board of Directors from time to time may designate. Checks drawn to pay any indebtedness of the corporation may be signed by the officer or officers of the corporation that the Board of Directors from time to time may designate if the Treasurer is incapacitated.

SECTION 2. The accounts of the corporation shall be kept on the basis of a calendar year ending on the last day of December of each year. Annual financial statements shall also be prepared as of that date.

ARTICLE X

Amendments

SECTION 1. Amendments to these By-laws may be made by a vote of a majority of the Board of Directors at any regular or special Board of Directors' meeting when the proposed amendment has been set out in the notice of such meeting. Any amendment so adopted by the Board of Directors shall be presented to the Members at their next annual or special meeting and shall be subject to amendment or repeal by the Members at that time.

ARTICLE XI

Dues

SECTION 1. All Members and Associate Members of VADMEC shall pay annual dues as established by the Board of Directors.

ARTICLE XII

Violations

SECTION 1. A Member or Associate Member who believes to a reasonable certainty that there has been a violation by a Member or Associate Member of any By-law, policy, rule, or regulation of the corporation, shall promptly report the violation, in writing, to the President, who shall refer it to the By-Laws and Ethics Committee or **the Board of Directors** for appropriate action.

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Revised 1/6/10